J & M Special Effects SALES TERMS AND CONDITIONS

<u>1.</u> **Returns** will not be accepted without authorization. Upon acceptance of returns, J&M will issue a Return of Materials Authorization, (RMA) which must accompany the returned goods. The RMA number must be clearly marked on the exterior of the package. A 30% restocking fee may be assessed to returned merchandise. Special orders items, custom cuts or colors of confetti and streamers are not returnable. Open packages and any packages that are damaged of any special effects materials are not returnable.

<u>2.</u> Claims for damage or defect of any kind or nature, except for latent defects, must be made in writing within 3 days of receipt of goods. Claims for latent defects are barred unless presented within 30 days of delivery. Claim must be accompanied by the original sales agreement or shipping papers to establish date of purchase. No action arising out of this warranty may be brought by customer more than one year after the cause of action has accrued.

<u>3.</u> Theatrical Glass Orders: *special conditions* Orders for theatrical glass (Breakaway), both custom and stock items, are not cancelable or returnable. Theatrical glass orders, except stock bottles, are shipped at Customer's risk and are not guaranteed against shipping damage. Insurance claims for damaged shipments of theatrical glass will NOT be made by J&M. Claims for shipping damage must be filed by Customer.

<u>4.</u> **Theatrical Glass:** *J&M stock breakaway bottles* Stock bottles of J&M manufacture are guaranteed for one shipment, and will be replaced free of charge and re-shipped at the customers expense on properly filed claims.

<u>5.</u> **Damages** In no event will J&M be liable for any special indirect, incidental, or consequential damages even if J&M has been advised of the possibility of such damages and even if J&M has knowledge that failure to perform could cause consequential economic losses, except to the extent required by applicable law. In any event, damages are limited to the amount actually paid to J&M for the above goods.

<u>6.</u> **Freight** All Shipments FOB point of shipment with transportation expenses paid by the purchaser unless otherwise specified. Risk of loss to products in transit shall fall to Customer whose responsibility it is to file claims with the carrier.

<u>7.</u> **Fitness** Customer undertakes the complete and entire responsibility of ascertaining whether the goods purchased hereunder meet the requirements or are suitable for Customers intended use. Any advice or technical assistance is rendered without compensation (unless specifically paid for as such) and J&M assumes no obligation or liability for such advice given or obtained.

8. Force Majeure J&M shall not be liable for any delay in delivery of any part of the merchandise due to accidents, strikes, fires, Government regulations, or any Force Majeure.

<u>9.</u> **Pyrotechnics & Special Effects Materials** Customer represents that they are fully aware of the dangers and unpredictability involved in the use and handling of pyrotechnic, explosive and special effects materials which can lead to serious injury or death, and Customer willingly and knowingly assumes all risks attendant upon or related to use of pyrotechnic and other special effects products.

<u>10.</u> Licenses, Permits & Local Law Customer represents he or she currently possess all relevant licenses and permits and that the goods purchased will be shipped, stored, used and disposed of strictly in accordance with the laws, codes, regulations and ordinances of the state and/or jurisdiction of destination and/or use.

<u>11.</u> Sales on Account are subject to an additional condition of sale: In consideration of Jauchem & Meeh, Inc. extending credit to the purchaser the purchaser agrees to pay for all of the items delivered to, or at the request of, the purchaser in accordance with the terms of the invoice: any invoice unpaid on the last day of the month in which it is due will be subject to a $1 \frac{1}{2}\%$ service charge (annual percentage rate 18%) will be due every thirty days thereafter. A waiver of any one or more service charge(s) shall not be deemed to be a waiver of any future service charge(s). Purchaser further agrees that with regard to such service charges, the purchaser and Jauchem & Meeh, Inc. are parties to a written contract. Should it be necessary to place the account with a collection agency or attorney, the applicant agrees to pay all collection costs and attorney fees in addition to the other sums due.

<u>12.</u> Sales Tax All sales for delivery within New York State are subject to NYS Sales Tax (currently at 8.875%) on total sale price. Sales tax will not be charged if Customer provides a current NYS resale or tax exemption certificate.

<u>13.</u> **HMIS** A Hazardous Materials Surcharge of 8% (HMIS) will be added to all orders that have any hazardous materials or Dangerous Goods as defined by 49 CFR or IATA/ICAO regulations.

<u>14.</u> **Cancellation** Customer may cancel their order only upon written notice and upon payment to J&M of cancellation charges, which shall take into account any expenses incurred and commitments made by J&M to provide goods or services. Orders that require custom tooling, specialty products or non-stock items are not cancellable once placed.

WARRANTY

The equipment fabricated by J & M Special Effects (J&M) is warranted to be free of defects in material or workmanship for 90 days from date of delivery. Equipment sold as "used" is subject to a 30 day parts and labor warranty. All other equipment is subject to the original manufacturers warranty. Warranty does not extend to units subjected to misuse, abuse, neglect or accidental damage, or to units used in violation of manufacturers operating instructions. Equipment which shows evidence of having been altered, modified or serviced without authorization, or which has had its serial number removed, will be ineligible for service under warranty. Repair, or at our option, replacement or return of purchase price, will be made to any unit manufactured by J&M which proves to be defective during the warranty period, provided the unit is properly packed, with all transportation charges prepaid (insured for replacement value) and shipped to J&M at 524 Sackett Street Brooklyn NY 11217. RMA number must appear on the exterior of the package. Warranty repairs to J&M manufactured goods are made without charge to the customer for parts or labor. This warranty extends to the original purchaser and is not transferable. Repair, replacement or refund, as provided under this warranty, are the exclusive remedies of the customer. This warranty is expressly in lieu of all other warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose. No oral agreement, guaranty, promise, representation or other implied warranty shall be binding.