

TERMS & CONDITIONS

1. GENERAL

THESE TERMS AND CONDITIONS APPLY TO ALL ORDERS PLACED IN WRITING BY BUYER WITH Q-TRAN REGARDING Q-TRAN PRODUCTS. ALL ORDERS ACCEPTED BY SELLER SHALL BE GOVERNED BY THESE TERMS AND CONDITIONS. SELLER SHALL HAVE NO OBLIGATION TO ACCEPT ANY PARTICULAR BUYER PURCHASE ORDER AND THESE TERMS AND CONDITIONS SHALL SUPERSEDE ANY PRIOR PURCHASE ORDERS, PROPOSALS, QUOTATIONS, ORAL STATEMENTS AND/OR REPRESENTATIONS, BUYER TERMS AND CONDITIONS AND CONDITIONS, CORRESPONDENCE OR SIMILAR MATTERS (COLLECTIVELY, "ARRANGEMENTS") BETWEEN THE PARTIES OR THEIR REPRESENTATIVES. ANY CONFLICT BETWEEN THESE TERMS AND CONDITIONS AND OTHER ARRANGEMENTS SHALL BE RESOLVED IN FAVOR OF THESE TERMS AND CONDITIONS. SELLER RESERVES THE RIGHT TO AMEND THESE TERMS AND CONDITIONS FROM TIME TO TIME. SELLER SHALL NOT CONSIDER OR ABIDE BY ANY TERMS OF ANY AGREEMENT MADE BETWEEN BUYER AND ANY OTHER PARTY, INCLUDING ANY GOVERNMENTAL ENTITY, AND THAT NO SUCH TERMS, INCLUDING ANY "FLOW DOWN" TERMS SHALL BE DEEMED TO BE OR BECOME THE OBLIGATION OF THE SELLER.

Q-Tran's acceptance of the Buyers's purchase orders and all offers and sales by Q-Tran are subject to and expressly conditioned upon the Buyer's assent to the Terms and Conditions set forth herein. Buyer's acceptance of any offer made by Q-Tran must be made on such terms and conditions exactly as offered by Q-Tran. Any of Buyer's terms and conditions in any purchase order or otherwise referenced which are different from or in addition to those contained in this Agreement are expressly rejected by Q-Tran and shall be of no effect unless specifically agreed to in writing by Q-Tran. Q-Tran's written order acknowledgment, together with the Terms and Conditions set forth herein, constitutes the final expression of the agreement between the Buyer and Q-Tran and supersedes all prior oral and written statements regarding any order. Q-Tran will comply with and be bound by only those terms and provisions of the Buyer's order expressly accepted on the face of the acknowledgment.

2. PAYMENT TERMS

All payments are due thirty (30) days from date of invoice unless other arrangements have been made with Q-Tran's A/R Dept. All payments are to be made in U.S. Dollars and by check or ACH, unless other arrangements have been made with Q-Tran's Accounts Receivable Department. Any obligation of Seller to extend credit to Buyer is conditional upon Buyer's prior application and credit approval by Seller, timely payment of invoices, and upon the continued financial stability of Buyer.

Seller reserves the right to limit, cancel or revoke credit of Buyer at any time for any reason, and Seller may require or demand payment or adequate assurances of performance from Buyer prior to performing any aspect of the sale of goods hereunder. Past due invoices will bear interest at a rate of 1.5% per month or the highest rate allowed by applicable law, whichever is less. Q-Tran shall be entitled to recover its costs of collection of any past due invoice, including court costs and attorneys' fees. Buyer agrees that Seller shall have the right to obtain financial information on a quarterly basis and shall be entitled to annual tax returns.

3. ORDERS, SHIPPING, AND PRICES

All prices and product availability are subject to change without notice. Prices are net priced in US Dollars to the distributor and are shipped F.O.B. Milford, CT, or Compton, CA, unless previous arrangements have been made. The pricing contained in the confirmation shall control and shall supersede any prices set forth in the Buyer's purchase order. Prices do not include shipping, handling, insurance, storage, installation any sales, use excise, or other taxes, duties, fees or assessments imposed by any jurisdiction. All applicable taxes will be paid by Buyer, unless Buyer provides Seller with appropriate tax exemption certificates, and if Buyer requests that Seller ship products to Buyer's customer, Buyer must provide Seller with a valid resale certificate or other valid exemption certificate for its customer, and Buyer hereby indemnifies Seller for all taxes, costs, fees, expenses, penalties, and other charges if Buyer cannot provide adequate evidence that it remitted the applicable sales tax to the destination state. Until any purchase price and all other sums due are paid in full, Seller retains a security interest in the materials described on the face hereof (herein sometimes referred to as "Goods") and in all proceeds of said Goods. Buyer shall execute such financing statement(s) as Seller might reasonably request and irrevocably authorizes Seller to so execute and file the same. Q-Tran reserves the right to assess a warehouse fee for any orders that customer requests delayed shipping. The minimum daily warehouse fee is \$25 per day, per pallet paid.

4. SHIPPING

Seller shall use reasonable efforts to meet any shipment or delivery date stated in any Buyer purchase order, but Seller assumes no liability for loss or damage (including any direct, incidental, consequential or punitive damages) due to delays or failure to meet any Buyer-specified delivery date. If Seller cannot meet such shipment or delivery date, it will promptly notify Buyer. Freight is paid by the Buyer. Freight charges are estimated by Q-Tran and subject to change on final invoice. All shipments are shipped F.O.B. Milford, CT or Compton, CA.

Q-Tran ships via its preferred carrier unless Buyer designates a common carrier for the shipment of all products on the purchase order. For freight to ship via the customer's preferred carrier, the customer must arrange all pickups and complete all bill of lading. (Q-Tran takes no responsibility if carrier does not show up for pick-ups arranged by the Buyer). If we ship using Buyer freight account numbers, Q-Tran charges a box fee: UPS \$3/box, FedEx \$8/box. All box fees are subject to change.

Seller reserves the right to make delivery in installments (including both advance shipments and back orders). Delivery of an installment shall not relieve Buyer of its obligation to accept remaining deliveries. Seller shall have no responsibility to ship goods to any location other than those in the United States, Canada or Mexico unless Buyer has previously secured all applicable permits and licenses for the transfer of goods. All products must be inspected upon receipt and, if damaged In shipping, Buyer must file claims with the transportation company when there is evidence of any such shipping damage. Buyer agrees that any delay in delivery or failure to deliver or perform any part of this Agreement shall not be grounds for Buyer to terminate or refuse to comply with any provisions hereof and no claim or penalty of any kind shall be effective against Seller for such delay or failure.

5. TAXES

All prices, quotations, orders, and agreements are subject to all Federal, State, and Local taxes. These taxes will be added to the invoice unless legal proof of exemption is provided. Seller reserves the right to Invoice separately for the taxes should it be necessary to make payment where they were not included at the time of invoicing.

6. ORDER ACCEPTANCE

Seller's acceptance of orders and sales by Seller are conditioned upon Buyer's assent to the terms and conditions of these Terms and Conditions. An order is accepted and acknowledged in writing by Q-Tran when the following conditions are met: (1) Buyer's credit is approved; (2) Q-Tran has received complete job information; (3) Approved shop drawings for modified or exclusive designs have been received; (4) Deposit is obtained if required. (See "DEPOSITS"). Commencement of performance or shipment shall not be construed as acceptance of any of Buyer's terms and conditions which are different from or in addition to those contained in the purchase order and/or these Terms and Conditions.

7. TITLE, RISK OF LOSS AND ACCEPTANCE OF GOODS

Subject to the security interest reserved to Seller, possession and risk of loss for all goods shall pass to Buyer upon Seller's delivery of such goods to any carrier, common or otherwise. Title to such goods shall not pass until they have been fully paid for by Buyer. Buyer shall inspect all goods immediately upon delivery for concealed damage. Buyer shall have been deemed to have accepted the goods and services as delivered within fifteen (15) business days of delivery unless Buyer shall notify Seller of any deficiency in writing. Confiscation or destruction of or damage to products shall not release, reduce or in any way affect the liability of Buyer. Notwithstanding the foregoing, any use of a product by Buyer, its agents, employees, contractors or licensees, for any purpose, after delivery thereof, shall constitute acceptance of that product by Buyer. In the event Buyer rejects or revokes acceptance of any products for any reason, all risk of loss and/or damage to such products shall nonetheless remain with Buyer unless and until the same are returned undamaged (or in the condition received by Buyer) at Buyer's expense to such place as Seller may designate in writing. Cancellation or suspension of orders will be accepted by Seller pursuant to Section 12 of these terms and only upon terms that will indemnify the Seller for liabilities and expenses incurred by Seller regarding such order and commitments made by Seller and which will provide for profit on work in process and for the contract value of goods completed and ready for shipment. Postponement of deliveries at Buyer's request, if for a period of more than fifteen (15) days, will not be made without Seller's approval first being obtained. All postponements are subject to storage and handling charges. Delivery of goods pursuant to any purchase order shall be considered complete if final delivered quantities are within +/- 10% of order quantities. The Buyer must make any claim against Q-Tran for defects, errors, shortages, or invoice errors in writing to Q-Tran within ten (10) days after delivery. Failure by Buyer to make any claims against Q-Tran within ten (10) days constitutes acceptance of the goods and/or invoice and a waiver of any defects, errors, or shortages. Seller has the option of either replacing defective goods or crediting Buyer for the purchase price of such goods. A new purchase order is required for replacement orders.

8. ORDER CONFIRMATION

Q-Tran confirms all customer purchase orders with a confirmation. If a confirmation is not received within two business days, assume the purchase order was not received by Q-Tran and resend in duplicate. Q-Tran will not expedite or be held liable for orders not received due to IT issues from either party or any other reasons beyond Q-Tran's control.

By proceeding with a purchase order to Q-Tran, the Buyer is acknowledging the order is a contract.

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If Q-Tran completes submittal drawings, the following must be provided: hold for release purchase order, submittal drawings approved by signature of authorized personnel and returned to Q-Tran, and a release purchase order matching the submittal drawings.

9. ORDERING PROCEDURE

To avoid error and/or duplication, Q-Tran requires all orders in writing. Telephone or verbal orders are not accepted. Purchase orders may be mailed, faxed, or e-mailed to a Sales Representative or directly to the factory.

10. MINIMUM ORDER

Q-Tran's minimum order is \$100.

11. JURISDICTION, VENUE AND WAIVER OF JURY TRIAL

Any purchase order or agreement to which these Terms and Conditions apply shall be construed, enforced and governed by and in accordance with the laws of the State of Connecticut as if made and performed entirely within such state. The parties hereby agree that all actions or proceedings arising directly or indirectly, from these Terms and Conditions or any purchase order or agreement to which such Terms and Conditions apply, shall be litigated in courts having a situs within the State of Connecticut, County of Fairfield, and the Buyer and Seller hereby consent and agree to such courts having exclusive jurisdiction of such litigation. Buyer and Seller acknowledge that the right to trial by jury is a constitutional one, but that it may be waived. Each of the Buyer and Seller, after consulting (or having the opportunity to consult) with counsel of its choice, knowingly, voluntarily and intentionally waives any right to trial by jury in any action or other legal proceeding arising out of or relating to any document pertaining to any order.

12. CANCELLATION POLICY

Orders may not be cancelled or modified by Buyer without Seller's written consent. If the order has already been built, there will be a 75% cancellation fee. Custom orders cannot be canceled. Cancellation of custom orders will result in a full non-refundable charge for the order.

13. CUSTOM / LARGE ORDERS / INTERNATIONAL CUSTOMERS / DEPOSITS

A Custom Order is defined as anything not listed in the current Q-Tran price book. All orders requiring finishes and/or custom modifications require a 100% non-refundable deposit. All orders of standard product over \$250,000 will require a 50% deposit before shipment with the balance pursuant to the terms in Section 2 of these Terms and Conditions.

All international orders must be prepaid via bank wire transfer, and international orders will not be released for production until such payment is confirmed as received. Cancellations are subject to restocking charges and terms of Section 12 "Cancellation Policy."

14. RETURNS

Finished fixtures, cut products, and custom orders are not eligible for returns. No return of goods will be accepted without written consent from Q-Tran Inc., Return Materials Authorization (RMA) number, and shipping instructions from Q-Tran. This applies to returns of non-defective and defective goods. Returns of non-defective goods must be done within 90 days and, if approved, will be subjected to a 50% restocking charge. Returns must be in new, resalable condition in original packaging. Replacement parts cannot be returned unless defective. Returns for defective goods are regulated by Q-Tran's warranty policy and must follow Q-Tran's procedure.

If Q-Tran issues an RMA and offers a credit (minus the restocking fee), your credit will be valid for a period of up to two (2) years. Under no circumstances will Q-Tran refund money in the form of payment to a customer. After two (2) years, any credits will be written off of Q-Tran's books and cannot be reinstated for any reason.

15. FORCE MAJEURE

Seller shall not be liable for any delay in delivery or failure to perform due to acceptance of prior orders, strike, lockout, riot, war, fire, acts of God, accident, delays caused by any subcontractor or supplier or by Buyer, technical difficulties, failure or breakdown of machinery or components necessary for order completion, inability to obtain or substantial rises in the price of labor or materials or manufacturing facilities, curtailment of or failure to obtain sufficient electrical or other energy supplies, or compliance with any law, regulation, order or direction, whether valid or invalid, of any governmental authority or instrumentality thereof, or due to any circumstances or any causes beyond its reasonable control, whether similar or dissimilar to the foregoing and whether or not foreseen. As used herein, "perform" shall include, without limitation, fabrication, shipment, delivery, assembly, installation, testing and warranty repair and replacement, as applicable.

16. COST OF COLLECTION

If Buyer defaults with respect to any payment due the Seller, the Buyer shall pay Seller for all costs and expenses, including legal expenses and attorney incurred by Seller in exercising any of its rights or remedies. In the event of the bankruptcy

or insolvency of Buyer, or the filing of any proceeding by or against Buyer under any bankruptcy, insolvency or receivership law, or in the event Buyer makes an assignment for the benefit of creditors, Seller may, at its election and without prejudice to any other right or remedy, exercise all legal rights and remedies granted Seller as in the case of a default by Buyer under this Agreement.

17. DEFAULT AND TERMINATION

Buyer shall be deemed in material default if Buyer fails to pay any amounts when due hereunder or otherwise, cancels or attempts to cancel this Agreement prior to delivery or refuses delivery or otherwise violates, fails or refuses to abide by or acknowledge these Terms and Conditions, or threatens any of the foregoing. In the event of a material default by Buyer, Seller may, upon written notice to Buyer, (1) suspend its performance and withhold shipments, in whole or in part, (2) terminate this Agreement, (3) declare all sums owing to Seller immediately due and payable, and/or (4) recall products in transit, retake same and repossess any products held by Seller for Buyer's account, without the necessity of any other proceedings, and Buyer agrees that all products so recalled, taken or repossessed shall be the property of Seller, provided that Buyer is given credit therefore. Exercise of any of the foregoing remedies by Seller shall not preclude exercise of any of the others, and neither the existence nor exercise of such remedies shall be construed as limiting, in any manner, any of the rights or remedies available to Seller under the Uniform Commercial Code or other laws.

Buyer may only terminate for Seller's material breach if Seller, after written notice received from Buyer, fails to cure within 30 days of such receipt of notice. Any termination by Buyer must be in writing. In the event of a termination by Buyer or Seller for any reason other than a material breach by Seller that Seller fails to cure, Buyer shall pay Seller termination charges consisting of all of Seller's costs and expenses incurred in connection with Seller's performance (including without limitation labor, material and overhead), all costs and expenses incurred as a result of termination, any of Seller's other incidental damages and Seller's expectation damages. REPLACEMENTS. Unless otherwise agreed to in writing, Seller has the option of either replacing defective goods or crediting Buyer for the purchase price of such goods. A new purchase order is required for replacement orders.

18. WARRANTY

The following warranties only cover properly installed Q-Tran products that are reasonably fit for their ordinary purpose and intended purpose for which they are sold.

- Q-Tran Power Supply Centers are fully warranted for ten years.
- LED power supplies using electronic drivers are fully warranted for five years.
- All linear LED strips are fully warranted for five years.
- Q-CAP fixtures are warranted for five years.
- Rigid fixtures are warranted for five years.
- All FLEX PVC fixtures are fully warranted for two years.
- All FLEX silicone fixtures are fully warranted for 5 years.
- All FLEX DIY connectors are fully warranted for 1 year.

For the duration of the warranty period, Q-Tran will, at its option, repair or replace without charge, defective products, provided they are returned to the factory as described in Section 14, and Q-Tran's inspection determines the unit to be defective under the terms of this warranty. Repair or replacement, as stated above, shall constitute the Buyer's exclusive warranty, which does not extend to transportation, installation, labor or any other charges; nor does it apply to any equipment of another manufacturer used in conjunction with the Q-Tran Power Supply Centers, LED lighting products or other Q-Tran products.

The warranties described herein are in place of any other warranty, expressed or implied, including but not limited to, any implied liability under this guarantee shall be limited to repair or replacement and the Buyer agrees that no other remedy (including, but not limited to, incidental or consequential damage and/or incidental or consequential loss) shall be available to Buyer.

19. EXCEPTIONS TO WARRANTY

The warranties described in the above section shall not apply in the following circumstances:

- default in any unit after an operation at more than the rated voltage;
- damages resulting from accident, alteration, or misuse after shipment from the Q-Tran factory;
- failure of products which have been modified in any way or integrated with other manufacturers' products; and
- damages resulting from the improper selection or installation of lighting products.

20. PRODUCT SPECIFICATIONS

For manufacturing and/or improvement reasons, Q-Tran reserves the right to change, at any time and without notice, the technical and/or design specifications of any product in Q-Tran's line and catalog.

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21. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations, proposals, agreements, and understandings, whether oral or written, relating to the products to be purchased hereunder or otherwise relating to the subject matter of this Agreement. Any representation, warranty, course of dealing or trade usage not expressly contained or referenced herein shall not be binding on Seller.

22. ASSIGNMENT

Buyer shall not assign or transfer any rights or claims under any purchase order and/or these Terms and Conditions without the prior written consent of Seller, and any purported assignment made without such consent shall be void.

23. ATTORNEY'S FEES

In the event of default in payment of the purchase price or any part thereof, Buyer agrees to pay Seller's expenses, including reasonable attorney's fees and expenses, incurred by Seller in enforcing payment thereof, including all expenses incurred in connection with any arbitration or judicial proceeding.

24. EXPORT CONTROL

Seller shall not be obligated under these Terms and Conditions to export, transfer or deliver any products or related technical information to Buyer if prohibited by applicable law or until all necessary governmental authorizations have been obtained by the Buyer. Seller shall not be liable under these Terms and Conditions for any expenses or damages resulting from failure to obtain or delays in obtaining any required government authorizations. Buyer shall comply fully with all export administration and control laws and regulations of the U.S. government and/or other national or international (e.g. UN) laws and regulations as may be applicable to the export, re-export, resale or other disposition of any products purchased from Seller.

25. PRODUCT SAFETY

Buyer shall comply fully with all industry safety standards applicable to the manufacture, distribution or sale of items incorporating the products supplied by Seller, including but not limited to American National Standards Institute (ANSI) I Illuminating Engineering Society of North America (IESNA) RP-27 (or equivalent eye safety labeling standards) and International Standard IEC 62471-2006, published by the International Electrotechnical Commission. Including all marking, labeling, and supplemental user and service information (if any) required by the standards, where applicable. Buyer shall comply fully with all applicable safety-related laws, rules and regulations of any governmental body having jurisdiction to regulate the manufacture and distribution or sale of items incorporating the products supplied by Seller. Buyer shall obligate all persons and entities buying such products from Buyer (other than end users) to comply with such industry standards, laws, rules or regulations applicable to such person or entity. Buyer shall defend and hold Seller harmless against any expense, loss, costs or damages relating to any claimed failure by Buyer to comply with such industry standards, laws, rules or regulations or from any bodily injury, illness or property damage resulting from products manufactured by Buyer which incorporate the products supplied by Seller. If the products purchased from Seller are to be used in the performance of a government contract or subcontract, no government requirements or regulations shall be binding upon Seller unless specifically agreed to by Seller in writing. No modification, amendment, rescission, waiver or other change in this Agreement shall be binding on Seller unless agreed to in writing by Seller. The invalidity or unenforceability, in whole or in part, of any provision herein shall not affect the validity or enforceability of any other provision herein. Failure or delay on the part of either party to exercise any right, power, privilege or remedy herein shall not constitute a waiver thereof. The section headings contained herein are for convenience of reference only and are not to be used in the construction or interpretation of this Agreement.