

TERMS & CONDITIONS OF CONTRACT

The terms and conditions of sale stated in this Contract, unless superseded by a written agreement executed by both parties hereto, shall govern the transaction, notwithstanding any conflicting term or condition of any other document or communication to the contrary. The provisions of this Contract, and any contract or agreement herefrom, shall be governed by the laws of the State of California. This Contract shall be deemed to have been entered into in the City of Belmont, CA.

1. Definitions: The term "Seller" refers to AV INTEGRATORS, INC. The term "Purchaser" refers to the company or person(s) listed on the face side of this Contract and to whom this offer is extended. The word "articles" means articles, products, materials, equipment, supplies, parts, assemblies, technical data, intellectual property, drawings, artwork, designs, services or other items covered by this Contract. "Purchase Agreement" shall be deemed to mean this Contract.

2. Acceptance of Contract: This Contract constitutes Seller's offer to Purchaser and shall become binding upon the terms and conditions set forth herein. Acceptance of Contract by Purchaser is conditioned on assent by Purchaser to any terms hereof which are additional to or different from the terms set forth in the offer. This contract shall not be binding upon Seller until signed by Purchaser and/or Purchaser issues a purchase order, or other evidence of purchase commitment, that is accepted in writing by an authorized representative of Seller. Unless Purchaser otherwise notifies Seller in writing within ten (10) days from the date of this contract, Purchaser will be deemed to have assented to all terms and conditions. Acceptance by Purchaser of delivery of any articles without notice of objection to the terms of this Contract as aforesaid will be deemed to constitute assent to such terms.

3. Prices: All prices charged shall be those in effect at the time of shipment and are Freight-On-Board (F.O.B.) Belmont, CA unless expressly stipulated herein. Prices are subject to change without notice. Any change in the quantities, partial release or destination may incur a price adjustment.

4. Taxes: Purchaser shall pay the amount of any applicable sales, use, compensating, intangibles, gross income or like tax, import duties, export duties and similar charges levied by any governmental authority in connection with this order, but not including taxes payable on the net income of Seller.

5. Title: Seller shall retain a security interest in the articles and property specified in this Contract to secure performance of all of Purchaser's obligations arising under this Contract. Seller agrees that title shall vest in Purchaser upon complete payment of the total invoice price as specified herein. Risk of damage to or loss of the articles described herein shall pass to Purchaser upon delivery to Purchaser or freight carrier, whichever occurs first. Purchaser shall be responsible for any loss or damage caused in transit by the freight carrier and shall bear all responsibility for filing any necessary claims and forms with said carrier in the event of damage to or loss of the articles.

6. Delivery: Seller will use its best, economically feasible, efforts to deliver the Equipment, herein defined as the total deliverable as outlined in the quotation, in accordance with Purchaser requested delivery date subject to receipt of all necessary information from Purchaser. Shipping dates are approximate only, and Seller shall not be liable for any consequential or liquidated damages arising from delays due to causes beyond its reasonable control or due to compliance with any government regulations. Purchaser shall reimburse Seller its additional expenses resulting from any Purchaser-caused delay. When delivery of the Equipment is delayed at the request of the Purchaser, Purchaser shall be obligated to pay such amounts as would be due under the contract if delivery were accomplished without said delay. Purchaser shall have no right to cancel or rescind this agreement by reason of an excusable delay as defined herein, and shall accept such delayed performance by Seller. Purchaser's receipt of the Equipment shall constitute a waiver of any claims for delay. If Purchaser wrongfully refuses to accept the articles specified in this Contract when delivery is tendered, Purchaser agrees to pay to Seller an amount equivalent to twenty-five percent (25%) of the total sale price specified in the Contract. The parties hereto agree

that since it is difficult to determine actual damages in such cases, an amount of twenty-five percent (25%) of the sale price is a reasonable and proper amount as liquidated damages.

7. Change of Specifications: In the event that Purchaser shall, for any reason, change the specifications of the articles provided for in this Contract, any restocking charge, additional freight costs or other costs incurred by reason of such change, shall be the responsibility of Purchaser. Costs incurred through delays occasioned by such changes shall be reimbursed to Seller in addition to delay charges as provided in Paragraph 6, above.

8. Payment Terms: Unless otherwise specified in Seller's quotation or proposal, the total price shall be paid as follows: 50% deposit at time of order, 30% upon equipment delivery at Seller location; 20% upon project completion or first beneficial use. Unless otherwise specified, equipment is sold F.O.B. origin - Purchaser to pay all shipping charges. If this quotation covers equipment for more than one system, room, suite, or location, for purposes of payment in accordance with payment terms stated on the face hereof each room, suite, or location shall be treated as if the subject of a separate sale and payment made accordingly.

9. Buyer in Arrears or Default: In the event Purchaser is in arrears with any payment whatsoever due from it to Seller at any time whatever, the amount in arrears shall bear interest at three (3) percent above the prevailing prime rate as published in the Wall Street Journal for the date each amount falls due, pending actual payment thereof in full, without prejudice to any relief and remedy available to Seller.

10. Title, Risk of Loss: Title to the Equipment shall pass to Purchaser upon shipment, subject to a purchase money security interest retained by Seller until payment of all amounts then due to Seller. Purchaser agrees to execute financing statements under the Uniform Commercial Code or other documents as Seller requests to protect its security interest. Risk of loss or damage to the Equipment or any part thereof shall pass to Purchaser upon shipment.

11. Warranties: Seller warrants that the articles are as described in the Contract. Seller warrants all articles pursuant to the terms of a manufacturer's warranty, to the extent that such a manufacturer's warranty exists. No other warranty, express or implied, is made in respect to the articles.

12. Design-Build Workmanship and Equipment Warranty (if applicable): Seller warrants that the System installed per the quotation or proposal and accompanying Scope of Work to be free from defects in workmanship or equipment failure under normal operating conditions for a period of 1 Year (90 days for original projector lamps and batteries) from the date of the Certificate of Project Completion and Acceptance or date of first beneficial use whichever occurs first. This warranty specifically excludes owner furnished equipment incorporated into the system or used in conjunction with the system.

12a. This Seller warranty provides rectification of such defects, system failure, or component failure during this period per the following schedule:

- (i) Day 1 through 90 after Project Completion and Acceptance: Telephone problem diagnosis, on-site problem diagnosis, and on-site service including equipment removal and replacement labor will be at no charge. Applicable freight charges for equipment to/from Manufacturer if required will still remain the responsibility of Purchaser.
- (ii) Day 91 through Day 365 after Project Completion and Acceptance: Telephone problem diagnosis will be at no charge. Depot service of equipment will be per manufacturer's warranty and will require Purchaser's delivery of defective equipment to Seller location adequately packed for shipment. On-site problem diagnosis, on-site service including equipment removal and replacement labor, and equipment packaging for shipment will be available at a billable rate of \$125/hr portal-to-portal with a 2 hour minimum plus materials. Applicable freight charges for equipment to/from Manufacturer during this period will still remain the responsibility of Purchaser.
- (iii) For Equipment with manufacturer's warranties beyond 365 days after Project Completion and Acceptance: Telephone problem diagnosis will be at a rate of \$125/hr with a 15 minute minimum.

Depot service of equipment will be per manufacturer's warranty and will require Purchaser's delivery of defective equipment to Seller location adequately packed for shipment.

On-site problem diagnosis, on-site service including equipment removal and replacement labor, and equipment packaging for shipment will be available at a billable rate of \$125/hr portal-to-portal with a 2 hour minimum plus materials. Applicable freight charges for equipment to/from Manufacturer during this period will still remain the responsibility of Purchaser.

12b. Seller will provide remediation for such defects proven to be a result of our workmanship during the warranty period at no-charge. Remediation of defects or failures will be handled in a reasonable and economically feasible manner after notification by Purchaser or their agent.

12c. This Workmanship and Equipment Warranty does not apply if the system or any of its components, including wiring and software, are subjected to conditions or actions outside of normal operating conditions including but not limited to misuse, neglect, vandalism, accidental damage, or operational error. Seller is not responsible for "image burn" on display devices as a result of prolonged periods of static images being displayed or projected and in such cases, manufacturer's warranties will apply.

12d. This Workmanship and Equipment Warranty does not apply if fundamental changes to system configuration, system operations or system components are requested or attempted by Purchaser. Such changes or requests will be handled under a separate billable change-order request process and not treated as a warranty repair.

12e. This Workmanship and Equipment Warranty does not apply if system malfunction is caused by owner-furnished equipment. System diagnosis and on-site service for malfunctions found to be a result of owner-furnished equipment will be available at a billable rate of \$125/hr portal-to-portal with a 2 hour minimum plus materials. Applicable freight charges for equipment to/from Manufacturer during this period will still remain the responsibility of Purchaser. Such charges will be handled under a separate billable work order and will not be treated as a warranty repair.

12f. Unless otherwise specified, manufacturer's equipment warranty will be for 1 year (90 days for original projector lamps and batteries and 30 days for replacement lamps). Seller will administer the process of getting equipment repaired or replaced under warranty at no additional charge during the original equipment manufacturer's warranty period provided the defective equipment is delivered to Seller location adequately packed for shipment per the aforementioned schedule.

12g. Travel time to site, system diagnostics, equipment de-installation and re-installation, and equipment repackaging are not included in the manufacturer's warranty. These services, if requested, will be billable at a rate of \$125/hr portal-to-portal with a 2 hour minimum plus materials. Seller offers service agreements, which will provide coverage beyond the Workmanship Guarantee period to accommodate client specific needs.

13. Indemnity: Purchaser agrees to indemnify and hold Seller harmless from any and all claims and liability, including, but not limited to, legal fees and court costs for injuries or death to persons or damage to or destruction of property caused by or resulting from the acts or omissions of Purchaser, its agents, suppliers or employees in the performance of this Contract, and at Seller's option to defend at Purchaser's expense all suits or proceedings arising out of any of the foregoing.

14. Return Policy: NO CREDIT shall be allowed for articles returned without prior written authorization. In the event of the necessity to return defective articles, Purchaser shall obtain from Seller a Return Authorization and ship the defective item(s) to Seller.

15. Repossession: In the event of any breach or default by Purchaser of the terms and conditions of sale set forth herein, Seller shall have the right to peaceably enter any premises where said articles are located upon reasonable notice and during business hours to remove said articles. Seller shall not be liable for any loss or damages arising from the repossession of said articles. These rights of Seller are in addition to and not in substitution of any rights Seller may pursue at law.

16. Assignment, Binding Effect: Purchaser shall not assign or transfer this Contract or any rights or obligations thereunder without the prior written consent of Seller. This Contract shall be binding upon the parties hereto, and their respective successors, heirs and assigns.

17. Attorney's Fees: In the event of any breach or default by Purchaser of the terms and conditions of sale set forth herein, Seller may employ any agency or attorney to collect the purchase price of the articles sold hereby, and Purchaser shall pay to Seller all costs, expenses and fees, including reasonable attorneys' fees incurred by Seller in the enforcement of the said terms and conditions of sale.

18. Entire Agreement: It is agreed that this Contract, as executed by Purchaser, contains the entire agreement between Seller and Purchaser, and that no statement, promise or inducement made by any party hereto, or employee, agent, or salesman of either party hereto, which is not contained in this Contract shall be valid or binding; that no agent, salesman or employee of Seller has any authority to make any promise, inducement or representation unless the same is attached hereto or by addendum referenced on the reverse hereof and specifically made a part of this Contract. This Contract may not be enlarged, modified, or altered except by an instrument in writing, executed by both parties hereto. IT IS AGREED THAT THIS CONTRACT SUPERSEDES ALL PRIOR NEGOTIATIONS AND AGREEMENTS.

19. Compliance: Seller may at any time insist upon strict compliance with these terms and conditions, notwithstanding previous custom, practice or course of dealing to the contrary.

20. Construction: This Contract shall not be strictly construed against either party hereto.

21. General: The quotation shall be firm for the period shown on the face thereof, subject to withdrawal or change by Seller upon notice at any time prior to acceptance of an order. (If no expiration date is noted, the quotation will automatically expire 30 days from date of issuance.) Seller reserves the right to correct typographical errors, should they occur. The quotation supersedes all prior agreements and understandings between the Parties relating to the subject matter and is intended by the parties as the complete and exclusive statement of the terms of the quotation and agreement. Any representation, affirmation of fact, course of prior dealings, promise or condition in connection shall not bind the parties therewith.