

STANDARD TERMS AND CONDITIONS

The following terms and conditions (the "Terms and Conditions") apply to the sale of all goods and/or services by P.Q.L., Inc., dba Premium Quality Lighting ("PQL") to the customer (the "Customer"). These Terms and Conditions may not be changed, modified or amended, in whole or in part, except in writing, signed by an officer of PQL.

PAYMENT TERMS:

Unless otherwise agreed to in writing, payment is due within 30 days from the date of the PQL invoice. A service charge of 1-1/2% per month (equivalent to an Annual Percentage Rate of 18%), up to the maximum amount permitted by law may be applied on invoices not paid on or before the due date. Any sales, usage, excise, or other taxes which PQL may be required to pay or collect under any existing or future law with respect to the sale, manufacture, process, delivery, storage, use, consumption or transportation of any goods or services sold to Customer are the responsibility of and shall be paid by Customer. Customer shall be responsible for payment of all additional goods ordered that were not included on the original price quote. Unless all invoices are paid in full, any applicable warranties are hereby voided. Customer shall be liable to PQL for all costs incurred in collecting past due amounts, including but not limited to, all court costs and reasonable attorneys' fees.

FREIGHT TERMS:

Freight Allowed: Orders are F.O.B. Orders of \$1,500.00 or more (all product lines combined) will be freight allowed to all customers in the contiguous United States (48 states, excluding AK & HI). Orders shipped outside the contiguous United States will be freight prepaid to the closest port. PQL reserves the right to select the carrier on all shipments unless special arrangements are made and approved prior to shipment. For orders containing fixtures or lamps greater than 4FT, freight allowance will be provided once the purchase order exceeds \$2,000.00.

Freight Prepaid: Purchase Orders that do not meet freight allowed minimums will be freight prepaid and billed to the customer on the invoice regardless of the shipping destination.

Canceled Items: If items are canceled from an order, the order will be required to meet all freight allowances without the items that are removed.

Surcharges: A surcharge may be added for the following: 1. Residential deliveries, 2. Government buildings, 3. Deliveries to construction sites, 4. For trucks that require lift gates, 5. Blind (truck) shipments, 6. Limited Access, 7. Delivery Appointments, Call ahead requests cannot be fulfilled and will be handled by scheduling an appointment 8. Inside deliveries

Poles: All poles will include freight charges unless otherwise specified.

THE FOLLOWING CHARGES MAY BE CHARGED OVER AND ABOVE FREIGHT: 1. Overwrap: For 4FT or smaller - \$8, For larger than 4FT - \$12, PQL/Carrier is not responsible for damages when overwrap is denied 2. Broken Case Charge (applicable to all bulb types) (per item) - \$6 3. Repack fee (applicable to fixtures not purchased in full case quantities) - \$15

DELIVERY, FREIGHT CLAIMS, TITLE AND RISK OF LOSS; SECURITY INTEREST:

PQL does not accept responsibility for items damaged during shipment. All orders are provided to the shipping company complete and in working order. All damage/shortage claims must be made to PQL within 48 hours of receiving goods and all damaged/shortage items must be noted on the bill of lading at the time of acceptance. Customer accepts full responsibility for any damaged/shortage items not noted on the bill of lading and reported to PQL within 48 hours. Title and risk of loss passes to Customer upon delivery to Customer. Notwithstanding the foregoing, PQL shall retain a security interest in all goods supplied to Customer until the PQL receives full payment of all amounts due and owing. PQL shall have the right to file any and all documents and take any action it deems necessary to fully establish protection of its security interest in the goods.

RETURNED GOODS:

Before returning defective or non-conforming goods, Customer must first contact PQL to request a Return Goods Authorization (RGA) Number and report the product number, quantity, and reason for return. PQL will provide an RGA number, RGA or Field Scrap Form. The RGA should be used as the return packing slip. Any items returned without an RGA will be returned to the sender Freight Collect. All returned merchandise must be in the original packaging and factory carton with the RGA packing slip attached and shipped Freight Prepaid to PQL After the merchandise is received and inspected, acceptable items will be credited. A charge may be added for any missing or damaged parts. All merchandise returned for credit is subject to a 25% restocking charge. All returns must be requested within 21 days of receiving of goods. PQL will not accept discontinued items for return. PQL will credit acceptable returned goods at sale price, if applicable, or base price, minus dealer discount. Notwithstanding the foregoing, special orders may not be returned.

WARRANTY / LIMITATION OF LIABILITY:

All goods are sold with the manufacturer's warranty alone and no warranty, expressed or implied, is made by PQL. Such warranties can be found on the product packaging, and/ or on the PQL's website at: www.pqlighting.com.

INDEMNIFICATION:

Customer shall release, defend, indemnify and hold PQL, its shareholders, officers, directors, employees, agents and representatives harmless from and against any claims, demands, causes of action, judgments, proceedings, awards, damages, losses, fines, penalties, costs, expenses and liabilities caused by, arising out of or relating to, its acts or omissions, or the acts or omissions of its shareholders, officers, directors, employees, agents or representatives. PQL shall not be liable for Customer's acts of negligence, and PQL shall have no duty to indemnify Customer for any reason not expressly undertaken elsewhere in the Terms and Conditions set forth herein.

MISCELLANEOUS:

(1) Severability: Any provision contained herein determined to be unenforceable, illegal or invalid shall be automatically voided. (2) Choice of Law: Any dispute between Customer and PQL shall be governed by the laws of the State of California. Any lawsuit or other action arising out of any agreement between PQL and Customer shall be filed in a state or federal court in Ventura County, California. The parties agree to the exclusive jurisdiction of, and consent to venue in, those courts. In the event of litigation relating to the agreement between the parties, PQL and Customer agree to waive their right to a jury trial. (3) In any litigation, arbitration, or other proceeding by which one party seeks to enforce its rights under these Terms and Conditions, the prevailing party shall be entitled to recover reasonable attorney fees as well as reasonable costs and expenses.