

Terms and Conditions

Unless otherwise specifically agreed to in writing by LEDdynamics, Inc. ("LDI"), these Terms and Conditions (these "Terms") shall apply to any and all products or services of LDI ("Products") purchased pursuant to a purchase order or any other forms submitted to LDI by any person or entity ("Purchaser").

1. ACCEPTANCE OF ORDERS. No Order shall be binding upon LDI until it has been accepted by LDI in writing, and LDI shall have no liability to Purchaser with respect to Orders that are not accepted in writing. LDI's acceptance of all Orders and all offers and sales of Products by LDI are subject to and expressly conditioned upon Purchaser's assent to the terms and conditions of this Agreement. The "Agreement" consists of these Terms, LDI's quotation, if any, LDI's order acknowledgement and any applicable express product warranties published by LDI. Purchaser's acceptance of any offer by LDI must be made on such terms and conditions exactly as offered by LDI. Any of the following acts by Purchaser shall constitute Purchaser's acceptance of these Terms: (a) delivering a purchase order for Products; (b) accepting delivery of Products from LDI; or (c) paying the purchase price for the Products set forth in any invoice, whichever occurs first. Any counter offer or proposed terms and conditions on any Order by Purchaser that are in addition to, conflict with or are inconsistent with the Agreement are hereby expressly objected to and rejected, shall be of no effect, and are superseded by the Agreement. LDI's commencement of performance or shipment of Product shall not be construed as acceptance of any of Purchaser's terms and conditions which are different from or in addition to those contained in the Agreement unless expressly agreed to in a written agreement that specifically provides that it is amending the terms of the Agreement, duly executed by an LDI company officer.

2. PRICES AND TAXES. Prices for Product as stated in the Agreement are exclusive of all excise, sales, use, transfer and other taxes and duties imposed by any federal, state, municipal or other governmental authority with respect to the Products, all of which taxes must be paid by the Purchaser. Purchaser is responsible for obtaining and providing to LDI any certificate of exemption or similar document required to exempt any sale from sales, use or similar tax liability. Except as may be set forth in Section 4 of these Terms, prices in the Agreement do not include shipping or insurance. LDI may modify the prices of any of its Products at any time, with or without notice to Purchaser.

3. TERMS AND METHOD OF PAYMENT. Purchaser shall pay for all Products in cash upon delivery, unless otherwise agreed to by LDI in writing. If LDI, at its sole and absolute discretion, extends credit to Purchaser, invoices will be issued upon shipment and payment shall be due in full within thirty (30) days from the invoice date or such other date as specified in the Agreement. LDI reserves the right to change the amount of or withdraw any credit extended to Purchaser. Each shipment shall be considered a separate and independent transaction and payment for each shipment shall be due accordingly. Amounts not paid when due shall be subject to interest at the rate of one-and-one-half percent (1½%) per month or the maximum interest rate permitted by law, whichever is less. Purchaser is responsible for paying all losses, costs, attorney's fees or other expenses incurred by LDI in the event that LDI, in its sole discretion, hires a third-party collection agency or takes any other action in order to recover any past due amounts owed to LDI by Purchaser. All payments shall be in U.S. dollars. Upon any default by Purchaser under a transaction contemplated herein, LDI may pursue any remedy available at law (including those under the Uniform Commercial Code) or in equity.

4. DELIVERY, TITLE AND RISK OF LOSS. Unless Purchaser instructs LDI otherwise, LDI will select a carrier and arrange shipment; if necessary secure export/import license(s); and if necessary clear through local customs; provided, however, that all applicable freight, packing, duties, taxes, VAT, insurance and other related shipping charges will be added to the Purchaser's invoice. LDI will use reasonable efforts to meet requested delivery dates but will not be liable for failure to do so. International shipments must comply with all applicable export and import regulations. LDI's reasonable delay or refusal to ship due to export or import restrictions shall not constitute default by LDI. Orders placed and acknowledged in advance of applicable lead time will be shipped economy freight to meet Purchaser's requested delivery date. Lead time for the delivery of Product is quoted from LDI after receipt of order, (ARO) and will be shipped via economy freight unless otherwise specified on the Purchaser's Purchase Order. Orders placed and acknowledged in advance of applicable lead time but delayed solely due to the fault of LDI will be shipped premium freight and LDI will pay the difference in shipping costs (premium freight minus economy freight).

5. RESCHEDULING OR CANCELLATIONS. Except as set forth in this Section, no cancellation of Orders or re-scheduling of Product deliveries will be allowed. Notwithstanding the foregoing and unless specified otherwise, (a) any request for rescheduling or cancellation received more than 90 days before scheduled shipment is not subject to any cost or; (b) Orders scheduled to ship between 31 and 90 days of the Order acknowledgement can be rescheduled one (1) time so as to delay shipment by a maximum of thirty (30) days; and (c) Orders scheduled to ship within thirty (30) days of Order acknowledgement cannot be rescheduled.

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6. PRODUCT MODIFICATIONS. Standard products are subject to changes, including electrical or mechanical design refinements, as LDI deems appropriate, or as required by law or safety concerns, without obligation to modify or change Products previously delivered or to supply Products in accordance with earlier specifications.

7. INTELLECTUAL PROPERTY. Purchaser hereby recognizes that LDI retains all right, title and interest in and to (a) all intellectual property rights in and to the Products, including, without limitation, patent rights, trademarks, trade dress and similar intellectual property rights; (b) all processes, methods, formula, ingredients, designs, procedures and other practices used by LDI or relating to the manufacture and sale of the Products, including all intellectual property rights therein; and (c) all of LDI's equipment and tooling used in the manufacture and sale of the Products, including all intellectual property rights therein, (collectively, the "LDI Technology"). Purchaser hereby assigns to LDI all right, title and interest (including all intellectual property rights), Purchaser may now or hereafter possess in and to any LDI Technology and in any derivative works of and improvements to the Products, and agrees to execute all documents, and take all actions, that may be necessary to effect such assignment. LDI is under no obligation to disclose any LDI Technology to Purchaser for any reason. Purchaser may not create derivative works based on the Products and may not decompile, disassemble or reverse engineer the Products, or any component thereof. Purchaser will ensure that all proprietary notices affixed to or displayed on the Products will not be removed or modified. Certain internet connected components of the Products may interface with LDI's web site or mobile applications. In connection with such connected components Purchaser agrees to be bound by and subject to all published terms and conditions associated with such web site or mobile application use. Purchaser acknowledges and agrees that such connected components of the Products may collect and transmit data to LDI. Any data electronically collected by LDI in connection with Purchaser's usage of the Products shall belong solely to LDI, and Purchaser hereby assigns to LDI any right, title or interest that Purchaser may acquire in such information. Subject to Purchaser's compliance with the terms of this Agreement, LDI hereby grants Purchaser a limited, non-transferable license to use any software (in its installed and compiled form) that may be embedded in certain components of the Products, solely in connection with Purchaser's use of the Products. In no event shall Purchaser acquire any right, title or interest in such software.

8. LIMITED WARRANTY; LIMITATION OF LIABILITY. UNLESS OTHERWISE AGREED TO IN WRITING BY LDI, LDI WARRANTS THAT EACH OF ITS PRODUCTS WILL BE FREE FROM MATERIAL DEFECTS IN MATERIALS AND WORKMANSHIP FOR THE PERIODS OF TIME AND UNDER TERMS AND CONDITIONS AS SET FORTH IN THE EXPRESS WRITTEN LIMITED WARRANTY APPLICABLE TO SUCH PRODUCT, WHICH CAN BE FOUND AT [HTTP://WWW.LDI.COM/ PAGES/WARRANTIES](http://www.ldi.com/pages/warranties) (THE "MANUFACTURER WARRANTY").

THE LIMITED MANUFACTURER WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY LDI WITH RESPECT TO IT'S PRODUCTS AND SERVICES. ANY AND ALL IMPLIED WARRANTIES, INCLUDING WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY DISCLAIMED TO THE FULLEST EXTENT PERMITTED BY LAW AND, IN ANY EVENT, SHALL BE LIMITED TO THE WARRANTY PERIOD SPECIFIED IN THE MANUFACTURER WARRANTY. ANY WARRANTY SERVICES PROVIDED UNDER THE MANUFACTURER WARRANTY DO NOT ASSURE UNINTERRUPTED OPERATION OF PRODUCTS; LDI SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY ANY DELAYS INVOLVING WARRANTY SERVICE.

LDI SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY DELAY IN FURNISHING THE PRODUCTS. LDI IS NOT LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OR LOST PROFITS, FORESEEABLE OR UNFORESEEABLE, OF ANY KIND (INCLUDING, WITHOUT LIMITATION, LOSS OF GOODWILL, LOST OR DAMAGED DATA OR SOFTWARE, LOSS OF USE OF PRODUCTS, OR DOWNTIME), WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, ARISING FROM THE SALE AND DELIVERY OF PRODUCTS OR SERVICES OR ANY OTHER ACT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. LDI'S MAXIMUM LIABILITY FOR DAMAGES, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, WILL NOT EXCEED THE PRICE PAID FOR THE AFFECTED PRODUCTS. THE FOREGOING LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF ANY EXCLUSIVE REMEDIES.

LDI IN NO WAY WILL BE RESPONSIBLE AT ANY TIME FOR LABOR, REMOVAL OR INSTALLATION COSTS, OR ANY DECREASE IN THE LIGHT OUTPUT OF ANY PRODUCT AND/OR DETERIORATION IN THE PRODUCT'S PERFORMANCE.

9. RETURNED PRODUCTS POLICY. LDI shall have no obligation to accept Product returns except for returns of defective Products subject to the terms of the Manufacturer Warranty described above, or except as required by applicable law. To obtain approval to return any Product purchased from LDI, Purchaser must email LDI's Customer Service department at orders@leddy.com and provide the following information:

- Proof of purchase (original purchase order number, sales order number and/or invoice number)
- Item number(s) and/or complete Product description(s)

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- Quantity for each Product item
- Details regarding reason for return
- Contact name, phone number and "Ship To" address for replacement Product, if applicable.

If a return is approved by LDI (which subject to the Manufacturer Warranty, is at LDI's sole and absolute discretion), an email response will be sent by LDI within 48 hours containing the following information:

- Return Material Authorization ("RMA") number
- Instructions on whether a field destroy or Product return is required
- Authorized RMA form (must be included in the return shipment) if Product return is required
- Product returned by Purchaser must be received by LDI within thirty (30) business days of the original RMA issue date or the RMA will be cancelled, and no returns thereunder will be allowed.

LDI is not liable for loss or damage to unauthorized returned Products during return shipment to Purchaser's end user customer. Except for returns under the Manufacturer Warranty, all RMA requests must be made within thirty (30) days of invoice date to be eligible to receive account credit. Nonstandard, custom designed product are ineligible for return. Authorized returns are to be shipped prepaid freight and insured to the address provided by LDI's Customer Service. The Product(s) must be returned in an appropriate shipping container at Purchaser's expense, including taxes, customs and duties, if applicable. LDI is not liable for loss of Product during return shipment to LDI or during any return shipment to Purchaser's end user customer, if applicable.

LDI reserves the right to examine all alleged failed LDI components and/or power supplies to determine the cause of the failure and patterns of usage, including site inspection before removal and reserves the right to determine in its sole discretion as to whether any Product components and/or power supplies are defective and covered under the Manufacturer Warranty described above. Products (whether defective or not) will not be approved for return or account credit under the following conditions:

- The Product was altered (including third party modification) or not installed or maintained in accordance with LDI's or manufacturer's specifications;
- The Product was subject to unusual physical or electrical stress, misuse or negligence; or
- The Product damage was caused after receipt of Product by an end user customer of the Purchaser, if applicable.

If LDI determines in its sole discretion that the returned Product was defective in material or workmanship at the time the Product was sold, LDI will cover shipping costs up to the amount of standard UPS ground charges for the return of defective Product and the shipment of replacement Product. If the Product is determined by LDI, in its sole discretion, to not be defective, such Product will be returned to Purchaser, at Purchaser's expense, and a testing fee of a minimum of ten percent (10%) of the Product's purchase price will be assessed.

Returns authorized for reasons other than the Product being defective will be subject to a restocking fee of twenty-five percent (25%) of the Product's purchase price (subject to increase for replacement costs if the Product or container is damaged or missing components) and Purchaser must pay all transportation costs associated with the return. Product must be returned in its original condition in LDI's or manufacturer's original packaging.

10. FORCE MAJEURE. LDI shall not be in default in the performance of its obligations under this Agreement to the extent that its performance of any such obligation is prevented or delayed by an Event of Force Majeure. As used, herein, the term "Event of Force Majeure" shall mean an event that is not reasonably in the control of LDI or that renders LDI unable, in whole or in part, to perform its obligations under this Agreement. An Event of Force Majeure shall include, but not be limited to, acts of God; blackouts; power failures; inclement weather; fire; explosions; floods; hurricanes; typhoons; tornadoes; earthquakes; epidemics; strikes; work stoppages; labor, component or material shortages; slow-downs; industrial disputes; sabotage; accidents; terrorist activity; terrorist attack; destruction of production facilities; riots or civil disturbances; acts of government or governmental agencies, including changes in law or regulations that materially and adversely impact LDI, and government priority orders or contracts.

11. DEFAULT AND TERMINATION. Purchaser may terminate this Agreement if LDI materially defaults in the performance of its obligations hereunder and fails to cure such default within ninety (90) days after written notice thereof from Purchaser. Other than the remedies expressly provided for in the Manufacturer Warranty, such termination shall be Purchaser's sole remedy in the event of a default by LDI.

Purchaser shall be deemed to be in material default under this Agreement if Purchaser fails to pay any amounts when due hereunder, cancels or attempts to cancel this Agreement prior to delivery or refuses delivery or otherwise fails to perform any of its obligations hereunder, or fails to pay LDI any sums due under any other agreement or otherwise. In the event of a material default by Purchaser, LDI

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may, upon written notice to Purchaser, (1) suspend its performance and withhold shipments of Product, in whole or in part, (2) terminate this Agreement, (3) declare all sums owing to LDI immediately due and payable, and/or (4) recall Products in transit, retake same and repossess any Products held by LDI for Purchaser's account, without the necessity of any other proceedings, and Purchaser agrees that all Products so recalled, taken or repossessed shall be the property of LDI, provided that Purchaser is given credit therefor. Exercise of any of the foregoing remedies by LDI shall not preclude exercise of any of the other remedies, and neither the existence nor exercise of such remedies shall be construed as limiting, in any manner, any of the rights or remedies available to LDI under the Uniform Commercial Code or other laws.

12. INDEMNIFICATION. To the fullest extent permitted by law, Purchaser shall indemnify, defend and hold harmless LDI, including LDI's partners, officers, directors, agents, employees, subsidiaries, affiliates, parents, successors and assigns, from and against any damages, claims, suits, actions, causes of action, demands, liabilities, losses, costs and expenses (including without limitation reasonable attorneys' fees and disbursements and court costs) as a result of or arising from: (a) Purchaser's modification(s) of and/or addition(s) to Products; (b) Purchaser's breach of this Agreement or intentional misconduct by Purchaser, or (c) any representations or warranties made by Purchaser to any end user that exceed the scope of the representations or warranties made by LDI to Purchaser hereunder or contradict the documentation and/or information made available to Purchaser by LDI regarding specifications, performance and intended use of the Products. Purchaser represents and warrants that in the event Purchaser requests a custom order or modification to a Product at Purchaser's specifications, such order will not constitute an infringement of any copyright, patent, trademark or other proprietary right of any third party, and should such Products become the subject of a claim of infringement, Purchaser shall indemnify, defend and hold harmless LDI, including LDI's partners, officers, directors, agents, employees, subsidiaries, affiliates, parents, successors and assigns, from and against any damages, claims, suits, actions, causes of action, demands, liabilities, losses, costs and expenses (including without limitation reasonable attorneys' fees and disbursements and court costs) as a result of or arising from such order.

13. SECURITY INTEREST. To the extent the Products are sold to Purchaser on credit, Purchaser grants to LDI a purchase money security interest in all of LDI's rights, title and interest in the Products to secure payment for such Products. LDI shall have all of the rights and remedies of a secured party under application laws and regulations.

14. GENERAL. The rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the laws of the State of Vermont, without regard to any jurisdiction's conflict of laws principles. Jurisdiction and venue of any actions or proceedings to construe, interpret, enforce or to recover a remedy for the breach of this Agreement shall be exclusively in the State and Federal Courts located in Chittenden County, Vermont. Each party hereto hereby waives trial by jury in any action, proceeding or counterclaim brought by either party as to any matter arising under or in connection with this Agreement. Purchaser agrees, while any security interest granted to LDI hereunder remains outstanding, to give LDI prior written notice before reincorporating in another jurisdiction, changing its corporate name or merging into or consolidating with another entity. No representation, promise, modification or amendment shall be binding on either party as a warranty or otherwise unless in writing and signed on behalf of such party by a duly authorized representative. Purchaser may not delegate any duties or assign any rights or claims hereunder without LDI's prior written consent, which consent may be withheld in LDI's sole and absolute discretion. Any provision of this Agreement that is invalid or unenforceable in any situation or jurisdiction shall not affect the validity or enforceability of the remaining provisions hereof or the validity or enforceability of the offending provision in any other situation or jurisdiction and such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of the provisions of this Agreement shall not thereby fail, but that the scope of such provisions shall be curtailed only to the extent necessary to conform to law. Any notice or other communication given under this Agreement will be in writing and will be delivered by hand, sent by facsimile transmission or electronic mail (with electronic confirmation of receipt), sent by certified, registered mail or sent by any nationally recognized overnight courier service to the address set forth below for LDI or the principal business address of the Purchaser as set forth in the applicable purchase order.

If you have any concerns or questions, please contact LDI's Customer Service at:

44 Hull Street
Randolph, VT 05060
(802) 728-4533

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