



**EcoSense Lighting Inc.
Terms and Conditions of Sale**

These standard terms and conditions apply to all purchases whether or not such purchase is subject to a signed purchase order agreement between EcoSense Lighting Inc. and the Customer.

The following shall govern all orders for Products by Customer and sales of Products by EcoSense Lighting Inc. (hereafter known also as Manufacturer), 915 Wilshire Blvd Los Angeles, CA 90017 USA to Customer from and after December 1, 2011. The terms herein may be updated by Manufacturer from time to time. Ordering Products from Manufacturer constitutes acceptance of the terms set forth herein, as such terms may be updated. Any different, conflicting or additional terms in any purchase order or other writing from Customer or in any order acknowledgment or other writing from Manufacturer shall be of no force or effect unless acknowledged and executed by an officer of Manufacturer.

Orders, Pricing:

Customer shall forward all purchase orders directly to the Manufacturer. Orders shall be deemed accepted unless rejected by Manufacturer in writing. After acceptance of the Customer's order, it shall not be subject to cancellation. All acknowledged orders are subject to a cancellation charge of 25% of the total order. If an RGA is approved to return product, then it is subject to a charge equal to 40% of the total order. Partial cancellations may affect freight prepayment, and orders which have already been processed will be considered separate orders for purposes of freight prepayment. Orders received as Hold for Release or Will Advise are not processed for manufacture until a formal release is received and are subject to pricing terms at time of release. Customers who place orders on a "Hold for Release" basis and subsequently cancel the order prior to release may be subject to a cancellation charge for product engineering, submittal drawings and administration relating to the cancelled order. All sales are final. No product will be accepted for return and no credit will be allowed on any product returned unless Manufacturer has granted prior written permission. All returns shall be subject to Manufacturer's Products Return Policy, which includes provisions for authorization procedures, packaging, shipment and restocking charges, if applicable. The Products Return Policy is posted on Manufacturer's Internet web site.

Shipment, Delivery, Title:

Dates of all shipments are estimated and not guaranteed. Manufacturer shall not be liable for costs, expenses or damages incurred by any party due to shipment or delivery after any estimated date.

All products will be tendered and the title and related control and risk will be transferred to the customer at the FOB destination point. The destination point is the delivery location designated by the customer. In cases where the customer arranges for pick up of the goods and shipping, the customer is deemed to have taken control of the goods at the time the product leaves our facility.

Shipments may be tendered in several lots. In the absence of specific instructions, Manufacturer will select the carrier and ship freight prepaid and add to the price of the relevant Product. Surface freight for non-expedited North American orders in excess of \$5,000 will be paid by

Manufacturer. In cases where Customer, for any reason, requests deliveries of Products on a basis that is not in conformity with Manufacturer's standard shipping procedures, Customer shall be responsible for all such costs associated with premium freight and any resulting overtime required in order to make deliveries in conformance with Customer's required delivery schedule. Manufacturer will not be deemed to assume any liability in connection with any shipment because of the selection of a carrier or its failure to obtain insurance. Title and risk of loss or damage to each of the Products will pass to the Customer when delivery is made to the possession of the carrier.

Taxes and Governmental Charges:

Prices do not include any taxes or other governmental charges, including, without limitation, value-added, sales, use or privileges taxes, or excise or similar taxes levied by any government, now or hereafter enacted. In Manufacturer's discretion, any such taxes and charges may be added to the price for any products or may be billed separately. The Customer will, in any event, pay all such taxes and charges, on or before their due dates. In the event Manufacturer is required at any time to pay any such tax or charge, the Customer will reimburse Manufacturer promptly on demand. If any governmental agency requires Customer to withhold any portion of the gross payment due to Manufacturer, then such payment shall be increased by an amount such that the amount actually remitted to Manufacturer is equal to the amount that would have been remitted had there been no such withholding.

Terms of Payment, Late Charges:

Unless otherwise stated in Manufacturer's invoice or agreed to by the parties, terms of payment for orders shipped will be net thirty (30) days from date of shipment. The terms of payment are subject to review of Customer's credit by Manufacturer. Manufacturer shall have the right, at any time, to require an irrevocable letter of credit or other assurance of payment satisfactory to Manufacturer as a condition to acceptance of any order or shipment. Unless otherwise agreed to by Manufacturer, payment shall be by check, by wire transfer, or by Manufacturer's draw upon a bank letter of credit. The requirement of a letter of credit or prepayment is standard for shipments outside the U.S and for special products. Unless otherwise agreed all payments by Customer shall be made in United States Dollars and shall be paid fully net, without set-off, deduction or counterclaim.

If the Customer fails to pay the price or any other payment due to Manufacturer promptly and when due, Manufacturer may recover, in addition to the price or payment, interest thereon at a rate equal to the lesser of 1 1/2% per month and the maximum rate of interest allowable under applicable law.

The customer will be liable for all legal fees incurred by Manufacturer Inc. in the event that legal action is required to collect any amount owed under a past due account.

Limited Warranty:

Manufacturer warrants that, for five years from the date of shipment to Customer, each lighting fixture will be free from any defects in materials and workmanship which cause the product to fail to operate in accordance with the products' performance specifications as they exist at the time of shipment. Accessories have a one-year warranty. Each product's performance specifications can be found on the companies' website at <http://www.ecosenselighting.com/product>. This limited warranty is void if the product is:

- 1.) Not installed in accordance with the installation instructions found on companies' website (URL above) or any applicable standard or codes, such as, without limitation, those standards or codes of the standards for safety of Underwriters Laboratory, inc, the Conformité Européenne, or the National Electrical Code.
- 2.) Altered or repaired other than as authorized by Manufacturer (in writing)
- 3.) Misused or abused, whether intentionally or not, including without limitation if the product is used at any time in an environment or operating range, or subjected to electrical values, in excess of those specified in the product's performance specifications,
- 4.) Damaged due to Acts of God, fire, extreme weather, floods, tornados, hurricanes, war
- 5.) Use is violation of any applicable standard or code for use, such as, without limitation, those standards or codes of the Standards for Safety of Underwriters Laboratory, Inc. and the Conformité Européenne
- 6.) Used other than as a stand-alone product (i.e. integrated into another Manufacturer's product) with or without accessories
- 7.) Product was damaged during handling or in transit.

Manufacturer's obligation under this limited warranty is limited to, at Manufacturer's option, either the repair or replacement of the product or reimbursement of the purchase price. If the product has been discontinued or is no longer available, "replacement of the product" shall mean a comparable product as determined by Manufacturer. Manufacturer's obligation does not include any other costs or expenses, such as, without limitation, any costs or expenses of removal or reinstallation regardless of the cause or how incurred (example: labor costs, administrative costs, etc).

Manufacturer will not be held responsible for damage to, or failure of, fixtures where any chemicals are applied intentionally or inadvertently to the fixture(s).

In order to take advantage of this limited warranty, the Customer must return the allegedly defective product to Manufacturer in accordance with the "Return" policy set forth below within the specified warranty time period.

This limited warranty extends only to the Customer placing the order with Manufacturer. In the event Customer is authorized by Manufacturer to resell products to end users (such purchasing end users are referred to herein as "End Users"), the limited warranty in these Standard Terms shall apply to all such sales as coming from Customer, and Customer shall handle all returns directly with such End User; provided, however, that Manufacturer (not Customer) shall determine if the Product breached the terms of its limited warranty and whether Manufacturer's obligation under such limited warranty shall be either the repair or replacement of the product or reimbursement of the purchase price; if Manufacturer determines that the purchase price will be reimbursed, then the Customer shall reimburse to the End User the full purchase price paid to Customer by the End User.

Third Party Warranties:

With respect to products sold to the Customer by Manufacturer but not bearing the Manufacturer's name or sub-brand name, Manufacturer makes no warranty of any kind, express

or implied, including, without limitation, any warranty of merchantability or fitness of particular purpose, but will make available to the Customer upon request and only to the extent permitted by law and relevant contracts, the warranties of the Manufacturer of the relevant product.

No Implied Warranties:

The warranties given in these terms are the only warranties given by the Manufacturer with respect to the products and are given in lieu of all other warranties, express or implied, including, but not limited to, warranties of merchantability or fitness for a particular purpose which warranties are hereby disclaimed. Purchaser's exclusive remedy, and Manufacturer's sole liability, for any nonconformity or defect in any product shall be only those set forth herein. No agent, employee or representative of Manufacturer has any authority to bind Manufacturer to any affirmation, representation or warranty concerning goods sold by Manufacturer and unless an affirmation, representation or warranty is specifically included herein or in Manufacturer's sales acknowledgement, it does not form a part of the basis of any bargain between Manufacturer and Customer and shall not be enforceable by Customer.

Limitation of Liability:

An essential purpose of the limited exclusive liabilities and remedies in this Agreement is allocation of risks between Manufacturer and Customer, which allocation of risks is reflected in the purchase price for the Products. Under no circumstances shall Manufacturer's liability arising out of or in connection with this agreement or Manufacturer's performance or asserted failure to perform hereunder, in contract, tort (including negligence) or otherwise, exceed the purchase price of the product to which such liability relates. In no event shall Manufacturer be liable for special, incidental or consequential damages, including, without limitation damages resulting from loss of use, profits, business or goodwill, whether or not Manufacturer has been advised of the possibility thereof.

Export, Compliance with Laws:

Customer shall comply with all applicable laws, including, without limitation, the export control laws in effect in the United States, Canada, Asia, Latin America, Middle East and Europe and applicable regulations which may be issued from time to time concerning the exporting, importing and re-exporting of the Manufacturer's Products and the direct products thereof. Customer acknowledges that shipments of the Manufacturer's Products are subject to the export laws of the United States and those laws could delay or preclude delivery of Manufacturer's Products in the future. Customer shall also comply with the United States Foreign Corrupt Practices Act, and shall indemnify the Manufacturer of any failure to comply or violation of such Act by Customer. Customer shall, at its sole cost and expense, obtain and maintain in effect all permits, licenses and other consents necessary to the conduct of its activities hereunder.

Returns:

Customers wishing to return a Product must first contact Manufacturer directly and obtain a Return Goods Authorization ("RGA") number. Customers in North & South America may contact Manufacturer's Los Angeles office at 310-496-6255; customers in Europe, Asia, and the Middle East may contact our Hong Kong office at 852 2304 0189. Please state reason for request upon calling.

If the reason for return is due to an alleged breach of the terms of the product's limited warranty, Manufacturer shall send a RGA form to be completed and included with the returned product. If

the reason for return is due to other than an alleged breach of the terms of the product's limited warranty, Manufacturer may or may not issue a RGA, at Manufacturer's sole discretion; in such a case, Manufacturer will not consider a return beyond 90 days from original invoice date or for products that are not in resalable condition. In all cases, if a Product is returned to Manufacturer without a valid RGA number, delivery shall be refused and Customer shall be liable for all return shipping costs and charges, including, as applicable, all Taxes.

If a RGA number is issued, it is valid for only thirty days. Products not returned to Manufacturer within this timeframe may not be eligible for any return, regardless of reason, and delivery may be refused. If a RGA number is issued, Customer shall be responsible for all shipment costs and charges to Manufacturer, including all Taxes (if applicable).

Whatever the reason a RGA number is issued, Customer shall bear sole risk for any product loss or damage while in transit.

Indemnification:

Customer will at all times defend, indemnify and hold harmless Manufacturer and its officers, directors, shareholders, employees, accountants, attorneys, agents, affiliates, successors and assigns from and against any and all damages, injuries (including death), liabilities, costs and expenses, including reasonable legal fees and expenses arising out of or related to third party claims, actions or demands arising out of or related to any (1) breach of any provision in these Standard Terms by Customer or End User or (2) improper or negligent installation or use, or unauthorized repair, or integration into another lighting product, of a Product by Customer or End User (or its agents). Customer shall not settle, compromise or consent to the entry of any judgment with respect to any pending or threatened claim without Manufacturer's consent unless the settlement, compromise or consent provides for and includes an express, unconditional release of all claims, damages, liabilities, costs and expenses, including reasonable legal fees and expenses, against Manufacturer.

Miscellaneous:

Manufacturer and Customer are independent contractors and shall not represent themselves as principal and agent, partners or joint ventures. This Agreement shall be governed by CA law as if fully performed in CA and without regard to its conflicts of laws principles. In connection with any dispute hereunder, Manufacturer and Customer irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts located in CA and waive any right to jury trial. Any notice under this Agreement shall be in writing, delivered personally or by facsimile to the address as the addressee shall have last furnished in writing to the addressor. Such notice shall be effective upon receipt. The provisions of this Agreement are severable and shall be interpreted so as to be valid and enforceable to the maximum extent possible under applicable law. Any invalid or unenforceable provision shall be reformed or replaced by a valid and enforceable provision that is as similar in meaning as possible, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. The rights granted hereunder are personal to Customer, and Customer may not assign its rights or delegate its duties, including without limitation, in connection with a merger, consolidation, acquisition, asset sale or similar transaction, without the prior written consent of Manufacturer. The waiver by either party of a breach or a default of any provision of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has, or may have hereunder, operate as a waiver of any right, power or privilege by such party.

Manufacturer's products are sold and supported with the intent for installation in end user projects. These products cannot be incorporated in other Manufacturer's products or remarketed

under other brand names without an agreement with Manufacturer.