

THESE STANDARD TERMS AND CONDITIONS APPLY TO ALL PURCHASES NOT SUBJECT TO A SIGNED PURCHASE ORDER AGREEMENT OR DISTRIBUTION AGREEMENT BETWEEN HIGH SIERRA LIGHTING AND THE PURCHASER.

The following shall govern all orders for Products by Purchaser and sales of Products by High Sierra Lighting, 270B Coney Island Drive, Sparks, NV, USA to Purchaser. High Sierra Lighting reserves the right to forward any order for Products to an authorized High Sierra Lighting distributor. High Sierra Lighting or, if applicable, such distributor, shall be referred to herein as the Manufacturer. Ordering Products from Manufacturer constitutes acceptance of the terms set forth herein. Any different, conflicting or additional terms in any purchase order or other writing from Purchaser 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:** Purchaser shall forward all purchase orders to Manufacturer at its head office. No order shall be final as to Manufacturer until accepted by Manufacturer. Orders shall be deemed accepted unless rejected by Manufacturer in writing within ten (10) days of the date thereof. After acceptance of the Purchaser's order, it shall not be subject to cancellation. 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.

**SHIPMENT, DELIVERY AND TITLE:** Dates of all shipments are estimated and not guaranteed. All products will be tendered and shipped F.O.B. Manufacturer's plant or warehouse and may be so tendered in several lots. In the absence of specific instructions, Manufacturer will select the carrier and ship freight prepaid and added to the price of the relevant Product. In cases where Purchaser, for any reason, requests deliveries of Products on a basis that is not in conformity with Manufacturer's standard shipping procedures, Purchaser shall be responsible for all such costs associated with premium freight and any resulting overtime required in order to make deliveries in conformance with Purchaser'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 Purchaser 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 Purchaser 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 Purchaser will reimburse Manufacturer promptly on demand. If any governmental agency requires Purchaser 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:** Unless otherwise stated in Manufacturer's invoice or agreed to by the parties, terms of payment for orders shipped to destinations in the U.S. will be net thirty (30) days from date of invoice. The terms of payment are also subject to review of Purchaser's credit by Manufacturer. Manufacturer shall have the right, at any time and from time to 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 of any Product. Unless otherwise agreed to by Manufacturer, payment shall be by check to be drawn on Purchaser's corporate account, by wire transfer to Manufacturer's account at a commercial bank Manufacturer shall designate, or by Manufacturer's draw upon a bank letter of credit satisfactory in form and substance to Manufacturer. The requirement of a letter of credit is standard for shipments outside the U.S, for special products, and for FOB factory orders. All payments by Purchaser shall be made in United States Dollars and shall be paid fully net, without set-off, deduction or counterclaim.

**LATE CHARGES:** If the Purchaser 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.

**GRANT OF SECURITY INTEREST:** Purchaser hereby grants Manufacturer a security interest in all Products sold to Purchaser hereunder to secure due and punctual payment and performance of all of its obligations hereunder. Purchaser shall execute all financing statements and other documents, and take all other actions, which Manufacturer shall reasonably request to perfect, protect, continue or maintain such security interests.

**LIMITED WARRANTY:** Manufacturer warrants to the Purchaser that each Product manufactured and sold by it will be free from defects in material and workmanship in normal use for the period of 360 days from delivery to the end user. If any Product covered by this warranty is returned by Purchaser in accordance with Manufacturer's Products Return Policy, including without limitation its return authorization provisions, within the applicable warranty period set forth

above, and upon examination Manufacturer determines to its satisfaction that such Product was defective in material or workmanship at the time of delivery to the Purchaser, Manufacturer will, at its option, repair or replace the Product or the defective part thereof. Manufacturer may in its sole discretion refund the original purchase price of the Product to the Purchaser. The foregoing notwithstanding, Manufacturer will not be responsible for damage to any Product resulting from misuse, negligence or accident or resulting from repairs or alterations made by any person or firm not duly authorized by Manufacturer in writing.

**THIRD PARTY WARRANTIES:** With respect to products sold to the Purchaser by Manufacturer but not manufactured by Manufacturer, MANUFACTURER MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, but will make available to the Purchaser, to the extent permitted by law and relevant contracts, the warranties of the manufacturer of the relevant product upon the Purchaser's timely written request.

**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 AND OF FITNESS FOR A PARTICULAR PURPOSE. PURCHASER'S EXCLUSIVE REMEDIES, AND MANUFACTURER'S SOLE LIABILITY, FOR ANY NONCONFORMITY OR DEFECT IN ANY PRODUCT SHALL BE THOSE EXPRESSED HEREIN.

**LIMITATION OF LIABILITY:** An essential purpose of the limited exclusive liabilities and remedies in this Agreement is allocation of risks between Manufacturer and Purchaser, 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:** Purchaser shall comply with all applicable laws, including, without limitation, the export control laws in effect in the United States, Canada and Europe and applicable regulations which may be issued from time to time concerning the exporting, importing and reexporting of the Manufacturer's Products and the direct products thereof. Purchaser acknowledges that shipments of the Manufacturer's Products are subject to the export laws of the United States and that such laws could delay or preclude delivery of Manufacturer's Products in the future. Purchaser 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 Purchaser. Purchaser 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.

**NON-EXCLUSIVE:** Nothing contained within this agreement shall be construed to establish an exclusive relationship between Manufacturer and Purchaser within any territory or within any Product type.

**GOVERNING LAW:** The parties agree that the terms of purchase and sale of Products set forth herein shall be construed and interpreted pursuant to, and governed by, the substantive laws of the Commonwealth of Nevada without regards to its conflicts of law principles and without regards to the United Nations Convention on Contracts for the International Sale of Goods. Disputes between the parties pertaining to such purchases and sales shall be settled by binding and final arbitration in Sparks, Nevada, USA pursuant to the Commercial Rules of Arbitration of the American Arbitration Association ("AAA") before a single arbitrator appointed by the AAA.

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