

RETAIL INSTALLMENT CONTRACT

SELLER: ART INSTRUCTION SCHOOLS, INC.
 6465 Wayzata Blvd, Suite 240
 Minneapolis, Minnesota 55426

Date: _____

BUYER: Buyer hereby contracts for Fundamentals of Art

 (Student) Age _____ Date of Birth _____, _____, _____
Mo Day Yr

(Street) (City & State) (Zip Code)
 and agrees to pay either the cash price or the deferred payment price quoted below of the home study subject matter listed above (taught in English only). The total price includes tuition, books and required supplies and equipment. The student receives 27 lessons in the subject matter selected. Additional terms of this contract concerning the course and total cost are contained on the reverse of this page and on the signature page.

BUYER may make the purchase for the Cash Price or Deferred Payment Price

The Cash Price is **\$4285.00**. The Deferred Payment Price is the sum of the Cash Price plus the Finance Charge shown below. If BUYER elects the Deferred Payment Price, the terms of the sale shall be as follows:

Cash Price: \$4285.00 Less: Down Payment: \$ _____ Unpaid Balance of Cash Price: \$ _____

The unpaid balance of the Cash Price plus Finance Charge shall be paid in accordance with the following credit terms:

1	2	3	4	5
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. %	FINANCE CHARGE The dollar amount the credit will cost you. \$	Amount Financed The amount of credit provided to you or on your behalf. \$	Total of Payments The amount you will have paid after you have made all payments as scheduled. \$	Total Sale Price The total cost of your purchase on credit including your down payment of \$ _____ \$

Your payment schedule will be:

	Number of payments	Amount of Payments	When Payments are Due
A		\$	Monthly - Beginning: Month Day Year
B	1 (Final Payment)	\$	Final Payment due one month after the Payment.

Prepayment: If you pay off early you may be entitled to a refund of part of the finance charge. See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties. Buyer agrees to pay a service charge, in addition to paying any applicable civil penalties, for each returned payment. A \$20.00 returned payment fee will be added to the account balance. If the School is required for any reason to change the tuition payment method for Buyer to pay the School directly, an Annual Percentage Rate of 13% will be charged on the outstanding tuition balance owing at the time the change is made.

Itemization of "Amount Financed" shown above in Box 3 - amount paid on your Retail Installment Contract with us.

PERFORMANCE

Upon payment in full of the Total of Payments, or in the event of withdrawal (provided below), if **BUYER** has elected the Deferred Payment Price, any unearned portion of the Finance Charge will be calculated and refunded based upon the "Rule of 78 Method" applied to the payment schedule specified above.

If the first or last installment is not paid within 40 days of its due date or if two or more installments remain unpaid more than 10 days after their due dates and such default is not cured within 15 days of **SELLER'S** written notice thereof, the amount listed in the Withdrawal Schedule (below), determined from the date of this contract, shall become due immediately at the option of **SELLER**. **SELLER** may at its option extend the time for payment of any or all installments, and any such extension, reduction, renewal, or other indulgence shall not relieve **BUYER** from liability hereunder. **SELLER** reserves the right to assign its interest in this contract to a financial institution. **BUYER** should forward payments due under this contract to the assignee if so advised by the **SELLER**.

In the event of withdrawal, the amount due in the final settlement of the contract shall be reduced by any amounts previously paid under this contract. If the amounts previously paid exceed the amount due, the excess will be promptly refunded without interest. Any net amount due to **SELLER** in the event of withdrawal by **BUYER** shall bear interest at 8% per annum until paid. There is no cancellation or withdrawal fee.

If **BUYER** wishes for any reason to withdraw from the obligation hereunder after the fifth calendar day following the date of this transaction, he or she may do so by notifying the **SELLER** at the above address. Payment in final settlement of the contract shall be made according to the following Withdrawal Schedule:

If for any reason a student withdraws or is dismissed at any time after the fifth calendar day following notice of acceptance, but prior to submitting the first lesson, the charge to **BUYER** shall be \$100.00. After beginning of training but prior to completion of 60% of the 27 lessons, the charge to **BUYER** shall be the exact pro rata portion of the balance of the \$4285.00 total cost that the number of lessons submitted bears to the 27 lessons, plus \$100.00 registration fee. Upon completion of 60% of the lessons, the total amount of the tuition will be payable. Any refund due as a consequence of withdrawal after the fifth calendar day after notice of acceptance is given will be made within 40 calendar days after the School receives Notice of Withdrawal. A student who does not submit a lesson for one year without, prior to or during that period, giving the School an explanation of the inactivity is considered to have withdrawn from the School.

(THE TERMS OF THIS AGREEMENT ARE CONTAINED ON BOTH SIDES OF THIS PAGE AND ON THE SIGNATURE PAGE.)

ART INSTRUCTION SCHOOLS, INC.

Art Instruction Schools, Inc., agrees to provide student with instruction, material and student privileges as follows:

Student immediately receives an Enrollment Certificate certifying the he/she is entitled to the subject matter selected to be completed within a period of twenty-four months following enrollment.

The student receives 27 lessons in the subject matter selected. A complete description of the course is furnished in the School's enrollment packet.

Each student receives complete and comprehensive text materials written in a simple understandable style with contributions by outstanding artists, illustrators and designers, each an expert in their own field.

Students are required to pay postage on letters, lessons and drawings mailed to the school. The school pays the postage on lessons and drawings returned to students. Art Instruction Schools, Inc., cannot assume responsibility for lessons or drawings lost or damaged in transit.

The student is conducted in easy stages through the lessons of study selected. All lesson assignments are corrected by experienced teachers. Art Instruction Schools is licensed by the Minnesota Higher Education Services Office. Each lesson assignment is carefully examined, thoughtfully considered, marked and graded. Lessons are returned under separate cover and the student is sent a letter explaining the instruction given and offering suggestions for improvements.

Art Instruction Schools, Inc., does not guarantee placement of its graduates. The School does not offer, advertise or imply a placement service.

Current students are eligible to compete in art competitions. Beginning, advanced, graduate and professional students may compete in the Annual Competition. Substantial prizes are awarded to winners. A student is enabled to compete regardless of his/her stage of development.

A certificate, properly signed and registered, will be issued after the student has passed all requirements as established by the faculty.

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

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Printed in U.S.A.

NOTICE OF CANCELLATION

(enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within five calendar days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram to Art Instruction Schools, Inc., at 6465 Wayzata Blvd, Suite 240, Minneapolis, Minnesota 55426, not later than midnight of _____.

(date)

NOTE: Purchase of educational goods and services offered by a school is deemed to take place when written and final acceptance is communicated to the student by the school. If the representative who enrolls you is authorized to grant written acceptance at the time you enroll, and does so, the cancellation period ends at the time specified above. If you have not been accepted in writing at the time you enroll, the cancellation period does not end until midnight of the fifth calendar day after the day you receive written acceptance by certified mail from the school.

(date)

(buyer's signature)

(representative)

(buyer's name - print)

(street address)

(city, state, zip code)

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If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

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(date)

(buyer's signature)

(representative)

(buyer's name - print)

(street address)

(city, state, zip code)

RETAIL INSTALLMENT CONTRACT

I hereby accept the terms of this contract and acknowledge receipt of a full, true and complete copy.
Upon receipt by the Seller this becomes a legally binding contract, subject to all the terms in this contract.

NOTICE TO CUSTOMER: (1) Do not sign this before you read the writing on the reverse side, even if otherwise advised. (2) Do not sign this if it contains any blank spaces. (3) You are entitled to an exact copy of any agreement you sign. (4) You have the right at any time to pay in advance the unpaid balance due under this agreement and you may be entitled to a partial refund of the finance charge.

BUYER'S RIGHT TO CANCEL

You, the BUYER, may cancel this transaction at any time prior to midnight of the fifth calendar day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

Buyer's Full Name _____ Buyer's Signature _____
(Print) (Hand Sign Full Name)

Student ID Number _____

KEEP COPY OF THIS CONTRACT AS YOUR RECEIPT

The first payment of \$ _____ has been received and this Retail Installment Contract is accepted by Art Instruction Schools, Inc.

this _____ day of _____, 20 _____ By _____
(Representative) (Number)

Accepted Minneapolis, MN, _____, 20 _____

By _____
President