AGREEMENT: This quotation or order contains the complete agreement between Buyer and Advanced Lighting Technology, LTD. “ALT,” a Texas limited liability partnership. No terms and conditions other than the terms and conditions contained herein shall be binding upon ALT unless accepted by it in a writing signed by an ALT officer. All terms and conditions contained in any prior oral or written communication, including, without limitation, clauses where the Buyer’s Purchase Order containing Terms and Conditions used a document exchanged between Buyer and ALT, which are different from or in addition to the terms and conditions herein are hereby rejected and shall not be binding on ALT. All prior proposals, negotiations, and representations, if any, are merged hereinto.

TIME OF PAYMENT: Net thirty (30) calendar days from invoice date. In the event Buyer fails to make any payment to ALT when due, Buyer’s entire account(s) with ALT shall become immediately due and payable without notice or demand. Buyer does hereby grant ALT a purchase money security interest in the products until such time as ALT is fully paid. Products furnished by ALT shall become a fixture by reason of being attached to real estate.

REMEDIES OF ALT: Buyer agrees that any of the following shall constitute an event of default which shall enable ALT, at its option, to cancel any unshipped portion of this order or to exercise any right or remedy which it may have by law: (a) the failure of Buyer to perform any term or condition contained herein; (b) any failure of Buyer to give required notice; (c) the insolvency of Buyer or its failure to pay debts as they mature, an assignment by Buyer for benefit of its creditors, the appointment of receiver for Buyer or for the materials covered by this order or the filing of any petition to adjudicate Buyer bankrupt; (d) the death, incompetence, dissolution or termination of the sole owner of Buyer; (e) a failure by Buyer to provide adequate assurance of performance within ten (10) days after a justified demand by ALT or (f) if ALT, in good faith, believes that Buyer’s prospect of performance under this Agreement is impaired. All rights and remedies of ALT contained in are in addition to, and shall not exclude, any rights or remedies that ALT may have by law.

FINANCE AND COLLECTION CHARGE: Buyer agrees to pay a finance charge, at a monthly rate of 2.0% or the highest rate permitted by law, whichever is less, on past due invoices. Buyer agrees to pay ALT all costs of collection including but not limited to reasonable attorney’s fees, collection fees, and court costs incurred by ALT to collect payments due.

CREDIT LIMITS: Credit limits shall be determined and may be modified at the sole discretion of ALT.

GOVERNING LAW: This transaction shall be governed in all respects by the laws of the State of Texas (excluding choice of law provisions). All actions, regardless of form, arising out of or related to this transaction or the products sold hereunder must be brought against ALT within the applicable statutory period, but in no event more than one (1) year after the date of invoice.

JURISDICTION: Any and all obligations, payments or legal actions shall be in Denton County, Texas.Venue for all lawsuits, causes of action, arbitration proceedings or other disputes shall be Denton County, Texas.

WARRANTY: ALL PRODUCTS MANUFACTURED BY ALT ARE WARRANTED AGAINST MANUFACTURING DEFECTS IN MATERIAL AND WORKMANSHIP FOR ONE YEAR AFTER THE DATE OF RECEIPT BY BUYER. BUYER AGREES THAT ALT’S OBLIGATION UNDER THIS WARRANTY IS LIMITED BY ALT’S SOLE DISCRETION TO THE REPAIR OR REPLACEMENT OF ANY DEFECTIVE PRODUCT WITHIN THE FOREMENTIONED TERM.

AS TO PRODUCTS MANUFACTURED BY THIRD PARTIES, THE BUYER’S SOLE AND EXCLUSIVE WARRANTY, IF ANY, IS THAT PROVIDED BY THE PRODUCT’S MANUFACTURER.

ALT DISCLAIMS ALL EXPRESSED OR IMPLIED WARRANTIES, WHETHER IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OR FITNESS FOR A PARTICULAR PURPOSE, UNDER NO CIRCUMSTANCES, AND IN NO EVENT, WILL ALT BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE OR ANY OTHER LOSS, DAMAGE, COST OF REPAIRS OR INCIDENTAL, PUNITIVE, SPECIAL, CONSEQUENTIAL, OR LIQUIDATED DAMAGES OF ANY KIND, WHICH ARE CAUSED DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, BY NEGLIGENCE OR ANY OTHER CAUSE OF ACTION ARISING IN CONNECTION WITH THE DESIGN, MANUFACTURE, SALE, TRANSPORTATION, INSTALLATION, USE OR REPAIR OF THE PRODUCTS SOLD BY ALT. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT UNDER NO CIRCUMSTANCES, AND IN NO EVENT, SHALL ALT’S LIABILITY, IF ANY, EXCEED THE NET SALES PRICE OF THE DEFECTIVE PRODUCT(S); NO ADDITIONAL ALLOWANCE SHALL BE MADE FOR THE LABOR OR EXPENSE OF REPAIRING OR REPLACING DEFECTIVE PRODUCTS OR WORKMANSHIP OR DAMAGE RESULTING FROM THE SAME.

FORCE MAJEURE: ALT assumes no responsibility or liability and will accept no backcharge for loss or damage due to delay or inability to deliver, caused by acts of God, war, terrorist acts, incidents, inability to obtain materials, transportation delays, work stoppages, acts or defaults of suppliers or contractors or any other causes of any kind which beyond the control of ALT. Under no circumstances shall ALT be liable for any special, consequential, incidental, indirect, or liquidated damages, losses, or expense (whether or not based on negligence) arising directly or indirectly from delays or failure to give notice of delay.

RECOMMENDATIONS BY ALT: Buyer acknowledges that ALT does not make and specifically negates, renounces and disclaims any recommendations, with respect to the products sold, their use, their maintenance, or the accuracy or reliability of any information, designs or documents furnished to Buyer. Failure by ALT to make recommendations or give advice to Buyer shall not impose any liability upon ALT.

INDEMNIFICATION: The Buyer shall, at its own expense, apply for and obtain any permits and inspections required for the installation and/or use of the products. ALT makes no promise or representation that the products or services will conform to any federal, state or local laws, ordinances, regulations, codes or standards, except as particularly specified and agreed to in writing by an authorized representative of ALT. ALT’s products are not for use in or with any nuclear facility unless specifically so stated by ALT in writing.

ALT shall not be responsible for any losses or damages sustained by the Buyer or any other person as a result of improper installation or misapplication of the products. Buyer shall defend, indemnify and hold harmless ALT and its agents and employees against any loss, damage, claim, suit, liability, judgment or expense (including, without limitation, attorney’s fees) arising out of or in connection with any injury, disease or death of persons (including, without limitation, Buyer’s employees and agents) or damage to or loss of any property or the environment, or violation of any applicable laws or regulations resulting from or in connection with the sale, transportation, installation, use, or repair of the products by Buyer or of the information, designs, services or other work supplied to Buyer, whether caused by the concurrent and/or contributory negligence of Buyer, ALT, or any of their agents, employees or suppliers. The obligations, indemnities and covenants contained in this paragraph shall survive the consummation or termination of this transaction.

INSPECTION AND ACCEPTANCE: Claims for damage, shortage or errors in shipping must be reported within one (1) day following delivery to Buyer. Buyer shall deliver written notice to ALT within ten (10) days after receiving any products and services for defects and nonconformance which are not due to damage, shortage or errors in shipping and notify ALT, in writing, of any defects, nonconformance or rejection of such products. After such seven (7) day period, Buyer shall be deemed to have irrevocably accepted the products, if not previously accepted. After such acceptance, Buyer shall have no right to reject the products for any reason or to revoke acceptance. Buyer hereby agrees that such seven (7) day period is a reasonable amount of time for such inspection and revocation.

ACCEPTANCE: Orders placed and accepted can be canceled only with ALT’s written consent and upon terms which will save ALT from loss. No Product may be returned for credit or adjustment without written permission from ALT.

RETURNS: If permitted by ALT, Buyer shall return any product which ALT stocks subject to a 20% restocking charge and transportation charges if: (i) it is in new condition, suitable for resale in its undamaged original packaging and with all its original parts and (ii) it has not been used, installed, modified, rebuilt, reconditioned, repaired, altered or damaged. Buyer's surplus job returns, and those not meeting (i) and (ii), above, will be evaluated on an individual basis after Buyer has contacted ALT's authorized representative for prior written permission. Electrical products which meet which (i) and (ii), above, credit memorandum issued for authorized returns shall be subject to the following deductions: (a) cost of putting items in salable condition; (b) transportation charges, if not prepaid; and (c) handling and restocking charges.

SHIPMENTS: All products are shipped F.O.B., point of shipment. Risk of loss shall pass from ALT to Buyer upon tender of the products to Buyer or Buyer’s common carrier. The cost of any special packing or special handling caused by Buyer’s requests or requirements shall be added to the amount of the order. If Buyer causes or requests a shipment delay, or if ALT ships or delivers the products erroneously as a result of inaccurate, incomplete or misleading information supplied by Buyer or its agents or employees, storage and all other additional costs and risks shall be borne solely by Buyer. Claims for products damaged or lost in transit should be made by Buyer to ALT, per the aforementioned guidelines outlined in the section entitled “Inspection and Acceptance”.

TAXES: The amount of any sales, excise or other taxes, if any, applicable to the products shall be the obligation of the Buyer and where possible, added to the purchase price and shall be paid by Buyer unless Buyer provides ALT with an exemption certificate acceptable to the taxing authorities. Buyer shall promptly pay to ALT upon demand the amount of any taxes of which ALT is advised subsequent to the delivery of the products.

SEVERABILITY: If any provision hereof is held to be invalid, illegal or unenforceable under any present or future laws, such provision shall be severed and the terms and conditions herein shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been made a part hereof.

SET-OFF: Buyer shall not be entitled to set-off any amounts due Buyer against any amount due ALT in connection with this transaction.

NONWAIVER: ALT’s failure to insist upon the strict performance of any term or condition herein shall not be deemed a waiver of any of ALT’s rights or remedies hereunder, nor of its right to insist upon the strict performance of the same or any other term herein in the future.

ENTIRE AGREEMENT: This document constitutes the entire, complete, and final agreement between the parties with respect to the subject matter hereof. The terms and conditions contained herein may not be added to, modified, superceded or otherwise altered except by a written modification signed by an ALT officer.

ALT Terms and Conditions of Sale 11-04-2004