

AUTHORIZED DISTRIBUTOR TERMS AND CONDITIONS OF SALE

1. OFFER AND ACCEPTANCE

Universal Lighting Technologies, Inc. or Douglas Lighting Controls, Inc., as indicated in the applicable quote, is hereinafter referred to as "Seller" and the purchaser is hereinafter referred to as "Buyer." These Terms and Conditions of Sale apply to all quotes and offers made by Seller. All orders from Buyer are subject to acceptance by Seller. Any acceptance of an order is made under the condition that such order is subject to these Terms and Conditions of Sale and not the terms and conditions of Buyer's purchase order, which terms and conditions are hereby rejected. Without limiting the foregoing, any order from Buyer that contains terms and conditions in addition to, different or inconsistent with these Terms and Conditions of Sale shall not be binding upon Seller unless acceptance of each additional, different or non-conforming term or condition is clearly and expressly agreed to in writing by Seller, and failure of Seller to object to provisions contained in any purchase order or other communication from Buyer shall not be construed as acceptance of any such provisions or as a waiver of any of the terms and conditions set forth herein. Acknowledgements of Buyer's order forms, facsimile orders or "releases" shall not be construed to be a waiver, amendment, or modification of these Terms and Conditions of Sale. Seller is not responsible for typographical or written errors made in any quotations, orders or publications and all such errors are subject to correction. These Terms and Conditions of Sale shall not be supplemented or varied by any usage of trade or any course of prior dealings or acquiescence in any course of performance.

2. SHIPMENTS

Unless otherwise agreed upon in writing, all shipments of product will be made F.O.B. Seller's shipping dock. Freight will be allowed on orders in excess of \$1,500 for all products to all shipping destinations within the United States and Canada (with the exception of Alaska, Hawaii and any of the Territories of Canada); provided, Seller selects the method and routing of the shipment. Freight on shipments to Alaska, Hawaii or any Territory of Canada is payable by Buyer. If Buyer requests a manner or routing of shipment different from that determined by Seller, Seller will use reasonable commercial efforts to accommodate Buyer's request but ship product freight collect. Seller reserves the right to split shipments on a single order of more than \$1,500 and may combine orders or multiple requested shipment or delivery dates in one shipment to meet minimum freight weight or dollar requirements. Shipment of products that require special palletization or are 8 foot or longer will be subject to a flat \$150 shipping and handling fee (in addition to the freight costs), which is payable by Buyer regardless of the party paying the freight charges. However, this \$150 fee will be waived with any shipment valued over \$5,000 (regardless of the mix of products).

Shipment of plus or minus five (5) percent of order quantity will be considered to have completed the order in a correct manner and Buyer agrees to pay the extended price for the quantities shipped. Without limiting the terms of Section 1 above, purchase orders containing penalty clauses for failure to meet shipment or delivery schedules are hereby rejected and not enforceable against Seller unless specifically approved in writing by an officer of Seller. Prices quoted provide for standard packing only. Buyer agrees to pay the charges for special packing if it is required for domestic or export shipment.

3. DELIVERY

Any stated delivery date in any accepted order or other document is the best estimate of the time when the products will be shipped by Seller. Seller assumes no liability for loss of profits, special, incidental or consequential damages due to delays. Seller assumes no responsibility for collection of loss or damage claims. Evident loss or damage to a shipment must be indicated by a notation made by the carrier's agent on the delivery receipt before the receipt is signed and resolved by the Buyer directly with the carrier. The notation must clearly specify the extent of loss, shortage or damage.

4. INSPECTION AND ACCEPTANCE OR REJECTION

All products are subject to inspection by Buyer upon delivery and, unless Seller is advised to the contrary in writing within thirty (30) days after delivery, the products will be deemed to have been accepted as conforming to the requirements of the contract and free from all discoverable defects.

Seller will define what is considered "special order products" on a project by project basis. Upon acceptance of a special order or non-stocking component purchase order, Seller is authorized to order applicable material. Special order and non-stocking order lead time may range from 8 to 20 weeks, depending on availability from manufacturer. Notwithstanding the first paragraph of this Section, upon delivery of the special order/non-stocking component material to Buyer, such material is considered accepted.

5. PRODUCT AVAILABILITY AND CHANGES

Product availability may be limited and products may not be available for immediate delivery. In addition, Seller reserves the right, without liability or prior notice, to discontinue, modify, revise, alter, and change pricing with respect to, any and all products at any time without notice. Should any such discontinuance, modification, revision, alteration or price change occur after receipt but prior to delivery of an applicable order, Seller shall provide written notice thereof and may state its desire to ship substitute products having similar functionality and specifications to those discontinued, modified, revised or altered, and note any differences in price. Upon Buyer's prior written approval, Seller will ship the substitute products at any such revised price. Notwithstanding anything to the contrary above, product substitutions will not be available on legacy or obsolete products.

6. RETURN POLICY

With Seller's written authorization, Buyer may be permitted to return products in accordance with Seller's published Return Policy. Without limiting the foregoing, one (1) return per year of conforming standard product for credit, not to exceed 3% of the previous year's purchases, shall be permitted; provided such return comes with an offsetting order of equal or greater value. Any other returns are subject to a minimum 25% or \$25 restocking charge, whichever is greater; provided, that pre-manufactured products are subject to a 50% restocking fee for returns made after orders are released to production and a 70% restocking fee for returns made after shipment. An approved RMA must accompany every return. RMAs expire within 90 days from the issue date. All returns require freight charges to be prepaid by Buyer. In order for a product to be eligible for return it must be of current manufacture (produced in the last twelve months), unused, salable, and in original cartons. Any cost incurred by Seller to put product in condition for resale will be charged to Buyer. This is in addition to the restocking fee. **Notwithstanding anything to the contrary above, Seller will not accept returns for discontinued, made to order, custom-built, special order or non-stocking products or components, unless otherwise agreed to in writing by Seller.**

ANY WAIVER OR REDUCTION OF THE RESTOCK FEE, BUYER REQUESTED CHANGES TO SELLER'S RETURN POLICY OR THE PROVISIONS OF THIS SECTION 6 MUST BE APPROVED BY SELLER'S VP SALES OR DESIGNATE—NO EXCEPTIONS.

7. PRICE

Quotation prices are firm for ninety (90) days from the date of the quotation, unless specifically stated to the contrary as part of a particular price quote, and are subject to change without notice after the expiration of this ninety (90) day period. Quotations are based on information provided at time of quote. Any information that is not provided, but alters the quotation, will result in a new quotation being provided. Any variations in material, quantity specified and/or rate or date of delivery may necessitate a revision in price. Unless otherwise stated as part of price quote, all prices are F.O.B. Seller's shipping dock.

All products will be billed at prices in effect at time of shipment and, subject to change without notice. A minimum order of \$100 net (not including freight charges) is required hereunder.

8. CLAIMBACK POLICY

When appropriate, the Seller Claimback Form will be made available to Buyer for use with applicable transactions. Claimbacks for products invoiced by Seller at invoice price will require the proper documentation to be processed prior to credit being issued by Seller. To receive a claimback the following documents are required: (i) a completed Claimback Form and (ii), a copy of Buyer's shipping document to the job or contractor location OR a copy of Buyer's invoice verifying sale of product to contractor (pricing may be marked out as Seller has no need for this information). Buyer's monthly printouts/files that incorporate claimback information will satisfy Seller's documentation requirement.

Claimbacks that are not accepted by Seller will be charged back to Buyer's account and will be immediately due and payable. Without limitation, Seller will not accept claimbacks (i) made without Seller's quote number referenced and/or satisfactory supporting documentation. (ii) for Buyer shipments made after expiration date of the applicable quote or (iii) not made within 90 days from Buyer's invoice date to its customer.

Periodic field audits may be conducted by Seller to insure that quotes are being properly utilized. Seller will provide notification of an audit to Buyer and the responsible Seller salesperson one to two weeks prior to the date of the audit. Seller's auditor will secure proof of the legitimacy of the quote by verifying shipment support in the form of invoices or bills of lading and will confirm that the quantities, by part number shipped, support Buyer's claimback.

9. PAYMENT

The terms of payment for all orders are thirty (30) days net (from date of invoice). If, in the judgment of Seller, the financial condition of Buyer at any time does not justify continuation of manufacture, or shipment on the payment terms specified, Seller may require full or partial payment in advance. If shipments are delayed by Buyer (including any rescheduling by Buyer, or otherwise permitted by Seller, all as set forth in Section 15), payment dates will nevertheless be computed from the date on which Seller is prepared to make shipment. If payment is received and discount deducted by Buyer on an invoice or invoices outside of any earned discount period, Seller will charge back the unearned discount and Buyer will be liable for immediate payment thereof. Additionally, and without prejudice to any other rights of Seller to demand immediate payment, a service charge will be added to Buyer's account in the amount of 1.5% per month (or whatever is maximum allowable in the applicable jurisdiction in which the Buyer is located) on the unpaid past due balance. In the event it becomes necessary to place Buyer's account with a collection agency or attorney, Buyer agrees to pay all costs of collection and reasonable attorney's fees.

10. TAXES

Seller's prices do not include any federal, state, provincial, territorial or local property, sales, use, excise or similar tax. Consequently, in addition to the prices specified, the amount of any present or future sales, use, excise, GST or similar tax imposed due to the sale of products or services shall be paid by Buyer unless Buyer furnished an acceptable tax exemption certificate in advance to Seller.

11. TITLE AND RISK OF LOSS

Title and risk of loss to the products supplied hereunder shall pass to Buyer at the F.O.B. shipping dock.

12. LIMITED WARRANTY.

There are NO WARRANTIES, express or implied, made by Seller on any product sold by Seller, except for the applicable Limited Warranty (which includes exceptions, disclaimers and limitations stated in connection therewith) which appears under the "Support" section at the website www.unvlt.com (if the Seller is Universal Lighting Technologies, Inc.) or the website www.douglaslightingcontrols.com (if the Seller is Douglas Lighting Controls, Inc.). The Limited Warranty shall be expressly IN LIEU OF any other express or implied warranty, condition, or guarantee on any product or part thereof. By purchasing any product from Seller, Buyer acknowledges, agrees, represents, and warrants that Buyer's sole and exclusive remedy against Seller is limited to the applicable provisions of the Limited Warranty (including exceptions, disclaimers and limitations stated in connection therewith). Nothing herein is intended to limit the terms of Section 21 below.

BUYER HEREBY ACKNOWLEDGES THAT NEITHER SELLER NOR ANYONE ACTING ON ITS BEHALF HAS MADE ANY AFFIRMATION OF FACT, REPRESENTATION, OR PROMISE RELATING TO ANY PRODUCT THAT IS THE BASIS OF THIS TRANSACTION OR WHICH CREATE AN EXPRESS WARRANTY. NO SAMPLE OR MODEL OR STATEMENT MADE IN ANY ADVERTISING, PAMPHLETS, BROCHURES OR SIMILAR MATERIALS HAS BECOME A BASIS OF THIS TRANSACTION OR WHICH CREATES AN EXPRESS WARRANTY. TO THE FULLEST EXTENT PERMITTED BY LAW, SELLER DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND THOSE ARISING OUT OF PERFORMANCE OR DEALING OR USAGE OF TRADE OR ANY OTHER IMPLIED WARRANTY WITH RESPECT TO ANY PRODUCT.

13. LIMITATION OF LIABILITY

Under no circumstances, whether as a result of breach of contract, breach of warranty, tort, strict liability or otherwise, will Seller be liable for consequential, incidental, special or exemplary damages, or for loss of profits, loss of use, damage to any property or equipment, cost of capital, cost of substitute product, facilities or services, down time costs or claims of Buyer's or claimant's customers, as a result of the sale of products or services furnished under these Terms and Conditions of Sale.

Seller's liability for all claims of any kind or for any loss or damages arising out of, resulting from or concerning any aspect of the applicable Limited Warranty or from the products or services furnished under these Terms and Conditions of Sale, shall not exceed the price of the specific product or services which gives rise to the claim.

14. CHANGES

For each Buyer requested product change, if approved by Seller, Seller will charge for all costs (\$100 minimum) necessary to make the change. These costs include, but are not limited to, engineering, drafting, order processing, tooling, hardware, re-work and scrap. In addition, any increase in the product price, caused by a product change, shall be charged to Buyer and Buyer agrees to pay same.

15. CANCELLATION AND RE-SCHEDULING

Cancellation of Orders and Projects

Cancellation of an accepted order for any product or project, regardless of classification thereof (e.g. standard product, custom product, made to order product, etc.), is not permitted unless approved in writing by the appropriate Seller inventory manager and, if such approval is given, may be subject to a cancellation fee.

Re-Scheduling

Any line item, on any order, may be rescheduled by Buyer one time only, for later shipment, by no more than two (2) weeks. Subsequent reschedules or reschedules beyond two (2) weeks of that line item are subject to prior written approval of the appropriate Seller inventory manager. Any rescheduling by Buyer or otherwise permitted by Seller will be considered a Buyer delay of shipment and subject to Section 16 below.

16. DELAY

Delay in delivery of any installment of any order shall not relieve Buyer of its obligation to accept remaining installments. If Buyer delays shipment after completion of the products ordered by Buyer, title will pass to Buyer, and Seller will issue an invoice, as of the original shipment date. Storage and handling costs will accrue to Buyer's account until shipment is made.

17. FORCE MAJEURE

In the event either party is prevented from performing this contract by circumstances beyond its control, and without its fault (not including any obligation to pay monies owed, which shall not be subject to this section) (herein referred to as a "Force Majeure Event"), including without limitation, strikes, lockouts, fire, explosion, flood, disruption of supply, acts of God, war or other hostilities, acts of terrorism, banking or other systemic economic failure, riot or other civil commotion, embargoes or other governmental acts, orders or regulations, breakdown of machinery, and inability to obtain or delays in obtaining shipping facilities or supplies, the obligation of Seller to deliver or the obligation of Buyer to accept delivery of products or services hereunder (as applicable) shall be suspended for the period equal to the duration of the Force Majeure Event and a reasonable period thereafter to allow the affected party to recommence performance, without liability to either party. The party wishing to claim relief under this Section shall notify the other party in writing as promptly as is practicable of the occurrence and cessation of the Force Majeure Event, and shall use reasonable efforts to remove or overcome the Force Majeure Event. If the inability to perform due to the Force Majeure Event lasts for more than ninety (90) consecutive days, then the unaffected party shall be entitled, on written notice, to terminate the order(s) affected by the Force Majeure Event without liability to the other party.

Universal Douglas

Universal Douglas – Canada Office

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Phone: 877-873-2797

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Universal Douglas – United States Office

51 Century Blvd. Ste 230, Nashville, TN 37214

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18. GOVERNMENT CONTRACTS

In the event this order is for products or services to be furnished by Buyer under any government contract or purchase order, Seller shall have all rights of Buyer that are available to Buyer under such government contract or purchase order, whether or not Buyer is a prime contractor or supplier to the government or is a subcontractor at any tier.

19. GOVERNING LAW AND VENUE

If the Seller is Universal Lighting Technologies, Inc, the following provisions apply: These Terms and Conditions of Sale will be governed by and construed according to the laws of the State of Tennessee, without regard to conflicts of law principles. Buyer agrees and consents to the exclusive jurisdiction of Federal and State courts sitting in Nashville, Tennessee in any action or claim arising out of, under or in connection with these Terms and Conditions of Sale or the products or services hereunder, and agrees not to assert any claim of inconvenient forum in any action brought in such courts.

If the Seller is Douglas Lighting Controls, Inc, the following provisions apply: These Terms and Conditions of Sale will be governed by and construed according to the laws of the Province of British Columbia, Canada, without regard to conflicts of law principles and is treated in all respects as a contract executed in the province of British Columbia. Buyer and Seller hereby attorn to the jurisdiction of the Courts of the Province of British Columbia, Canada, sitting in the Vancouver Westminster judicial, thereby excluding any other jurisdiction or forum.

20. REVISIONS

Seller reserves the right to revise or amend any or all items contained herein.

21. DEFICIENCIES

Seller retains the right, at its expense, to correct identified deficiencies in the products in a manner that satisfies Seller's contractual obligation to the project, and which have been reported to Seller within 30 days of initial system start-up. After 30 days, the Buyer's only recourse will be through the Limited Warranty as outlined in Section 12 above.

[End of Terms and Conditions of Sale]

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