



Standard Terms and Conditions of Sale - Limited Warranty

1. Offer, Governing Provisions, and Termination. This writing is an offer by Coolon USA, Inc. ("Company") to sell the goods and/or services described herein to the customer to which this offer is addressed ("Customer"), subject to the terms and conditions set forth herein and, on the face, and reverse sides hereof and in any Schedules identified herein. This writing is not an acceptance of any offer made by Customer, and Company hereby objects to and rejects any additional or different terms, which may be contained in any of Customer's purchase order, acknowledgment, or other forms, or in any other communication heretofore or hereafter received from Customer. Notwithstanding the foregoing, should this writing be deemed an acceptance of a prior offer, quotation, or proposal by Customer, such acceptance is limited to the express terms and conditions set forth herein. This offer expires thirty (30) days from its date unless otherwise extended by the Company. THIS OFFER, WHEN ACCEPTED BY THE CUSTOMER, BY ACCEPTANCE OF GOODS OR SERVICES OR OTHERWISE, SHALL FORM A BINDING CONTRACT AND CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE CUSTOMER. No agreement formed pursuant to this offer may be canceled or altered by Customer except upon terms and conditions acceptable to Company, as evidenced by Company's written consent.

The customer has no right to terminate for convenience. The customer may only terminate for the Company's material breach if the Company, after written notice, fails to cure within 30 days of receipt of such notice. Any termination by the Customer must be in writing.

In the event of a termination by Customer or Company for any reason other than a material breach by Company that Company fails to cure, Customer shall pay Company termination charges consisting of the amount, if any, specified on the Company's quotation or order acknowledgment or, if no such amount is so specified, an amount equal to all of Company's costs and expenses incurred in connection with Company's performance (including without limitation labor, material, and overhead), all costs and expenses incurred as a result of the termination, any of Company's other incidental damages, and Company's expectation damages. Regarding any breach by Customer hereunder, the Company reserves all rights and remedies available hereunder, in equity or at law. Company may, in its sole discretion, elect to reduce or waive such cancellation charges. No such waiver or reduction in any case shall affect the Company's right to impose such charges in any subsequent case.

2. Prices and Shipment. Prices and product design are subject to change at any time without notice. Federal and State taxes, if applicable, are not included. Invoices are payable in U.S. funds only. Prices that are acknowledged on orders are current prices. "Hold for Release" orders will be billed at prices that are in effect at the time of shipment.

All products shipped FCA (Company's Factory, Racine, WI) unless otherwise agreed to by the Company. A call-ahead fee will be applied to all orders requiring advanced notice of shipment delivery. The prices set forth herein reflect the Company's normal charges where its customer accepts all of the terms and conditions contained herein, including but not limited to the Company's limited warranty and disclaimer of consequential damage liability. Company offers to submit to Customer a different quotation providing Customer additional warranty coverage and/or for Company's assumption of the disclaimed liabilities and containing higher prices to reflect the resulting additional risk that Company would assume. The customer acknowledges that it is foregoing the possibility of making claims against the Company for matters limited or disclaimed herein in exchange for paying a lower purchase price.

3. Payment Terms. Subject to approval of Customer's credit, net payments shall be due thirty (30) days from invoice date unless otherwise agreed to in writing. If the Company (at its sole discretion) determines that the Customer should not be extended credit, the Company may demand payment in full prior to any work or delivery. Past-due invoices are subject to a service charge, calculated on the outstanding balance, at the lesser of (i) the rate of one and one-half percent (4%) per month or (ii) the highest rate authorized by applicable law. Upon notice to Company pursuant to Section 7, disputed items shall not be subject to a service charge, provided that Customer does not withhold payment of any undisputed items. The service charge is not intended as an alternative to payment when due, and upon delinquency, further sales may be declined, and the Customer's account may be referred for collection.

4. Taxes and Other Charges. Any manufacturer's tax, use tax, sales tax, excise tax, value-added tax, duty, custom, inspection, or testing fee, or any other tax, fee, or charge of any nature whatsoever imposed by any governmental authority on or measured by the transaction between Company and Customer shall be paid by Customer in addition to the prices quoted or invoiced. In the event the Company is required to pay any such tax, fee, or charge, Customer shall reimburse Company therefor.

5.1 Limited Express Warranty. Except as provided below, the Company warrants its branded products against defects in material and workmanship for one (1), three (3), or five (5) years from the date of invoice. (See 5.2 and 5.3 for exceptions.) The Warranty period is noted on each product's specification sheet. Without charge to Customer, the Company will, at its option, either repair or replace any properly installed product that is the subject of a valid warranty claim, provided that the Company receives written notice of such warranty claim prior to the expiration of the limited warranty period set forth above. If a repair part or replacement product is not available, a comparable product may be substituted at the Company's discretion. The foregoing remedies constitute Customer's sole and exclusive remedies for any valid warranty claim hereunder. In partial fulfillment of Customer's purchase order, the



Company may supply products that have been produced by unrelated third parties and not by the Company, and the Company's products may include components and/or ancillary products that are manufactured by unrelated third parties and not by the Company ("Third Party Products and Components"). Some of these Third-Party Products and Components may not be expressly identified as such. The foregoing limited warranty covers only those products and components that are manufactured by the Company and does not extend to Third Party Products and Components (regardless of whether they are expressly identified as such), nor does it extend to transportation, installation, or replacement services or charges incurred by Customer. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. The Company's finishes are warranted as above, but the Company provides no warranties of any kind with respect to custom finishes, and Customer accepts such custom finishes "as is". Company's limited warranty ceases to apply and will be void if: (i) the product has been altered or modified in any way; (ii) the defect or failure is attributable to abnormal site or operating conditions, including without limitation, excessive ambient temperatures and/or power surges, or Third Party Products and Components; (iii) the product is damaged by abuse, fire, explosion, lightning, flooding, or other acts of God; or (iv) the uninstalled product has been stored in a wet or damp location. In addition, Company makes no warranties with respect to, and Customer assumes full responsibility for, all handling of the goods after delivery, all quality control and testing of the goods, and all determination of suitability of the goods for their intended application or use. Upon the Company's acceptance of a valid warranty claim, the Customer shall return the defective product to the Company, transportation prepaid.

5.2 Extended Limited Warranty for Designated LED Products. LED products with a five (5) year warranty as indicated on the specification sheet, "Designated LED Product" herein, are subject to all of the terms, conditions, and limitations set forth in 5.1, and are supplemented as follows: All parts, including the LED engine and driver, are warranted to be free from defects in material and workmanship for a period of five years from the product's original date of invoice. Subject to the limitations and conditions set forth below, if a Designated LED Product experiences a "Failure" at any time prior to five years from the product's original date of invoice, the Company, at its sole discretion, will (i) offer the necessary replacement component part; (ii) refund a portion of the invoice price as outlined herein; or (iii) offer a replacement fixture(s) up to the value as outlined herein. A "Failure" is deemed to occur only when a properly stored, installed, and maintained Designated LED Product, under normal operating conditions, delivers fewer than 70% of its stated maintained lumens. If the Company chooses not to offer a replacement component part or if the necessary replacement part is not available, it will replace or refund: 100% of the invoice price if the Failure occurs in the first year following invoice date; 80% of the invoice price if the Failure occurs in the second year following invoice date; 60% of the invoice price if the Failure occurs in the third year following invoice date; 40% of the invoice price if the Failure occurs in the fourth year following invoice date; and 20% of the invoice price if the Failure occurs in the fifth year following invoice date. The Company's obligations under this warranty are expressly limited to the replacement value, partial replacement value, refund or partial refund of the invoice price as provided above, the Company has no other liability for any defect, deficiency, or failure of any Designated LED Product. These extended warranty terms are subject to all of the other terms, conditions, and limitations on warranties and remedies contained in or made a part of the Company's Standard Terms and Conditions of Sale herein. This warranty (including the Terms and Conditions of Sale to the extent incorporated herein) is exclusive and in lieu of any other express or implied warranties, including but not limited to any implied warranty of merchantability or fitness for particular purpose.

5.3 Limited Warranty for Gateway and Sensors. Company warrants the Gateway and Coolon branded sensors to be free from defects in material and workmanship exclusively for a period of one (1) year from the product's original date of invoice. All other terms, conditions, and limitations outlined above in 5.1 apply.

6. Risk of Loss. Title and risk of loss of goods shall pass to the Customer FCA (Company's Factory, Racine, WI), upon the earlier of Company's delivery to carrier or delivery into storage, regardless of whether the transport medium or storage facilities are owned and/or operated by Company, and regardless of whether Company charges Customer for storage.

7. Claims. All claims for defective or damaged product or deficient orders must be made by Customer in writing fully setting forth the nature of the alleged claim within thirty (30) days after receipt thereof by Customer. Photographic evidence is required for all claims. Customer's failure to so notify Company shall constitute irrevocable acceptance of the product and a waiver of any defect, damage, or shortage. Claims for damage or loss in transit must be made by Customer directly against the carrier.

8. Returns. Products may be returned to Company only when Company's written permission, signed by duly authorized personnel of Company, is obtained by Customer in advance. Goods may not be returned unless they are in marketable condition. Returned products must be securely packaged and be delivered to Company prepaid and without damage. Any cost incurred by Company to put products in marketable condition will be charged to Customer. Returns are subject to a minimum 35% restocking charge. Additional charges may apply. No returned product will be accepted without all cartons marked with authorized Return Material Authorization ("RMA") number. One carton must include a copy of the RMA form in order to ensure prompt credit on return. All RMAs expire 60 days from date of issuance. Unmarked shipments will be refused by Company's receiving department.

9. Limitation of Liability; Indemnification. The Company's liability with respect to breaches of warranty shall be limited as provided in Section 5 hereof. With respect to other breaches of this contract, the Company's liability shall in no event exceed the contract price. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES,



WHETHER FOR BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE OR OTHER TORT, ON ANY TYPE OF STRICT LIABILITY THEORY OR ANY OTHER THEORY OF LIABILITY, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, COMPANY SPECIFICALLY DISCLAIMS ANY LIABILITY FOR PENALTIES (INCLUDING ADMINISTRATIVE PENALTIES), SPECIAL OR PUNITIVE DAMAGES, DAMAGES FOR LOST PROFITS OR REVENUES, LOSS OF USE OF PRODUCTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, FACILITIES, SERVICES, LABOR OR SALARIES, DOWNTIME, SHUT-DOWN OR SLOWDOWN COSTS, SPOILAGE OF MATERIALS, OR FOR ANY OTHER TYPE OF ECONOMIC LOSS. All the limitations and disclaimers contained in this paragraph and in the rest of this contract shall apply to claims of Customer's clients or any third party asserted by Customer against Company for indemnity or contribution, as well as direct claims of Customer against Company. Customer shall indemnify Company against any and all losses, liabilities, damages, and expenses (including, without limitation, attorneys fees and other costs of defending any action) which Company may incur as a result of any claim by Customer or others (including damage to property or injury or death to persons) arising out of or in connection with the products and/or services sold hereunder and based on product or service defects or failures not proved to have been caused solely by Company's negligence or, in the event of resale, by virtue of Customer's failure to properly disclaim all implied warranties and consequential damages.

10. **Right to Assurance.** Whenever Company in good faith has reason to question Customer's ability or intent to perform, Company may demand in writing adequate assurance from Customer of Customer's ability or intent to perform, and may suspend performance hereunder pending such assurance. In the event that such a demand is made and such assurance is not given within a reasonable time, Company may treat that failure as anticipatory repudiation hereof and exercise any appropriate remedy therefor.

11. **Bankruptcy.** If Customer makes an assignment for the benefit of creditors, or admits in writing its failure or inability to pay its debts as they become the subject of an "order for relief" within the meaning of that phrase in the U.S. Bankruptcy Code, or applies for or consents to the appointment of a receiver for any of its property, Company may terminate any agreement arising out of this offer at any time, effective immediately upon notice. Such termination shall not relieve either party from any obligations accrued hereunder up to the date of notice of termination.

12. **Waivers.** No waiver by either party of any default by the other in the performance of or compliance with any provision, condition, or requirement herein shall be deemed to be a waiver of, or in any manner release such other party from compliance with any such provision, condition, or requirement in the future; nor shall any delay or omission of either party to exercise any right hereunder or otherwise in law in any manner impair the exercise of any such right thereafter.

13. **Delay in Performance.** Company shall not be liable for any damages or penalties as a result of any delay in Company's performance when such delay is due to force majeure, weather events, acts of God, delay in transit, delay in delivery by any vendor of Company, or any other cause beyond the reasonable control of Company. Company may allocate its available supply of product among its customers, itself, and its affiliates on such basis as Company deems fair and reasonable if Company is unable, for any reason, to supply the quantities of product contemplated hereby.

14. **Assignment.** Customer shall not assign any of its rights hereunder without the prior written consent of the Company. The terms hereof shall inure to the benefit of and shall bind the successors and permitted assigns of the parties hereto.

15. **Compliance With Laws.** Company certifies that these goods were produced in compliance with all applicable requirements of sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under section 14, thereof.

16. **Severability.** If any provision of this contract shall be deemed illegal or unenforceable, such illegality or unenforceability shall not affect the validity and enforceability of any legal and enforceable provision hereof, which shall be construed as if such illegal and unenforceable provision(s) had not been inserted herein.

17. **Governing Law and Choice of Forum.** This contract shall be governed by and construed under the laws of the State of Wisconsin, without reference to principles of conflicts of laws. The rights and obligations of the parties shall not be governed by the provisions of the 1980 U.N. Convention on Contracts for International Sale of Goods. The state and federal courts having jurisdiction over the county in which the Company's main offices are located shall have exclusive jurisdiction of any dispute arising hereunder, and Customer irrevocably submits to the jurisdiction thereof and waives any defense against such jurisdiction. To the extent permitted by law, Customer agrees to reimburse Company for all reasonable attorneys' fees incurred in connection with enforcing any of Company's rights under this agreement, including, without limitation, any reasonable attorneys' fees incurred by Company in any bankruptcy proceeding involving Customer.

Please visit our website for the most up-to-date Standard Terms and Conditions of Sale. <http://www.coolonusa.com>