



HYDREL TERMS AND CONDITIONS OF SALE
FOR SHIPMENTS WITHIN THE UNITED STATES
October 2004

TERMS

All Hydrel, a division of Acuity Lighting Group, Inc. ("Hydrel") Commercial and Industrial (C&I) product payment terms are Net 30 days from date of invoice.

FREIGHT ALLOWANCE:

Hydrel Commercial and Industrial (C&I) products may be combined on an order to qualify for freight allowance. Peerless, Peerlite, Lithonia Lighting and Antique Street Lamps products cannot be combined on an order with Hydrel C&I product or with any other brand to qualify for freight allowance.

For shipments outside the contiguous United States, contact factory for applicable terms & conditions.

All shipments are F.O.B. our plants, vendors, Distribution Centers or Field Warehouses:

All orders for Hydrel C&I product having a distributor price of \$2,500 or more for one consignee for one shipment qualify for freight allowance.

All Hydrel C&I orders having a distributor price less than \$2,500 will be assessed actual freight and \$10 handling charge.

Anchor bolts are included with Hydrel C&I poles. Partial shipments or pre-shipped anchor bolts having a distributor price of less than \$2,500 may be assessed freight and handling charges.

Warehouse orders can only consist of products carried in stock.

ALL SHIPMENTS — For orders that qualify for freight allowance, we reserve the right to select the carrier and to route shipments at our discretion. We will ship in the manner selected by the customer provided the customer assumes any additional transportation costs.

TRANSPORTATION CLAIMS:

Our equipment is tested for mechanical defects prior to shipping. Our packaging is regularly inspected by transportation authorities who assume responsibility for both apparent and concealed damages sustained by improper handling. Title passes to purchaser upon delivery by us to the carrier, and all claims for damages or shortages in transit shall be made by purchaser with delivering carrier. Bills of Lading marked with "Shippers Load and Count" do not constitute a transfer of liability for the freight or damages from the consignee to Hydrel.

PACKAGING:

The company reserves the right to optimize packaging at our discretion. Some products may only be available in bulk package multiples or case quantities.

PRICES:

Prices are subject to change without notice. In the event of a price increase, all accepted orders on hand will be filled at lower prices provided such orders are released for shipping prior to the effective date of the price increase. If the orders are not released for shipment prior to the price increase, the orders will be billed at prices in effect at the time of shipment. Special quoted orders that cannot be released for shipping prior to the price increase may be subject to an increase in price. Minimum billing for all product or parts orders is \$50 net. Prices do not include lamps unless so specified.

RETURN OF MERCHANDISE:

No merchandise may be returned without prior written authorization from our Post-Sale department. Requests to return merchandise must be made with our agents for transmittal to the Post-Sale department within four (4) months from date of shipment by us. All returns must be shipped prepaid to the location designated on the return authorization. Credit will be issued based on the original invoice price, or price in effect at time of return, whichever is lower, less a minimum disposition charge of 50% (to defray our cost of handling). All returned product must be in salable condition in order to qualify for credit. Return authorization will not be granted when value of all items to be returned is less than \$300. All outdated or phase-out stock products are not returnable. Return programs for other Acuity Lighting Group Business units cannot be used to return Hydrel product.

NON-RETURNABLE MERCHANDISE

All non-stocking, special, custom made and modified products are not returnable. All Hydrel C&I poles are not returnable.

SERVICE AREA LIMITATION:

The company reserves the right to refuse to make quotations, accept orders or make shipments to points of destination outside of the regular or assigned selling and service area of the distributor.

LIMITED WARRANTY:

Hydrel warrants all products sold hereunder to be free from defect in manufacturing, under normal and proper storage, installation, and use, for a period of one (1) year from the date of shipment. Our liability extends only to the repair or

replacement of the defective part and no labor charges for correction of the defect by repair or replacement will be paid by Hydrel.

Hydrel shall not be liable for damages that result from deliveries that do not occur within a customer's specified time frame or for any delay or default in delivering products where occasioned by any cause, including without limitation embargoes; shortages of labor, raw materials, or fuel; fires; floods; accidents; acts of war; or other similar causes.

Anchor bolts must be installed using current factory-furnished templates

Lamp and Ballast (excluding HSL, MHSL, HWL, which are covered under Hydrel's limited warranty set forth above) are covered by the lamp or ballast manufacturer's warranty. All claims are to be made with the ballast manufacturer in compliance with their terms and conditions.

Ballast Guarantee — Ballasts are those of recognized, responsible manufacturers. Orders calling for specified brand name or type ballast will be handled on a quotation basis only. Claims for defective ballasts found to be in warranty should be made directly to the ballast manufacturer through their local ballast service center or their field representative in order to expedite replacement. Hydrel is not responsible for any costs or expenses, including without limitation any labor charges for replacement of defective ballasts. Any such costs would be the responsibility of and must be authorized by the ballast manufacturer. Copies of each manufacturer's standard ballast replacement program are available upon request from Hydrel representatives or can be accessed via www.Hydrel.com.

THE FOREGOING WARRANTY TERMS ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES. HYDREL MAKES NO REPRESENTATIONS OR WARRANTIES EXCEPT AS EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS, AND HYDREL EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NO DISTRIBUTOR OR SUPPLIER OF HYDREL HAS THE AUTHORITY TO MODIFY OR AMEND THIS LIMITED WARRANTY).

LIMITATION OF LIABILITY:

The foregoing limited warranty provides the purchaser's sole and exclusive remedy relating to Hydrel's products. The total liability of Hydrel on any and all claims of any kind, whether in contract, warranty, tort (including negligence), strict liability or otherwise, arising out of or in connection with, or resulting from, Hydrel's performance or breach of the foregoing limited warranty or from Hydrel's sale, delivery, repair, or replacement of any products, or the furnishing of any services, shall in no event exceed the purchase price allocable to the specific product which gives rise to the claim, and any and all such liability shall terminate upon the expiration of the limited warranty set forth above. IN NO EVENT SHALL HYDREL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER AS THE RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY).

CANCELLATION CHARGE:

Orders may not be cancelled unless we are reimbursed for work already performed and for special material purchased by our company. If an order is cancelled after shipment or if delivery is refused at destination, all warehousing, delivery, disposition and return costs will be charged to the customer. Restock charges will apply.

GENERAL:

Hydrel price sheets are not offers to sell and possession of a price sheet does not entitle one to purchase. Hydrel shall not be bound to sell any products unless it shall (in its sole discretion) accept submitted purchase orders. Specifications are subject to change without notice. Consult factory for verification. The compliance of our product to individual project specifications and/or local ordinance, the approval for their use is not warranted by our company. If purchaser does not pay the purchase price within the time periods set forth above, Hydrel reserves the right to assess a finance charge on any unpaid, past due balance up to the maximum legal rate. If any amount due Hydrel is collected by, or attempted to be collected through an attorney at law, Hydrel shall be entitled to recover all collection expenses, including attorney's fees.

ACCEPTANCE:

Acceptance of orders can be made only at our plants, Distribution Centers or Field Warehouses for warehouse orders on the basis of these terms and conditions of sale. Hydrel will not accept orders that require customer-furnished components.

ENTIRE AGREEMENT:

Except as expressly agreed in writing signed by Hydrel, the terms and conditions stated above shall constitute the entire sales agreement between Hydrel and the purchaser. Any contrary or additional terms or conditions submitted by the purchaser (other than the description of the products being ordered and the requested quantities, shipping date, and shipping location contained in purchaser's purchase order) shall be deemed to be of no force or effect and are hereby rejected. Purchaser's submission of a purchase order shall indicate purchaser's acknowledgment of and agreement with these Terms and Conditions.

Hydrel reserves the right to change these Terms and Conditions of Sale without notice.