

Jeluz Electric Ltd Liability Co.
TERMS OF SALE

All sales of products by Jeluz Electric Ltd Co., ("Seller") are made on the following terms and conditions. In these Terms of Sale, any products sold by Seller to the Distributor ("Buyer") are referred to below as "goods".

1. Agreement.

If Buyer has not otherwise agreed to these Terms of Sale, then Buyer's acceptance of delivery of, or payment for, the goods shall constitute Buyer's agreement to these Terms. Seller objects to and will not agree to any terms that are additional to or different from these terms. Terms that are printed on or contained in a purchase order or other form prepared by Buyer which are additional to, in conflict with or inconsistent with those herein shall be considered inapplicable and shall have no force or effect.

Notwithstanding the foregoing, Seller reserves the right at any time to amend these terms and conditions, and Buyer shall be deemed to accept such amended terms and conditions by ordering products herein offered after the date of such amendment. Additional special terms and conditions of Seller may be applicable with respect to certain products.

2. Payment Terms.

Seller shall have the right to increase its prices at any time without notice, subject to any other written agreement between Seller and Buyer concerning pricing. Payment terms are as specified in Seller's quotation or acknowledgement, except that if at any time Seller determines that Buyer's financial condition or credit rating does not justify a sale on credit or if Buyer is at any time in default in any indebtedness or obligation that Buyer owes to Seller, then Seller may require advance payment or may ship C.O.D.

Balances remaining unpaid at due date are subject to a interest charge of 1.5% per month or the highest rate permitted by law, whichever is lower, until paid. Any discounts, rebates, administrative fees, credits, or other fees due or owed to Buyer will be applied against delinquent balances before payment or reimbursement is made.

Any disputed amounts should be reported immediately and remitted with the undisputed amount by the payment due date. If Seller agrees with the billing dispute, Seller will credit Buyer the amount of the agreed-upon billing dispute. All billing disputes must be made within two (2) months of the applicable invoice date, or will be deemed to be waived.

Seller reserves the right in its sole discretion to require prepayment from any Buyer at any time and may refuse to sell and/or withhold further shipment until all overdue balances are made current. Buyer shall be liable for, and shall reimburse Seller for all costs and expenses it may incur in connection with collection of any amounts owed to Seller or enforcement of its rights, including without limitation, reasonable attorneys' fees and expenses, court costs, and cost of collection agencies.

3. Validity of Orders.

All orders for JELUZ products placed by Buyer are conditioned on JELUZ's acceptance. JELUZ shall have the right in its sole discretion to specify and change at any time the procedures, processes (including electronic ordering systems), forms or other specifications governing the placement, acceptance, and fulfillment of orders, including, without limit, the designation of the carrier, source brewery, and routing to be used for delivery of accepted orders ("ordering procedures").

Ordering Procedures: Faxed, emailed and online purchase orders are accepted

4. Order Cancellations

To cancel an order, change all or part of an order contact your Account Representative. Once the order has left our warehouse, cancellations or changes will be processed as Returns.

Special orders Items: Cancellations are accepted within 24 hours from the date of the order. After that period of time, usually production has begun and the order cannot be cancelled. No exceptions.

5. Tax Information

Any tax, duty, custom or other fee of any nature imposed upon the products, their sale, transportation, delivery, use or consumption shall be paid by Buyer in addition to the price quoted or invoiced. If Seller is required to prepay any such tax or fee, Buyer will reimburse Seller. Buyer must provide Seller with a resale/exemption certificate in order to avoid the withholding of applicable taxes. No refund or adjustment to previously withheld taxes will be made by Seller sixty (60) days after the invoice date. Proof of certification should be mailed or faxed before processing the order.

6. Delivery and Risk of Loss.

Seller ships FOB origin. In FOB freight on board (FOB) origin or freight on board basing point contracts, title transfers at time and place of shipment. FOB means Freight On Board. Purchasing FOB origin means responsibility of seller stops when the 'goods' are delivered to the transporting company at / from our shipping point, warehouse, or service center. Seller will either prepay for transportation and Add (PPA) to your invoice or we use your transporting company (using your account number or your Visa, etc). You the buyer also decide if you want to purchase loss/damage insurance or not to insure. Should damage or loss occur during

transport, it is between you (the buyer) and the transportation company to settle. Seller will co-operate with you and the carrier to the best of our ability. We strongly recommend that the buyer obtain adequate 'coverage' for any potential Loss and / or Damage to transported items purchased from Jeluz. Therefore, any damages or losses incurred during shipment should be reported to Seller. All claims for product damage must be made within three days of receipt of shipment by fax, telephone, or email. It is the responsibility of the customer to inspect all merchandise for any physical abnormalities, or obvious damage within three days of receipt of the merchandise.

Force Majeure. Seller in Seller's sole discretion may terminate, delay or suspend performance hereunder in whole or in part and shall not be liable for any direct, indirect, special, incidental or consequential liability, delay, damage or loss occasioned thereby because of force majeure, which shall include, without limitation, acts of God, fires, explosions, severe weather, flood, labor disputes, strikes, lockouts, boycotts, picketing or other industrial disturbances, riots, epidemics, quarantine restrictions, wars or police action, delays of carriers, failure, curtailment or delay or Seller's operations, freight embargoes, governmental regulations, restrictions, controls, rationing or guidelines, voluntary or mandatory, legislative, executive or administrative, inability to obtain parts, equipment, inventory, raw materials, labor or any of the Goods at reasonable prices or for any other reason and all interruptions of business causalities, events or circumstances beyond the control of Seller.

Buyer shall accept as full and complete performance of any contract resulting from these Terms of Sale delivery of such portion of the Goods as Seller determines it is able, under the circumstances, to deliver in accordance with these Terms of Sale, and Buyer shall be liable for such delivered portion.

Proof of Delivery: JELUZ will provide proof of delivery upon request. If excessive proofs of delivery are requested, JELUZ may charge a service fee to offset its administrative costs.

Shipping Discrepancies

It is your responsibility to confirm that you received all of the items as indicated on your invoice. Failure to report shipping discrepancies within five consecutive days prevents us from accurately problem-solving the issue, and variances reported after five consecutive days will not be credited regardless of circumstances.

Unavoidable Delay. If Seller is not able to finish or deliver the goods to Buyer on time because of anything Seller cannot control, then the estimated delivery or performance time shall be extended accordingly, and Seller shall not be liable to Buyer for any damages caused by the delay.

U.S. Orders are shipped from our main warehouse located in Murrieta, CA.

International orders may be shipped from U.S.A. or another Jeluz international warehouse when it is convenient depending on the country the order is shipping to, quantity and shipping charges.

7. Returned Goods Policy

Product returns are subject to the following conditions:

All returns are subject to the prior authorization of Jeluz Co., in its discretion. Buyer must notify Customer Support and complete a Return Authorization "RA" Form. The RA Form requires lot numbers, quantities and catalog numbers along with a specific reason for return. Customer Support will either authorize or deny the request for return. Only items appearing on an approved RA Form are acceptable for return. Unauthorized returns will be destroyed and no credit issued. All authorized returned goods must be shipped Freight prepaid to the JELUZ location indicated on the RA Form, except Seller will pay freight costs for Product shipped-in-error. Returns that are authorized for Product ordered-in-error or shipped-in-error will not be accepted unless returned within 30 days of delivery. All returns are subject to a 10% handling/restocking charge, except for Products shipped-in-error.

Credit will be issued for all authorized returns provided:

- A. Proper authorization has been obtained prior to return of products.
- B. Products are in their original packaging.
- C. The Products have been shipped and billed to Buyer by JELUZ, and Buyer has paid for said Products.

Certain Products are not eligible for return. These are:

- a. Products that have deteriorated because of improper handling, abuse or other factors.
- b. Products that have been opened, partly used or which the labels or seals have been removed or tampered.
- c. Products that have been involved in a special promotion sale.
- d. Broken, damaged or opened cases. Resealed cartons are not eligible for return.
- e. Special products made to Buyer's specification.

8. Distributor Provisions.

If Buyer is acting as Seller's Distributor, then except as Seller expressly agrees in writing otherwise and notwithstanding anything above to the contrary:

- (a) Buyer shall not be an exclusive distributor for any Goods;
- (b) Buyer's territory for sales ("Territory") shall be designated by Seller in Seller's sole discretion;
- (c) Buyer shall not receive any discount;
- (d) Independent Business Entity.

Buyer acknowledges and confirms that it is, and shall remain during this Agreement, an independent business entity.

Buyer is not, shall not act as, and shall not purport to be, an agent, partner, joint venturer, fiduciary or employee of JELUZ or any other actor for which JELUZ is legally responsible.

No Franchisee. Buyer acknowledges and confirms:

- (i) it is not JELUZ's franchisee;
- (ii) it does not intend or desire to become JELUZ's franchisee; (iii) this Agreement shall not make Distributor JELUZ's franchisee; and
- (iv) it has not paid any franchise or other fee of any kind to JELUZ in connection with, or as a condition of, Distributor's appointment.

(e) Compliance With Licensing and Other Laws.

Distributor shall sell JELUZ products solely to retailers and other persons to whom Distributor is duly licensed and authorized under this Agreement to sell those products. Distributor shall know and comply with all existing or future governmental laws, statutes, regulations or ordinances or other legally binding orders or pronouncements of any kind applicable to the sale of JELUZ products, Distributor's performance under this Agreement, and the conduct of Distributor's business (collectively, "Laws"). Distributor shall maintain in good standing all permits and licenses necessary to sell and distribute JELUZ's products in Distributor's Territory. At JELUZ's request, Distributor shall submit to JELUZ copies of all permits, licenses, their subsequent amendments or renewals, and applications for any of them. Distributor shall immediately report to JELUZ any notice of change, suspension or expiration of any permit or license required to be maintained in good standing under this Section.

(f) Performance Requirements.

Distributor recognizes and acknowledges that the market in which JELUZ products are sold is extremely competitive, that there are numerous competing products in the marketplace, and that to achieve a sufficiently profitable sales level Distributor must actively, vigorously, and effectively compete and adhere to all the terms and conditions of this Agreement. Accordingly, Distributor agrees that it will act in good faith with respect to all aspects of this Agreement and use its best efforts to aggressively promote, encourage, and increase:

- (i) sales of JELUZ Products,
- (ii) customer acceptance of JELUZ Products,
- (iii) customer satisfaction with JELUZ Products.

(f.1) In addition to its other rights, Seller reserves the right, in its sole discretion and for any reason and at any time and from time to time to:

- (i) establish or change any prices, warranty terms, sales or shipment terms and conditions, or sales or other policies or practices either before or after shipment;
 - (ii) refuse to accept from Buyer any order or orders with respect to all or any of Seller's Goods or refuse to fill any order or orders previously accepted from Buyer; and
 - (iii) discontinue or suspend manufacture of any of its Goods;
 - (iiii) Seller is not responsible for obtaining any permit, inspection or license that is required for installation or operation of the goods. Seller does not make any promise or representation that the goods will conform to any law, ordinance, regulation, code or standard, otherwise specified in product packaging, labels, installation instructions or printed material accompanying such product.
- (g). Intellectual Property and Confidentiality. All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems, software and other works and matters that Seller or Seller's supplier creates or develops in the course of Seller's or Seller's supplier's design, development or manufacture of the goods or performance of the services and all drawings and specifications that Seller provides to Buyer ("Intellectual Property") shall be Seller's sole property, and Buyer assigns, and agrees to assign, to Seller or Seller's supplier all right, title and interest that Buyer now has or in the future acquires in the Intellectual Property. Buyer shall not disclose or use any of the Intellectual Property or any information about Seller's business, operations or activities, except to the extent necessary for Buyer to use or resell the goods.

9. Cancellation.

If Buyer fails to pay or perform any indebtedness or obligation that Buyer at any time owes to Seller, then Seller may consider Buyer's failure to be an anticipatory repudiation of any or all outstanding contracts that provide for Seller to sell goods or services to Buyer, and Seller may, without liability to Buyer, cancel any or all of those outstanding contracts.

10. Seller's Rights.

Seller has all rights and remedies that applicable law gives to sellers. Seller's rights and remedies are cumulative, and Seller may exercise them from time to time. Seller's waiver of any right on one occasion shall not be a waiver of any future exercise of that right.

11. Time for Bringing Action.

Any action that Buyer brings against Seller for breach of this Agreement or for any other claim that arises out of or relates to the goods or their design, manufacture, sale or delivery or the services must be brought within one year after the cause of action accrues.

DISCLAIMER OF ANY WARRANTY FOR PRODUCTS NOT MANUFACTURED BY JELUZ.

BUYER ACKNOWLEDGES THAT IT MAY BE PURCHASING SOME PRODUCTS FROM JELUZ IN JELUZ'S CAPACITY AS A DISTRIBUTOR OF SUCH PRODUCTS FOR THE MANUFACTURERS OF SUCH PRODUCTS. FOR PRODUCTS NOT MANUFACTURED BY JELUZ, BUYER ACKNOWLEDGES THAT IT WILL SOLELY LOOK TO THE WARRANTY(S), IF ANY, PROVIDED BY THE MANUFACTURER AND THAT JELUZ MAKES NO WARRANTIES ON ITS OWN BEHALF WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE CONCERNING SUCH PRODUCTS, OR ANY WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

WARRANTY AND DISCLAIMER FOR JELUZ PRODUCTS.

PRODUCTS THAT CONTAIN A JELUZ TRADEMARK ("JELUZ PRODUCTS") ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY UNLESS AN EXPRESS WRITTEN WARRANTY IS PROVIDED WITH THE PRODUCT. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE. JELUZ PRODUCTS MAY BE RETURNED IN ACCORDANCE WITH THE APPLICABLE TERMS AND CONDITIONS CONTAINED IN JELUZ'S RETURN POLICY. BUYER ACKNOWLEDGES THAT EXCEPT AS OTHERWISE PROVIDED BY LAW, IT WILL SOLELY LOOK TO THE WARRANTY(S), IF ANY, PROVIDED WITH THE JELUZ PRODUCT AND ITS RIGHTS UNDER THE JELUZ RETURN POLICY AND THAT JELUZ MAKES NO OTHER WARRANTIES WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE CONCERNING SUCH JELUZ BRANDED PRODUCTS, OR ANY WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LAST, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

EXCLUSIVITY OF REMEDY, LIMITATION OF LIABILITY.

In the event Buyer claims that JELUZ has breached any warranty of any kind or any of its obligations under this Terms and Conditions of sale, JELUZ may request the return of the products and tender to the Buyer the purchase price therefore paid by Buyer and, in such event, JELUZ shall have no further obligations under the sales agreement except to refund such purchase price upon return of the products. If JELUZ so requests the return of the products, the products shall be redelivered to JELUZ in accordance with JELUZ's instructions at JELUZ's expense. THE REMEDIES PROVIDED FOR IN THIS PARAGRAPH SHALL CONSTITUTE THE SOLE RECOURSE OF BUYER AGAINST JELUZ, AND JELUZ'S SOLE LIABILITY, FOR CLAIMS RELATING TO THE SALE OF PRODUCTS, WHETHER THE CLAIM IS MADE IN TORT OR IN CONTRACT, INCLUDING CLAIMS BASED ON WARRANTY, NEGLIGENCE OR OTHERWISE. IN NO EVENT SHALL JELUZ BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS OR LOSS OF BUSINESS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, NOR SHALL THE AGGREGATE LIABILITY OF JELUZ, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), PRODUCT LIABILITY, STRICT LIABILITY OR OTHER THEORY, ARISING OUT OF OR RELATING TO THE THESE SALES TERMS OR THE PURCHASE OR USE OF ANY PRODUCTS PURCHASED THROUGH THE SITES EXCEED THE PURCHASE PRICE OF THE PRODUCT. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

12. Indemnity and Reimbursement.

Buyer shall indemnify and hold harmless Seller with respect to all damages, losses, claims and expenses, including consequential and incidental damages and actual attorney fees, that Seller incurs as a result of Buyer's breach of any of Buyer's obligations under these Terms of Sale or any claimed unfair competition or patent, trademark or copyright infringement or any other claim resulting from Seller's or Seller's supplier's manufacture of the goods, or performance of the services, to Buyer's specifications. If Buyer brings a claim against Seller arising out of or relating to this Agreement or the goods or services, and Seller ultimately prevails or Buyer eventually elects not to further pursue the claim, then Buyer shall reimburse Seller for all expenses incurred by Seller in connection with such claim, including but not limited to actual attorney fees.

13. GOVERNING LAW, VENUE LIMITATION OF ACTIONS.

This sales agreement shall be performed in the city of Murrieta, California, U.S.A. These Terms And Conditions Of Sale shall be governed by and construed in accordance with the laws of the State of California, as if such agreements were made and to be entirely performed within the State of California, without resort to its conflict of law provisions. Buyer agrees that any action at law or in equity arising out of or relating to these Terms And Conditions Of Sale shall be filed only in the state and federal courts located in the City and County of Riverside, California and you hereby irrevocably and unconditionally consent and submit to the exclusive jurisdiction of such courts over any suit, action or proceeding arising out of these Terms of Use. No action for breach of sale, this sales agreement or any covenant or warranty arising therefrom, shall be brought more than one year after the cause of action has occurred.

Certification:

I hereby acknowledge that I have read, understand, and agree to the Jeluz Electric Ltd Co. terms and conditions as set forth above.

.....
Signature

.....
Name

.....
Title

.....
Phone & email



BANK CREDIT INQUIRY



Please fill out this form so that we may submit this information to the bank.

Company Name..... Date.....

Address.....

Phone # Fax #.....

Bank Name..... Contact.....

Address..... Acct #.....

Phone # Fax #.....

I hereby authorize my bank, to release our bank account information on the account number(s) listed above to JELUZ Electric Ltd Co. for credit rating purposes only.

| | | |
|------------------|-------------|-------------|
| | | |
| Signature | Name | Date |

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FOR BANK USE ONLY

Dear Bank Officer,

The above company has listed your bank as a credit reference. Please help us make a fair decision by completing this form and returning it by fax at your earliest convenience. We appreciate your assistance in providing the following information. The information will be held strictly confidential. Thank you.

Checking Account No

Date Account Opened

Average Balance Current Balance.....

Frequency of Returned Checks (NSF)

Rating

Comments

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.....
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Prepared by..... Title..... Date.....