

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
EFFECTIVE DATE:	06/01/2002

CONVEYING PARTY DATA

Name	Execution Date
James O. Watkins	06/01/2002
Flutter Fetti, Inc.	06/01/2002
Shirley Watkins	06/01/2002

RECEIVING PARTY DATA

Name:	Ronee C. Holmes
Street Address:	2925 Bienville Street
City:	New Orleans
State/Country:	LOUISIANA
Postal Code:	70119

Name:	Parti-Line International, L.L.C.
Street Address:	2925 Bienville Street
City:	New Orleans
State/Country:	LOUISIANA
Postal Code:	70119

PROPERTY NUMBERS Total: 19

Property Type	Number
Patent Number:	6692335
Patent Number:	5419731
Patent Number:	5507680
Patent Number:	5556319
Patent Number:	5352148
Patent Number:	5655325
Patent Number:	5531628

PATENT

500009080

REEL: 015242 FRAME: 0102

CH \$760.00 6692335

Patent Number:	5620354
Patent Number:	5403225
Patent Number:	5896756
Patent Number:	5354227
Patent Number:	5620355
Patent Number:	5709584
Patent Number:	5823850
Patent Number:	5529527
Patent Number:	5624295
Patent Number:	5643042
Patent Number:	5714210
Patent Number:	5807154

#### CORRESPONDENCE DATA

Fax Number: (504)566-0210  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: (504) 585-0449  
 Email: eymardfc@arlaw.com  
 Correspondent Name: Frank C. Eymard  
 Address Line 1: 701 Poydras Street  
 Address Line 2: 4500 One Shell Square  
 Address Line 4: New Orleans, LOUISIANA 70139

NAME OF SUBMITTER:	Frank C. Eymard
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#### Total Attachments: 39

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## **PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT ("Agreement") dated June \_\_, 2002 is made by and among Ronec C. Holmes ("Holmes"), Parti-Line, L.L.C., a Maryland limited liability company ("Parti-Line"), Parti-Line International, L.L.C., a Louisiana limited liability company ("Parti-Line International"), James O. Watkins, husband of and Shirley Watkins ("Watkins") and Flutter-Fetti, Inc., a Maryland corporation ("Flutter-Fetti"). For purposes of this Agreement, (i) Holmes, Parti-Line and Parti-Line International are sometimes collectively referred to as "Buyers," and (ii) Watkins and Flutter-Fetti are sometimes collectively referred to as "Sellers."

### **WITNESSETH**

That Sellers desire to sell to Buyers and Buyers desire to purchase from Sellers on the terms and conditions of this Agreement those certain patents, inventions, tradenames, trademarks, inventories, leases, equipment and other assets as are hereinafter described. In consideration of the mutual promises contained herein, the mutual benefits derived by each party hereunder and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyers and Sellers agree as follows:

#### **1. PATENTS, ASSETS AND OTHER ASSETS TO BE SOLD.**

1.1 Sellers shall sell, transfer, convey, assign and deliver or cause others to sell, transfer, convey, assign and deliver to Buyers, and Buyers shall purchase and receive all right, title and interest in and to (i) all patents, inventions, tradenames, trademarks, including without limitation, those items listed on Exhibit "A" (collectively the "Patents") owned or controlled by Watkins or Flutter-Fetti; (ii) all assets of Flutter-Fetti, a going concern, including all inventory [including without limitation those items listed on Exhibit "B" (the "Inventory")], equipment, furniture, fixtures, equipment leases [including without limitation the equipment leases listed in Exhibit "C" (collectively the "Equipment Leases")], leasehold improvements, building leases [including without limitation those building leases listed in Exhibit "D" (collectively the "Building Leases")], prepaid expenses, customer lists, customer deposits, contracts, books, records, use of the name Flutter-Fetti, and proprietary software (collectively the "Assets"); and (iii) any and all other tangible or intangible assets owned by Watkins and/or Flutter-Fetti (collectively the "Other Assets").

#### **2. EFFECTIVE DATE.**

2.1 The effective date of the purchase and sale shall be as of June 1, 2002 ("Effective Date").

3. **CLOSING DATE.**

3.1 The closing date of the transaction as contemplated herein and the transfer of the Patents, Assets and Other Assets shall occur on or before June 30, 2002, or such other date as Sellers and Buyers may agree in writing ("Closing Date").

4. **PURCHASE PRICE.**

4.1 As consideration for the sale of the Patents, Assets and Other Assets, Buyers shall pay to Sellers the total price of \$75,000.00 ("Purchase Price") in accordance with the terms and conditions set forth hereinbelow.

5. **OBLIGATIONS AT CLOSING.**

5.1 **Delivery of Purchase Price and Promissory Note.** The Purchase Price shall be paid by Buyers to Sellers as hereinafter provided:

5.1.1 On the Closing Date, Buyers shall pay and deliver to Sellers or their designees \$50,000.00 ("Initial Payment"), in immediately available funds. The balance of the Purchase Price being \$25,000.00 shall be paid by Buyers to Sellers or their designees in twenty (20) monthly installments pursuant to the terms and conditions of the Promissory Note described herein.

5.1.2 In satisfaction of the Purchase Price, Buyers shall deliver the Initial Payment to the following entity:

Watkins & Ward, Inc., a Virginia corporation  
21300 River Road  
Poolesville, MD 20837

5.1.3 On the Closing Date, Buyers shall execute a Promissory Note made payable to Sellers in the principal amount of \$ 25,000.00 with interest at a rate of 7.0% per annum, payable in twenty (20) monthly installments in the amount of \$1,250.00 each month commencing on August 1, 2002, and thereafter on the 1<sup>st</sup> day of each month until fully paid (the "Installment Payments"). In satisfaction of the Installment Payments, unless otherwise directed by the Sellers in writing, the Buyers shall pay and deliver the Installment Payments to the following individual:

Kathy Gazauskas  
6305 Edgemoor Court  
Frederick, MD  
21703

Buyers may, without premium or penalty may prepay the principal of the Promissory Note, in whole or in part, at any time.

5.2 Assignments. On the Closing Date, Buyers and Sellers shall execute and acknowledge such assignments or other instruments sufficient to convey title to the Patents Assets or Other Assets, free and clear of any and all, liens, mortgages or encumbrances (except for the Permitted Encumbrances as described on Exhibit "C - Equipment Lease" and Exhibit "D - Building Leases") to the Buyers or their designees, in accordance with the terms of this Agreement.

5.3 Lessors' Consents. On the Closing Date, Sellers shall provide to Buyers copies of all prior written consents to assign or sublease the Building Leases, which Building Leases expire in March 2003. However, in any event, Sellers agree to use their best efforts after the Closing Date to obtain a release, cancellation or termination of the Building Leases prior to the expiration date in March 2003. In the event Sellers are unable to obtain such release, cancellation or termination from the lessors of the Building Leases, then Sellers shall be responsible to pay the monthly rentals from the Effective Date of this Agreement, through and including, the expiration date in March 2003 of the Building Leases.

5.4 Collateral and Security Documents. On the Closing Date, Buyers shall execute and deliver to Sellers a security agreement, financing statement, or other collateral documents granting to Sellers a lien on the cutters (described on Exhibit "B") which are a part of and constitute the Assets (subject to no other lien, except for the Permitted Encumbrances described on Exhibits "C" and "D").

5.5 Non-Competition Agreement. On the Closing Date, Sellers shall execute and deliver to Buyers a Non-Disclosure and Non-Competition Agreement in a form mutually agreeable to the parties.

5.6 Further Assurances. Sellers agree to or cause all other parties claiming rights to any Patents to prepare, execute, deliver and register any and all other documents, agreements, forms and instruments as may be reasonably necessary, to fully and completely transfer the Patents to the Buyers or their designees and to give full force and effect to the intent and purpose of the transaction contemplated. The Sellers and Buyers agree to execute and acknowledge any such other instruments reasonably necessary to effectuate the transfer of the Patents, Assets and Other Assets.

## **6. FINAL ACCOUNTING AND ADJUSTMENTS**

6.1 Within sixty (60) days after the Closing Date, Sellers shall prepare a final accounting and adjustments ("Final Accounting") are made available in accordance with general acceptable accounting principles. Sellers shall submit the Final Accounting attachment to Buyers, along with copies of third party vendor invoices or other evidence of expenses agreed to

by Buyers and Sellers. Sellers shall have thirty (30) days to confirm the accuracy thereof by audit or otherwise. Upon agreement by Buyers and Sellers as to the accuracy of the Final Accounting statement, or upon the expiration of said thirty (30) days, whichever occurs first, Sellers or Buyers, whichever the case may be, shall promptly pay to the other such sum due, after making adjustments for any payments made at closing.

7. **ALLOCATION OF RECEIVABLES, PAYABLES AND OTHER LIABILITIES.**

7.1 Sellers shall receive all revenues, proceeds and all other benefits attributable to, relating to or accruing from the Patents, Assets and Other Assets for the period prior to the Effective Date. Buyers shall receive all revenues, proceeds and all other benefits attributable to, relating to or accruing from the Patents, Assets and Other Assets for the period after the Effective Date.

7.2 Sellers shall be responsible and pay all invoices that are applicable to work performed or materials and products received prior to the Effective Date. Buyers shall be responsible and pay all invoices that are applicable to work performed or materials and products received after the Effective Date.

7.3 Sellers shall be responsible for all damages (without limit and without regard to the cause or causes thereof, including those pre-existing conditions listed on Exhibit "E") to the leased premises covered by the Building Leases prior to the Effective Date. Sellers shall protect, indemnify, hold harmless and defend (including all attorneys fees and costs) Buyers from all claims, demands or causes of action related to such damages.

8. **RISK OF LOSS.**

8.1 Except as otherwise provided in this Agreement, Sellers shall assume all risk of loss with respect to the Patents, Assets and Other Assets prior to the Closing Date, and Buyers shall assume all risk of loss from and after the Closing Date. In the event any physical asset(s), including fixtures and improvements, valued at less than twenty-five (25%) percent of the Purchase Price and to be sold hereunder is damaged by fire or other calamity before Closing, Sellers may repair the damage at its cost or, at its sole option, either reduce the Purchase Price by the cost of the damage or withdraw the damaged Patents, Assets and Other Assets from the sale and reduce the Purchase Price by the undamaged value thereof. Should the loss exceed twenty-five (25%) percent of the Purchase Price, Buyers shall have the option either to (i) require Sellers to repair the damage, or (ii) terminate this Agreement.

9. **TAXES AND OTHER CHARGES.**

9.1 The parties hereby agree that all real estate, occupational, ad valorem, personal property taxes and charges on any of the Patents, Assets or Other Assets shall be

prorated as of the Effective Date. Sellers shall pay all items for all periods prior to the Effective Date and shall be entitled to refunds, rebates and credits with regard to the period prior to the Effective Date. Buyer shall be responsible for all such charges on and after the Effective Date.

9.2 The parties agree that Sellers shall be responsible for and pay all insurance, including workmen compensation insurance, payroll taxes, rents, utilities and other charges prior to the Effective Date and Buyers shall be responsible for and pay such charges on and after the Effective Date.

#### 10. ADDITIONAL COVENANTS.

10.1 Events of Default. In the event (i) Buyers fail to pay any principal or interest (unless waived) on the Promissory Note when due as required under the terms of the Promissory Note; or (ii) Buyers are placed in bankruptcy (either voluntarily or involuntarily) or liquidation, then Buyers shall be in deemed to be in default.

10.2 Notice and Cure. Upon learning of an event of default, Sellers shall give Buyers written notice of default. Buyers shall be given an opportunity to cure the any default within sixty (60) days from receipt of such written notice prior to exercising any remedies under this Agreement.

10.3 Remedies. If an event of default occurs and is continuing, after passage of the cure period, Buyer may exercise any one or more of the following rights: (i) declare the entire principal and interest then accrued on the Promissory Note due and payable without further notice, presentment or demand; (ii) reduce any claim to judgment; and (iii) exercise all other rights permitted under law.

10.4 Release of Liens. Upon the final payment and full satisfaction of the Promissory Note, Sellers shall deliver the Promissory Note marked "paid" and execute all other documents to release and cancel the security interest, lien or other encumbrances held by Sellers.

10.5 Patents, Assets and Other Assets Not Affected. Notwithstanding anything to the contrary, the parties understand and agree that the security interest, lien, other encumbrances and Promissory Note shall not attach to the Patents, Assets (other than the cutters described on Exhibit "B") and the Other Assets. No event of default, including the failure to satisfy the Promissory Note will permit or allow Sellers to claim any rights to the Patents, Assets (other than the cutters described on Exhibit "B") and the Other Assets. The security interest, lien, other encumbrances and Promissory Note shall only attach to the cutters described on Exhibit "B."



## **11. TERMINATION OF PRIOR AGREEMENTS.**

11.1 The parties recognize and acknowledge that Watkins and Holmes executed those certain agreements identified hereinbelow in connection with the rights, obligations and uses of the Patents:

(a) That certain Agreement dated March 21, 1999, which was made effective March 1, 1999 concerning the grant of a royalty-free, non-exclusive license to make, use and sell all of the inventions and products covered by the U. S. patents, copyrights, trademarks, designs, and tradenames (the "Patent Agreement");

(b) Those certain reciprocal agreements referred to as the (i) Agreement Regarding JOW Heirs and Successors; and (ii) Agreement Regarding RCH Heirs and Successors; each dated effective March 1, 1999 (collectively referred to as the "Reciprocal Agreements");

(c) That certain First Amendment to Agreement Regarding Patents and Inventions made effective March 1, 1999 ("First Amendment"); and

(d) Agreement to Convey, Transfer and Assign Patents and Inventions dated January 10, 2002, effective September 1, 2001 ("Conveyance Agreement").

For purposes of this Agreement, the Patent Agreement, Reciprocal Agreements, First Amendment and Conveyance Agreement are collectively referred to as the "Prior Agreements." The parties agree that upon the closing of the transaction contemplated under this Agreement, the Prior Agreements shall terminate for all purposes as of the Effective Date of this Agreement.

## **12. SUBJECT TO CONTRACTS.**

12.1 The Parties recognize, acknowledge and agree that certain Patents and Inventions are subject to certain license agreements, commitments and assignments to certain licenses. Those license agreements, commitments and assignments are identified as follows:

(a) That certain License Agreement dated June \_\_ 2000, by and between Unique Industries, Inc. and Parti-Line International, L.L.C., which affects the cone-shaped confetti streamer throwing device covered by U. S. Patent 5,620,354 and other related patents, including those subsequent agreements (either completed or currently under negotiation) concerning fetti flinger and fire cracklers products ("Unique Licenses").

**13. ROYALTIES.**

12.1 On or after the Effective Date, all royalties or other consideration (except for the Initial Payment, the Installment Payments and any royalty rights under the Unique Licenses) payable to Watkins shall cease. To the extent the Unique Licenses is in full force and effect, any and all compensation, consideration or royalty payable to Watkins for those Patents and Inventions described in the Unique Licenses (as same may be amended) shall continue to be payable to Watkins and Holmes as provided under those agreements and licenses.

**14. REPRESENTATIONS AND WARRANTIES**

14.1 Sellers' Representations and Warranties. Sellers represent and warrant to Buyers that, as of the date hereof and as of the Closing Date, the following statements are accurate:

14.1.1 Flutter-Fetti is a corporation duly organized and validly existing, in good standing, under the laws of the State of Maryland. Seller has the corporate power and authority to own its property and to carry on its business as now conducted and to enter into and to carry out the terms of this Agreement.

14.1.2 Watkins has the full capacity, power and authority to enter into this Agreement and to carry out the transaction as contemplated by this Agreement.

14.1.3 Watkins is the lawful owner of the Patents and the ownership of the Patents and the Other Assets (as applicable) are free and clear of all mortgages, deeds of trust, liens, pledges, security interests, encumbrances or other burdens (other than Permitted Encumbrances).

14.1.4 Flutter-Fetti is the lawful owner of the Assets and the ownership of the Assets and the Other Assets (as applicable) are free and clear of all mortgages, deeds of trust, liens, pledges, security interests, encumbrances or other burdens (other than Permitted Encumbrances).

14.1.5 There is no (i) outstanding order, writ, injunction, suit, action, or legal, administrative or arbitration proceeding pending or threatened, and (ii) no claim, and no investigation of or inquiry by any administrative agency or governmental body, pending or threatened (a) against any of the Patents, Assets or Other Assets, or (b) against Sellers and relating to or affecting in

any way the Patents, Assets and Other Assets, and there is no basis or grounds for any such suit, action, proceeding, claim, investigation or inquiry.

14.1.6 There is no outstanding order, writ, injunction or decree of any court, administrative agency or governmental body or arbitration tribunal against or affecting (a) any of the Patents, Assets or Other Assets, or (b) Sellers.

14.1.7 Sellers have duly and timely paid taxes and all assessments, notice of which has been received by it. To the best of Sellers' knowledge, Sellers have duly and timely paid all other taxes, governmental charges, duties, penalties, interests and fines due and payable by it and affecting the Patents, Assets or Other Assets, and their operation on or before the date of this agreement. There are no suits, actions, claims, investigations, inquiries, or proceedings threatened or now pending against Sellers in respect of taxes, governmental charges, duties or assessments, or any matters under discussion with any governmental authority relating to taxes, governmental charges, duties or assessments, or any such authority, which would affect the Patents, Assets or Other Assets, or their operation and there is no assertion against Sellers of any debt or liability, which would affect the Patents, Assets or Other Assets.

14.1.8 No representation or warranty of Sellers under this agreement contains any untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading. There is no fact known to Sellers and not known to Buyers which materially adversely affects the operations or conditions of the Patents, Assets or Other Assets, which have not been set forth in this agreement.

14.1.9 Except for the prior written consent required under the Building Leases, which expires in March 2003, no consent from or other approval of any governmental entity or any other person is necessary in connection with the execution, delivery and performance of this Agreement by Sellers.

14.1.10 All statutory and other legal requirements for the valid consummation of the transactions contemplated by this Agreement (including, but not limited to, compliance with laws protecting creditors of any jurisdiction) have been fulfilled.

**14.2 Buyers' Representations and Warranties.** Buyers represent and warrant to Sellers that, as of the date hereof and as of Closing, the following statements are accurate:

**14.2.1** Parti-Line International is a limited liability company duly organized and validly existing, in good standing, under the laws of the State of Louisiana and has the corporate power and authority to own its property and to carry on its business as now conducted and to enter into and to carry out the terms of this Agreement and the transactions contemplated by this Agreement.

**15. MISCELLANEOUS**

**15.1 Books and Records.** With the exception of books of account, tax returns and correspondence relating thereto, technical and interpretive data excluded from this sale, any documents of overall significance to Sellers' business, Sellers shall deliver to Buyers at Closing or within a reasonable time thereafter copies of the Records.

**15.2 Entire Agreement.** This Agreement constitutes the entire agreement between Sellers and Buyers with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments, understandings, or information otherwise furnished by Sellers to Buyers with respect to such matters. No amendment shall be binding unless in writing and signed by both parties.

**15.3 Notices.** All notices and consents to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered either by personal delivery, telex, telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the parties hereto at the following addresses:

**If to Sellers:**

James O. Watkins  
19224 Orbit Drive  
Gaithersburg, Maryland 20899  
Fax No.: (301) 926-4259

**If to Buyers:**

Ronee C. Holmes  
811 Marigny Street  
New Orleans, Louisiana 70117  
Fax No.: (504) 943-6123

or at such other address and number as either party shall have previously designated by written notice given to the other party in the manner herein above set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications); and when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by express courier or delivery service, or sent by certified or registered mail, return receipt requested.

15.4 Governing Law. This Agreement shall be governed by the laws of the State of Louisiana, without giving effect to any principles of conflicts of law. The validity of the conveyances affecting the title to real property shall be governed by and construed in accordance with the laws of the jurisdiction in which such property is situated. The provisions contained in such conveyances and the remedies available because of a breach of such provisions shall be governed by and construed in accordance with the laws of the State of Louisiana without giving effect to the principles of conflict of laws.

15.5 Confidentiality. Buyers acknowledge that all information furnished or disclosed pursuant hereto must remain confidential prior to Closing. Buyers may disclose such information only to its subsidiaries or affiliates, agents, advisors, counsel or representatives (herein "Representatives") who have agreed, prior to being given access to such information, to be bound by the terms of this Agreement. In the event that Closing of the transactions contemplated by this Agreement does not occur for any reason, Buyers and their Representatives shall promptly return to Sellers any and all materials and information, including any notes, summaries, compilations, analyses or other material derived from the inspection or evaluation of such material and information, without retaining copies thereof.

15.6 Survival. The terms and provisions of this Agreement shall survive the Closing.


15.7 Further Cooperation. After the Closing, each party shall execute, acknowledge, and deliver all documents, and take all such acts which from time to time may be reasonably requested by the other party in order to carry out the purposes and intent of this Agreement.

15.8 Counterparts. This Agreement may be executed in one or more counterparts with the same effect as if all signatures of the parties hereto were on the same document, but in such event each counterpart shall constitute an original, and all of such counterparts shall constitute one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by each party.

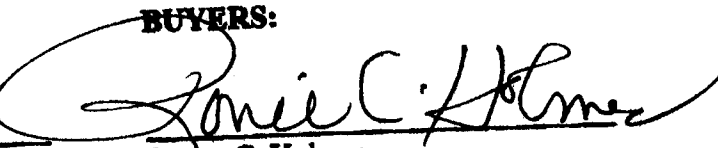
15.9 Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, all other conditions and provisions of the Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transaction contemplated hereby is not affected in any adverse manner to the other party.

Executed as of the date first above written, but made effective for all purposes as of the Effective Date.

**SELLERS:**


  
James O. Watkins

**BUYERS:**

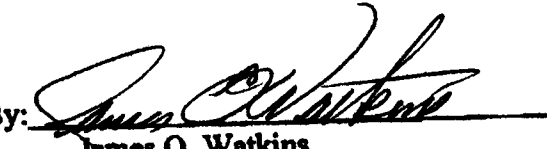
  
Ronce C. Holmes

**PARTI-LINE, L.L.C.**

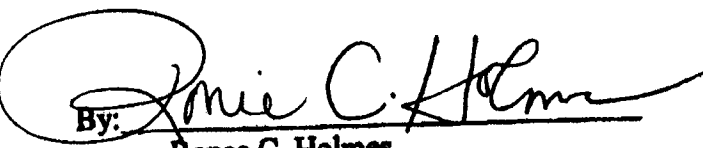
  
Shirley Watkins

By:   
Ronce C. Holmes  
Manager

**FLUTTER-FETTI, INC.**

By:   
James O. Watkins  
President

**PARTI-LINE INTERNATIONAL, L.L.C.**

By:   
Ronce C. Holmes  
Manager

**EXHIBIT "A"**  
**to that certain**  
**Purchase and Sale Agreement**  
**dated \_\_\_\_\_, 2002.**

**PATENTS**

# Product Patent Chart Sheet

5403225  
5709584

Patent Number	Title of Patent	Filing Date	Issue Date
5529527	Readily Removable Confetti Cannons	8/25/1993	6/25/1996
5419731	Confetti and Method of Manufacture	8/19/93	5/30/1996
5043225	Confetti Device	6/24/1993	4/4/1995
5354227	Streamers & Bubbles	8/25/1993	10/11/1994
5352148	Confetti	4/23/1993	10/4/1994
5556319	Confetti Launching Device (The Confetti Wand)	1/4/1995	9/17/1996
5620354	Streamers with Confetti	6/28/1995	4/15/1997
5620355	Confetti Launching Devices	11/14/1995	04/15/1997
5624295	Confetti Launching Device	11/14/1995	04/29/1997
5634840	Controllable Confetti Projector	6/14/1995	6/3/1997
5643042	Stacked Confetti	3/29/1995	7/1/1997
5709584	Partially Wrapped Confetti	6/25/1996	1/20/1998
5714210	Variable Width Streamers (Diamond Streamers)	3/29/1995	2/3/1998
5807159	Streamers and Method of Making Therefor (Breakaways)	10/23/1995	9/15/1998
5,531,628	Confetti Party Favor	7/11/1994	7/2/1996
5,507,680	Confetti (Corkscrews)	8/29/1994	4/16/1996
5,772,491	Controllable Confetti Launcher Push Button Trigger	12/1/1995	6/30/1998
5,709,584	Partially Wrapped Confetti	6/25/1996	1/20/1998
5,823,850	Confetti Launcher Device	9/9/1996	10/20/1998
5,655,325	Confetti Launching Banner	1/23/1996	8/12/1997
5,896,756	Soft Necklace (Mardi Gras Necklace)	9/18/1997	4/27/1999
US Patent Pending	Fire Cracker Flick Stick	3/22/2001	Pending
US Patent Pending	Flashy Finger Strips (Pom-pomettes)	2/27/2002	Pending
Worldwide Patent Pending	Airless Launcher	9/19/2001	Pending



# Product Patent Chart Sheet

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5529527	Readily Removable Confetti Cannons	8/25/1993	6/25/1996
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5352148	Confetti	4/23/1993	10/4/1994
5556319	Confetti Launching Device (The Confetti Wand)	1/4/1995	9/17/1996
5620354	Streamers with Confetti	6/28/1995	4/15/1997
5620355	Confetti Launching Devices	11/14/1995	04/15/1997
5624295	Confetti Launching Device	11/14/1995	04/29/1997
5634840	Controllable Confetti Projector	6/14/1995	6/3/1997
5643042	Stacked Confetti	3/29/1995	7/1/1997
5709584	Partially Wrapped Confetti	6/25/1996	1/20/1998
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5,772,491	Controllable Confetti Launcher Push Button Trigger	12/1/1995	6/30/1998
5,709,584	Partially Wrapped Confetti	6/25/1996	1/20/1998
5,823,850	Confetti Launcher Device	9/9/1996	10/20/1998
5,655,325	Confetti Launching Banner	1/23/1996	8/12/1997
5,896,756	Soft Necklace (Mardi Gras Necklace)	9/18/1997	4/27/1999
US Patent Pending	Fire Cracker Flick Stick	3/22/2001	Pending
Provisional Patent Pending	Flashy Finger Strips (PomPom-ettes)	2/27/2002	Pending
US & Worldwide Patent Pending	Airtless Launcher	9/19/2001	Pending
Provisional Patent Pending	Metallic Handheld Streamer Pack	4/29/02	Pending

**EXHIBIT "B"**  
**to that certain**  
**Purchase and Sale Agreement**  
**dated \_\_\_\_\_, 2002.**

**INVENTORY**

# Misc. tubes

11 x .13  
10' x .10

750 x 18 - Black Fireworks

4 Box 450  
1 Box 330  
1 Box 200

980 x .13 127.40

750 x 10 - Black Fireworks

2 Box - 300 + 1000.

1300 x .10 130.00

✓ 740 x 14 - 700 .10 70. - *Phy. Studi*  
130.00

.75 x 8 - 1300

.82 x 10 Black 900 .10

.750 x 10" Gold 3 Boxes 700-900-900 2500. x.10 = 2500

.74 x 14" Mardi gras - 300

.921 x 14" Red glaze - 3 Boxes - 425/150/300 1150.13 = 1150

.921 x 18" - ~~Silver~~ Silver Fetti Filled - 2 Boxes 300 each 150.00

.996 x 26 - Nova Stars H+H 7 Boxes - 400 ea

.996 x 26 - Nova Rings H+H 8 Boxes 400 ea

.74 x 18 - Silver Halo - 2 Boxes - 450 ea

.905 x 18 - Silver Halo - 2 Boxes - 1 Box 300 - 1 Box 200 116.75

1. x 18 - Silver Halo - 2 Boxes - 1 Box 275 - 1 Box 200 116.75

.82 x 18 - Silver Halo - 6 Boxes - 375 Boxes 15.357

.751 x 15 - orange 50 tubes

.921 x 18 - Bright Gold - 1 Box - 275 tubes

.74 x 16 Black - 200 tubes

.820 x 18 Black - 2 Boxes 1 Box - 385 1 Box - 385 122.50

.921 x 18 Silver (Bright) 3 Boxes - 300 ea. 375

.921 x 18 Silver (Dull) 1 Box - 150

.74 x 18 Mardi gras 100 tubes

.74 x 15 DK Blue 100 tubes

.781 x 15 Gemini Pink 2 Boxes 1-950 1-200 700 x .13 97.50

- about 3500

.75 x 14 - Candy Cane	200 pcs.
.75 x 18 - New Years	150 pcs.
.787 x 18 - <del>Trick/Treat</del> St. Patrick's Day	300 pcs.
.75 x 10 - Trick/Treat	300 pcs.
.75 x 18 - Trick/Treat	<del>200</del> pcs.
.75 x 12 - Congratulations	100 pcs.

Plastic - Wands

18 x .585 - 26 - 300 pcs. each  
 12 x .585 - 2 Boxes 1100 pcs. each  
 24 x .585 - 14 Boxes 180 pcs each

36" Mach ~~20,000.00~~ - 7,000.00 DOWN  
 1100.00

7,00 8100.00



misc 100-0

.75 x 14	Candy Cane	200 pcs.
.75 x 18	New Years	150 pcs.
.787 x 18	ST Patrick's Day	300 pcs.
.75 x 10	<del>Trick / Treat</del>	300 pcs.
.75 x 18	Trick / Treat	<del>200</del> pcs.
.75 x 12	Congratulations	100 pcs.

### Plastic - Wands

18 x .585 - 26 - 300 pcs. each  
12 x .585 - 2 Boxes 1100 pcs. each  
24 x .585 - 14 Boxes 180 pcs each

36" Mach ~~20,000.00~~

7,000.00 DOWN  
1100.00

7,00 8100.00

Reg.

Buttercup	5
apple green	10
DK pink	3
Dubbonet	4
Fr. Vanilla	3
ceuse	1
teal	6
Red	5
orange	4
purple	3
plum	1
white	14
Blue	7
Asst	3
Holidaygreen	4
Turquoise	2
tan	1
Black	1

Cases  
5 pk of paper

Flourescent  
ceuse } 1 } 10x192  
orange } 1 }

19.25

12.45

11.25

- 19.25 per pack

Buy 200 pk per color  
5 cases  
assorted  
20.00 per h  
\$4,000.

metallic  
\$4.93 - \$4.30  
per lb.  
200 lb.

Packs

Cases /  $73 \times 19.25 = 1405.25 \times 5 = 7026.25$   
 $14 \times 12.45 = 174.30 \times 5 = 871.50$   
 $\underline{1579.55}$   
 $7026.25 + 871.50 = 7897.75$

5 packs per case  
+ 192.56

# Rolls tissue

white 6 2.06  
 Blue 14 2.43 per roll 10 lbs.  
 purple 5  
 Buttercup 4  
 bl. green 5  
 orange 4  
 ppl green 6  
 Turquoise 8  
 r. Vanilla 4  
 teal 6  
 JK Pink 8  
 teal 15  
 webonet 8  
 black 4

average 2.43 per roll  
 10 lbs Roll

81 rolls  
 49 lbs

$$3969 \times 2.43 = 9644.67$$

$$214 \times 2.06 = 440.84$$

9644.67  
 9100.35  
 605.64  
 9750.00  
 4987.50  
 34088.16

# Rolls Flourescent Tissue

green 29 30  
 orange 35  
 yellow 22  
 teal 20

$$\begin{array}{r}
 107 \text{ Roll} \times 3 \\
 = 321 \text{ lbs} \\
 \times 2.43 \\
 \hline
 780.69
 \end{array}$$

## Mylar - 80 gauge

Gold - 5  
 Silver - 0  
 green - 2  
 purple - 5  
 Blue - 3  
 Red - 5 4.96  
 teal - 2  
 Silver/Gold - 5 4.00  
 Orange/Black - 3  
 Silver/Black - 2  
 teal - 2

Mult 1 2  
 Purple/green/gold - 3  
 Add 5 rolls  
 silver  
 average  
 50 pds  
 39 x 50 = 1950 per roll  
 \$9750.00

## Mylar - heavy gauge

MUTFi - 3  
 gold - 2  
 Newyear 1999 - 1  
 Stars - 7  
 gold/silver - 3  
 red/Blue/gold - 1  
 red/white Blue stripe - 1  
 purple/green/gold 1

$$\begin{array}{r}
 \text{Rolls} \\
 19 \times 950 \text{ lbs} \times \\
 3.75 \\
 \hline
 6787.50
 \end{array}$$

F1/m  
 w/2" wide  
 \$900.00

0

0

Airless tubes 9.21 x 18 - 300 Box

4500 p. 21  
1090.00

- Fetti strips - 2 Boxes
- Flutter Fetti - 3 Boxes
- Breakaways - 3 Boxes
- Streamer & Bubbles - 3 Boxes + 1 3/4 Box
- Fetti Filled streamers - 2 Boxes
- Streamers - 2 Boxes

.24 per

Crystal 144

- Silver - 11 Boxes
- Red - 100 tubes

700 Box ~~1100~~ 8 x 136.52 1092.16 .13 p  
13.00  
7700  
tubes



# Plastic tubes

1241 8 Boxes  
 1247/8 1 Box  
 7/8 x 2 1/4 1 Box  
 1/8 x 1 11 Boxes - 334 tubes ~~Box 350~~ 1 Box 100 tubes 3984 x .09  
 1/8 x 1 16 Boxes 350 tubes - 7 700 tubes - 4 330 tubes - 4 .13  
 1/8 x 9/16 3 Boxes - 2 1300 tubes 1 - 100 tubes .19  
 1/8 x 9/16 1 Box - 1650 pcs. 1 Box - 800 pc .083  
 1/8 x 9/16 1 Box - 1100 pcs  
 1/8 x 24 3 Boxes - 1480 pcs 1 Box - 700 pcs .07 pc 0.13  
 1/8 x 6 3 Boxes 500 pc 5. 1 Box 400 tubes .15  
 1/8 x 7/8 3 Boxes 500 pc 5. 1 - 250 .127  
 1/8 x 1/8 8 Boxes 500 pc 5. 1 - 250 .127  
 1/8 x 2 1 Box 100 pc 5.

3/4" 1 - 7,000 1 Box 10,020 x .013 = 221.00  
 7/8" 2 - 5,000 1 Box 2,000 x .05 = 112.50  
 1" 1 - 6,024 1 - 4,000 .015 = 150.12

about 1600.00

no tape

CO2

200-M. Big Shot

# Plastic tubes

12x1 8 Boxes  
 12x7/8 1 Box  
 7/8 x 2 1/4 1 Box  
 1/8 x 1 11 Boxes - 334 tubes ~~Box 350~~ 1 Box - 100 tubes ~~314 x .15~~ <sup>737.96</sup>  
 3/8 x 1 16 Boxes 350 tubes - 7 700 tubes - 4 330 tubes - 4 .13  
 3/8 x 9/16 3 Boxes - 2 1300 tubes 1 - 100 tubes .19  
 1/2 x 9/16 1 Box - 1650 pcs. 1 Box - 800 pcs .08  
 3/4 x 9/16 1 Box - 1100 pcs  
 3/4 x 2 3 Boxes - 1480 pcs 1 Box - 700 pcs .07  
 3/4 x 6 3 Boxes 500 pcs. 1 Box 400 tubes .15  
 1/2 x 7/8 3 Boxes 500 pcs. 1 - 250 .12  
 1/2 x 7/8 8 Boxes 500 pcs. 1 - 250 .12  
 1/2 x 2 1 Box 100 pcs.

3/4" 1 - 7,000 1 Box 10,000 x .013 = 221.00  
 7/8" 2 - 5,000 1 Box 2,000 x .05 = 112.50  
 1" 1 - 6,000 1 - 4,000 .015 = 150.00

about 1600.00

no tape

CO2

200 - Mr. Big Shot

# Misc. tubes

11 v. 13  
10" x .10

.750 x 18 - Black Fireworks

4 Box 450  
1 Box 330  
1 Box 200

980 x .13 127.40

.750 x 10 - Black Fireworks

2 Box - 300 + 1000.

1300 x .10 130.00

.740 x 14 - 700 .10 70.  
130.00

.75 x 8 - 1300

.82 x 10 Black 900 .10

.750 x 10" Gold 3 Boxes 700-900-900 2500. x.10 = 250

.74 x 14" Mandigras - 300

.921 x 14" Red glaze 3 Boxes - 425 / 150 / 300 815 x .13 = 113.75

.921 x 18" ~~Silver~~ Silver Fetti Filled - 2 Boxes 300 each 150.00

.996 x 26 - Nova Stars H+H 7 Boxes - 400 ea

.996 x 26 - Nova Rings H+H 8 Boxes 400 ea

.74 x 18 - Silver Halo - 2 Boxes - 450 ea

.905 x 18 - Silver Halo - 2 Boxes - 1 Box 300 - 1 Box 150 342.5

1. x 18 - Silver Halo - 2 Boxes - 1 Box 275 - 1 Box 200 116.75

.82 x 18 - Silver Halo - 6 Boxes - 375 Boxes 15.337

.751 x 15 - orange 50 tubes

.921 x 18 - Bright Gold - 1 Box - 275 tubes

.74 x 10 - Black - 200 tubes

.820 x 18 - Black - 2 Boxes 1 Box - 385 1 Box - 385 122

.921 x 18 - Silver (Bright) 3 Boxes - 300 ea 375

.921 x 18 - Silver (Dull) 1 Box - 150

.74 x 18 - Mandigras 100 tubes

.74 x 15 - DK Blue 100 tubes

.781 x 15 Gemini Pink 2 Boxes 1-950 1-200 730 x .13 97.50

what year?

PATENT

REEL: 015242 FRAME: 0128

# Plastic tubes

12x1 8 Boxes  
 12x7/8 1 Box  
 7/8 x 2 1/4 1 Box  
 9/16 x 1 11 Boxes - 334 tubes  
 3/4 x 1 16 Boxes 350 tubes - 7 700 tubes - 4 330 tubes - 4 .13  
 3/8 x 9/16 3 Boxes - 2 1300 tubes 1 - 100 tubes .19  
 1/2 x 9/16 1 Box - 1650 pcs 1 Box - 800 pc .18  
 5/8 x 9/16 1 Box - 1100 pcs 1 Box - 700 pcs .17  
 9/16 x 24 3 Boxes - 1480 pcs 1 Box 400 tubes .15  
 3/4 x 6 3 Boxes 500 pcs 1 - 250 .127  
 1/2 x 7/8 8 Boxes 500 pcs  
 1/4 x 1 1/8 1 Box 100 pcs  
 1/8 x 2

737.96

3/4" 1 - 7,000 1 Box 10,000 x .013 = 221.00  
 7/8" 2 - 5,000 1 Box 2,000 x .05 = 112.50  
 1" 1 - 6,000 1 - 4,000 .015 = 150.00

about 1600.00

4500 P. 0.00  
1090.00

airless tubes 9.21 x 18 - 300 Box

etti strips - 2 Boxes

lutter Fetti - 3 Boxes

breakaways - 3 Boxes

streamer & bubbles - 3 Boxes + 1 3/4 Box

etti Filled streamers - 2 Boxes

Streamers - 2 Boxes

.24 per.

crystal 144

Silver - 11 Boxes

Red - 100 tubes

700 Box  
13.00

~~700~~ 2 x 136.52

1092.16

.19p

**EXHIBIT "C"**  
**to that certain**  
**Purchase and Sale Agreement**  
**dated \_\_\_\_\_, 2002.**

**EQUIPMENT LEASES**

Leasing Company (Lessor):

**ADVANTA** Leasing Services,  
a program of Advanta Bank Corp.1027 Laurel Oak Road, P.O. Box 1228  
Voorhees, New Jersey 08043-7228NOTICE: THIS IS A NON-CANCELABLE, BINDING CONTRACT. THIS  
CONTRACT WAS WRITTEN IN PLAIN LANGUAGE FOR YOUR BENEFIT. IT  
CONTAINS IMPORTANT TERMS AND CONDITIONS AND HAS LEGAL AND  
FINANCIAL CONSEQUENCES TO YOU. PLEASE READ IT CAREFULLY. FEEL  
FREE TO ASK QUESTIONS BEFORE SIGNING BY CALLING THE LEASING  
COMPANY AT 1-800-393-0022.

Description of Leased Equipment (Include quantity, make, model, serial no. and all attachments) (Attach separate Schedule "A" if necessary.)

1- Challenge 3700 37" Paper cutter

VENDOR'S NAME: Flutler Felt Inc - 329054

Leasing Customer (Lessee): (Complete Legal Name. If a corporation, use EXACT registered corporate name.)

Company Name

Flutler Felt Inc

DBA:

Telephone No.

301-926-4242

Billing Address

19224 Orbit Dr

Gaithersburg, MD, 20879-4149

Equipment Location (if other than Billing Address)

19224 Orbit Dr

Gaithersburg, MD, 20879-4149

Schedule Of Rental Payments

TERM OF LEASE	TOTAL NUMBER OF RENTAL PAYMENTS	AMOUNT OF EACH PAYMENT	DUE AT SIGNING OF LEASE	END OF LEASE PURCHASE OPTION
60 (IN MONTHS)	60	\$599.87 (Plus Applicable Taxes)	<input checked="" type="checkbox"/> Advance Payment \$1199.74 First And Last <input type="checkbox"/> Security Deposit \$ <input type="checkbox"/> Other \$ <input checked="" type="checkbox"/> Total Payment \$1199.74	<input type="checkbox"/> Fair Market Value Purchase Option <input checked="" type="checkbox"/> Fixed Price Purchase Option of \$1.00 <input type="checkbox"/> Fixed Price Purchase Option of 10% of Total Cash Price

## Terms And Conditions

1. **LEASE CHARGES.** You ("Lessee") agree to lease from us ("Lessor") the above equipment for the periodic payment amount and for the full term stated above. That amount is based on the estimated cost of all equipment and shipping charges. You agree that it may be adjusted upward if the actual cost exceeds this estimate. We may charge you a partial payment for the time between the delivery date and the due date for the first payment. If any payment is late, we may charge you a late fee of \$25.00 or 15% of the amount that is late, whichever is greater. You agree to return the equipment to us at your cost at the end of the lease unless we have given you a purchase option above and you exercise the option at that time. If you don't exercise the option or return the equipment, this lease will continue for the same terms on a monthly basis.

2. **OTHER IMPORTANT TERMS.** THIS LEASE IS AN UNCONDITIONAL OBLIGATION AND CANNOT BE CANCELED BY YOU FOR ANY REASON, INCLUDING EQUIPMENT FAILURE, LOSS OR DAMAGE. You may not revoke acceptance of the equipment. You, not we, selected the equipment and the vendor named above. We are not responsible for equipment failure or the vendor's acts or promises. YOU ARE LEASING THE EQUIPMENT "AS IS" AND WE DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING COMPLIANCE WITH ALL YEAR 2000 ISSUES. We are not responsible for service or repairs. Any warranties the vendor gave to us, if any, we hereby assign (pass) to you. You may contact the vendor for a statement of such warranties, if any. You certify to us that the equipment will be used by you solely for business purposes and not for personal or household purposes. You shall look solely to vendor for any and all claims and/or warranties related to the equipment.

3. **TITLE.** We will have title to the equipment during this lease. You agree this is a "true lease", not a sale or a loan. However, if this lease is determined not to be a "true lease", you hereby grant us a security interest in the equipment. You hereby give us power of attorney to sign and file financing statements in order to perfect this security interest in our favor. You also agree to pay our filing and other administrative and processing fees. You agree this is a "finance lease" under Article 2A of the Uniform Commercial Code.

4. **LOSS; DAMAGE; INSURANCE.** You are responsible for and accept the risk of loss or damage to this equipment. You agree to keep the equipment insured against all risk of loss in an amount at least equal to the replacement cost, and you will list us as loss payee and give us written proof of this insurance. If you do not give us such proof, we may (but will not be obligated to) obtain other insurance and charge you a fee for it, or we may charge you a monthly risk charge equal to 0.25% of the original equipment cost.

5. **TAXES AND OTHER FEES; INDEMNIFICATION.** You agree to reimburse us for all taxes (such as sales, use and property taxes) and charges in connection with the ownership and use of the equipment. Unless we have given you a purchase option for \$1.00 at the end of the lease, you agree that we are entitled to any and all tax benefits (such as depreciation and tax credits), and you will not do anything inconsistent with this understanding. If you do, you will indemnify (reimburse) us for our resulting losses. You also agree to indemnify us for all losses and liabilities arising out of the ownership or your use of the equipment. These promises will continue after this lease ends.

6. **DEFAULT.** If you fail to pay us as agreed, we will have the right to (1) sue you for all past due payments and all payments to become due in the future for the unexpired term, plus the residual value we have placed on the equipment and other charges you owe us, and/or (2) repossess the equipment. You will also pay for our reasonable collection and legal costs. This Agreement shall be governed by and construed according to the laws of the state of Utah and any claims arising under this Agreement shall be resolved in the courts of the state of New Jersey, the domicile of our affiliate and servicing agent, or any other state chosen by us.

7. **ASSIGNMENT.** You may not assign this lease or sublease the equipment to anyone else. You agree that we may sell or assign any of our interests without notice to you. In that event, the assignee will have such rights as we assign to them but none of our obligations (we will keep those obligations), and the rights of the assignee will not be subject to any claims, defenses or set-offs that you may have against us or another person.

8. **MISCELLANEOUS.** You authorize us to share credit and other information about you and your company with our affiliates unless you write to us. For your convenience, we may accept a facsimile copy of this lease with facsimile signatures. You agree a facsimile copy will be treated as an original and will be admissible as evidence of this lease.

AUTHORIZED SIGNATURE <input checked="" type="checkbox"/> <i>[Signature]</i>	Date 10/26/00	Witness <i>[Signature]</i>
--	------------------	-------------------------------

## Personal Guaranty

I/we individually, personally, absolutely and unconditionally guaranty all payments and other obligations owed to the leasing company under this lease and this guaranty. We agree that the leasing company may proceed directly against me/us without first proceeding against the leasing customer or the equipment. We consent to personal jurisdiction in the New Jersey courts.

<input checked="" type="checkbox"/> SIGNATURE (INDIVIDUALLY-NOT TITLES) <i>[Signature]</i>	Date 10/26/00	GUARANTOR Name and Home Address (Please Print) James Watkins 14830 Mount Nebo Rd Pockessville, MD, 20837-9239
---	------------------	--

## Delivery And Acceptance Certification

The Lessee hereby certifies that all equipment referred to above has been delivered, is fully installed and it is in good operating order. Lessee unconditionally accepts the equipment and requests that leasing company sign this lease and pay the equipment vendor.

DATE OF DELIVERY 10/25/00	<input checked="" type="checkbox"/> <i>[Signature]</i> AUTHORIZED SIGNATURE	<i>[Signature]</i> TITLE
------------------------------	--	-----------------------------

Accepted By Advanta Leasing Services, a program of Advanta Bank Corp. (Lessor)

By:	Title:	Date:	Lease #:
-----	--------	-------	----------

Advanta form dot

Advanta is an Equal Opportunity Employer

4009R0798

# Lease Quotation Worksheet

Contact Name: Mary  
Company Name: Elliotter Litter  
FAX #: 301-926-4259

Dealer: \_\_\_\_\_  
Equipment: Cutter

Equipment Cost: \$ 210,000

Leasing offers you the following benefits: affordable payments... potentially decreased tax liabilities... preservation of bank credit lines... easy add-ons and upgrades... and improved cash flow. Our basic plans include:

## Fair Market Value

If you are worried about obsolescence, this plan offers the most options both during and at the end of the lease. This plan is particularly beneficial if you want to have both a small security deposit and relatively low monthly payment.

Term: 60 mos. Payment: \$535.16  
Security Deposit: \$1191.32

## \$1.00 Buy-Out

If you are fairly certain you wish to purchase the equipment at the end of the lease term, this is the recommended plan. At the end of the term, the equipment is simply purchased for \$1.00 plus closing costs. This program is not available in FL, AR, NE or TX.

Term: 60 mos. Payment: \$629.98  
Security Deposit: \$1259.96

## 10% Security Deposit

This program offers the lowest monthly payment and may, therefore, be especially attractive when a security deposit of 10% of the equipment price is affordable for you.

Term: \_\_\_\_\_ mos. Payment: \_\_\_\_\_  
Security Deposit: \_\_\_\_\_

\* 57 MONTH \* LAST MONTH

In addition to these programs, we also offer Seasonal or Skip Payment Leases, 90 Day Deferred Payment Leases, plus many more. Advanta will tailor a lease program especially for your unique budget and cash flow situations. Call us today for all your equipment needs.

Representative Name: Mary Ann  
Quote Date: 10-3-00

## 10% Purchase Option

This plan offers you a fixed purchase option at the end of the lease. At lease end, you can either extend the term of the lease, return the equipment, or buy it at 10% of the original equipment cost.

Term: 60 mos. Payment: \$603.22  
Security Deposit: \$1217.44

Telephone: (703) 256-1222  
FAX Number: 800-772-7800

Note: Quote is valid for 30 days from the above date.



See Order Number

# INVOICE

PAGE 1 OF 1

005495

Invoice Date	Invoice Number	Due Date	Billing Period	Last Payment Received			
03/17/02	9744063	04/10/02	04/10/02-05/10/02	03/07/02 THANK YOU			
Account Number	Description	Current	30 Day	60 Day	90 Day	91 Plus	Total Due
051-0242825-001	CUTTER CONTRACT PAYMENT Insurance Fee	644.39 40.50					644.39 40.50
See Reverse Side For Description Of Invoiced Items.		Total	684.89				684.89
Past Due Amounts							

FOR INQUIRIES CALL 800-571-9398

PLEASE DIRECT ALL CORRESPONDENCE TO  
CUSTOMER SERVICE DEPARTMENT  
PO BOX 1228, VODRHEES, NJ 08043-1228

Please Detach Bottom Portion and Return With Payment

12-009 06/00

**FLUTTER FETTI, Inc.**  
The Only Confetti That Flutters, Flies, And Floats!

19224 Orbit Drive  
Gaithersburg, MD 20879  
Phone: (301) 926-4242  
Fax: (301) 926-4259

FACSIMILE TRANSMITTAL SHEET

FROM: Mary  
TO: Ronae

DATE: 7/10/02

NO. OF PAGES INCLUDING COVER: 4

Copy of Advanta lease (CUTTER  
w/Buy out option ★

I hope you can read this.  
I am sending a hard copy out  
today

**EXHIBIT "E"**  
**to that certain**  
**Purchase and Sale Agreement**  
**dated \_\_\_\_\_, 2002.**

**PRE-EXISTING CONDITIONS TO LEASED PREMISES**

# The Existing Conditions To Leased Premises

1. Writing on wall in shipping office.
2. Damage to ceiling in cutting room.
3. Writing on walls in the downstairs hallway.
4. Damage ceiling tile.
5. Missing lens on light fixtures.
6. Missing tiles in upstairs bathroom floor.
7. Paint on upstairs office walls, hallway, closet, and carpet.
8. Damage to upstairs office ceiling and walls.
9. Confetti and streamers on ceiling in the cutting room.
10. Paint on downstairs walls.

AMENDMENT  
TO  
CONVEYANCE, TRANSFER AND ASSIGNMENT OF PATENTS

This AMENDMENT TO CONVEYANCE, TRANSFER AND ASSIGNMENT OF PATENTS ("Amendment") shall be effective as of June 1, 2002, and is executed by and between SHIRLEY WATKINS, individually and as Executrix of the ESTATE of JAMES O. WATKINS (hereinafter collectively referred to as "Watkins"), 9416 Tobin Circle, Potomac, Maryland 20854 and RONEE C. HOLMES ("Holmes"), 811 Marigny Street, New Orleans, Louisiana 70117.

**WHEREAS**, Watkins and Holmes were parties to that certain Conveyance, Transfer and Assignment of Patents, effective June 1, 2002 ("Conveyance"), pursuant to which Watkins conveyed, transferred, assigned, set over and delivered to Holmes all right, title and interest in and to any and all patents, inventions, copyrights, tradenames, trademarks, or service marks owned by Watkins and/or controlled by Flutter-Fetti, Inc., including without limitation, those patents identified and described in Exhibit "A" to the Conveyance, and any and all products derived therefrom and any and all accessories and versions thereof designed in accordance with the specifications and methodology ("Patents");

**WHEREAS**, Watkins intended to convey, transfer, assign, set over and deliver to Holmes all sole and exclusive rights to the Patents, including all rights to protect the Patents from any and all past, present and future infringements, violations, imitations, misappropriations or unauthorized uses and to prosecute, sue and recover past, present or future damages for any such infringements against the Patents for all purposes;

**WHEREAS**, Watkins intended to convey, transfer, assign, set over and deliver to Holmes all right, title and interest in those certain trademarks, including without limitation, all sole and exclusive rights to the trademarks and associated goodwill, including all rights to

protect the trademarks from any and all past, present and future infringements, violations, imitations, misappropriations or unauthorized uses and to prosecute, sue and recover past, present or future damages for any such infringements against the trademarks for all purposes;

WHEREAS, Watkins and Holmes desire to amend, correct and clarify the Conveyance as described above and to confirm the intents and purpose of the parties and to effect the validity thereof.

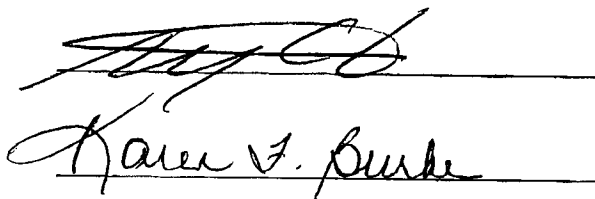
NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Watkins and Holmes execute this Amendment, and Watkins does further convey, transfer, assign, set over and deliver to Holmes the sole and exclusive right to prosecute and sue in the name of Watkins and/or Flutter-Fetti, Inc., in the sole discretion of Holmes, and recover all damages for any and all past, present and future infringements, violations, imitations, misappropriations or unauthorized uses of the Patents by any third party.

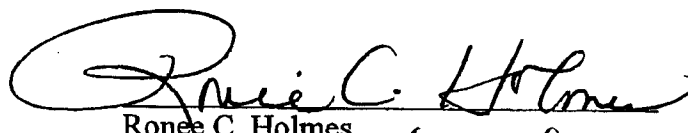
Further, for purposes of clarification, Watkins and Holmes ratify and confirm that the term "trademarks" as used in the Conveyance shall include all trademarks and associated good will owned and/or controlled by Watkins, including those trademarks listed on Exhibit "B" attached hereto, and by execution of this Amendment, Watkins does convey, transfer, assign, set over and deliver to Holmes all rights, title and interest in and to those certain trademarks listed on Exhibit "B", including without limitation the sole and exclusive right to prosecute and sue in the name of Watkins and/or Flutter-Fetti, Inc., in the sole discretion of Holmes, and recover all damages for any and all past, present and future infringements, violations, imitations, misappropriations or unauthorized uses of the trademarks by any third party.

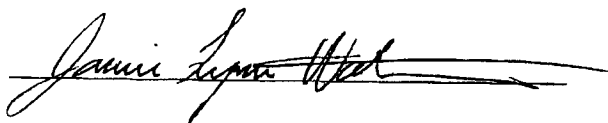
The parties hereby acknowledge and agree that except as expressly amended herein, all other terms and conditions contained in the Conveyance shall remain in full force and effect and are hereby ratified, approved and confirmed.


This Amendment to Conveyance, Transfer and Assignment of Patents is executed on the dates set forth hereinbelow, but made effective for all purposes as of June 1, 2002.

**WITNESSES:**

  
Karen F. Burke

  
Ronee C. Holmes  
Date: 6/27/03

  
Jamie Lynn White

  
Shirley Watkins, Individually and as  
Executrix for the Estate of James O.  
Watkins  
Date: 7/7/03




EXHIBIT "A"  
TO THAT CERTAIN AMENDMENT TO CONVEYANCE  
TRANSFER AND ASSIGNMENT OF PATENTS  
DATED EFFECTIVE JUNE 1, 2002

SCHEDULE OF PATENTS

Case No.	Patent Numbers	Description	Filing Date	Issue Date
1	5352148	Confetti (Bundles of Confetti)	4/23/93	10/4/94
2	5403225	Confetti Device (Confetti Wand or Confetti Stick)	6/24/93	4/4/95
3	5709584	Partially Wrapped Confetti	6/25/93	1/20/98
3	5419731	Confetti And Method of Manf.	8/19/93	5/30/95
17	5655325	Confetti Launching Banner	1/23/96	8/12/97
6	5896756	Soft Necklace	9/18/97	4/27/99
7	5823850	Confetti Launching Device (Fetti Flyer)	9/9/96	10/20/98
7	5507680	Confetti (Corkscrews)	8/29/94	4/16/96
6	5531628	Confetti Party Favor (Confetti In A Cup)	7/11/94	7/2/96
5	5354227	Streamers & Bubbles	8/25/93	10/11/94
4	5529527	Readily Removable Confetti Cannons	8/25/93	6/25/96
8	5556319	Confetti Launching Device (Confetti Wand or Confetti Stick)	1/4/95	9/17/96
11	5620354	Streamers with Confetti	6/28/95	4/15/97
14	5620355	Confetti Launching Devices	11/14/95	4/15/97
16	5624295	Confetti Launching Devices (Confetti Wand or Confetti Stick)	11/14/95	4/29/97
12	5634840	Controllable Confetti Projector (Push Button Trigger)	6/14/95	6/3/97
9	5643042	Stacked Confetti	3/29/95	7/1/97
10	5714210	Variable Width Streamers (Diamond Shaped Streamers)	3/29/95	2/3/98
13	5807159	Streamers and Method of Making (Fetti Strips or Breakaways)	10/23/95	9/15/98
19	5,709,584	Partially Wrapped Confetti	6/25/96	1/20/98
15	5,772,491	Controllable Confetti Launcher	12/1/95	6/30/98

DATE:

6/27/03

DATE:

7/4/03



Case No.	Patent Numbers	Description	Filing Date	Issue Date
26	Application Serial No. 09/790,981	Streamer and Launcher	2/23/01	Allowed-To Issue Shortly
26A	PCT Counterpart Of Case 26	Streamer and Launcher	Priority Date 2/23/01	Pending

**\*Inventions to be Filed**

27 FINGER SLINGER (Metallic Streamer Packs)  
 28 POM-POMETTES (A.k.a. "FLASHY FINGER STRIPS")  
 29 FIRECRACKLER Stick (Tube With Snaps)

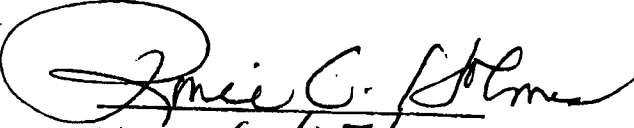
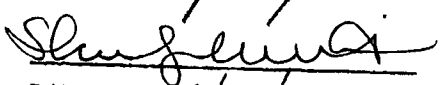
  
 DATE: 6/27/03  
  
 DATE: 7/7/03

EXHIBIT "B"  
TO THAT CERTAIN AMENDMENT TO CONVEYANCE  
TRANSFER AND ASSIGNMENT OF PATENTS  
DATED EFFECTIVE JUNE 1, 2002

SCHEDULE OF TRADEMARKS

<u>TM NO.</u>	<u>MARK</u>	<u>REG. NO.</u>
1	FLUTTER FETTI	1,841,779
2	FUN FLINGS	1,967,184
3	FLUTTER FLICKER	1,973,903
4	MARDIGRAFETTI	1,981,362
5	FONASTICS	1,935,860
6	FOUR-FEVER	
7	FLUTTER FLINGER	1,982,931
8	SGHETTI FETTI	1,959,340
9	AIRLESS CANNON	
10	SHOOTING STAR BREAKAWAYS	1,974,250
11	CUP-A-FETTI	1,994,018
12	PYROLESS	1,990,432
13	FETTI WORKS	1,989,214
14	FUN FETTI	
15	FETTI	2,155,202
16	FORMAL FETTI	
17	MINI FETTI	
18	COUNTDOWN 2000	
19	SHOOTER TOOTER	
20	ROOTER TOOTER	2,283,735
21	THE ONLY CONFETTI THAT FLUTTERS, FLIES AND FLOATS	2,154,962
22	HAPPY NEW YEAR 2000	
23	2000 AND FUN	
24	HI-FLY	
*25	AIRLESS LAUNCHING SYSTEM	
*26	FIRECRACKLERS	
*27	POM POM-ETTES	
28	CORKSCREWS	
*29	STREAMERS WITH BUBBLES	
*30	FINGER SLINGERS	

DATE: 6/27/03

DATE: 7/4/03