



XAL INC. GENERAL SALES TERMS & CONDITIONS

(Effective January 1, 2012)

(QuickShip terms are at the end of the document)

1. **PAYMENT TERMS** 50% deposit, Net 30 days. F.O.B. our plant. Contracts or orders are subject to approval of our Credit Department and we may at any time alter or suspend credit, refuse shipment, or cancel unfilled orders when, in our sole opinion, the financial conditions of the purchaser of the status of his/her account warrant it.
2. **PRICES, QUOTATIONS, TRADE DESCRIPTIONS, SPECIFICATIONS** Unless otherwise indicated, all prices and quotations shall be valid for a period of up to 90 days from the date of quotation and are subject to these Terms and Conditions. XAL INC. reserves the right to withdraw or change any quotation at any time for any reason prior to XAL INC.'s written acknowledgement of any purchase order. Possession of the distributor net price list does not constitute in itself an offer to sell for a current price. All prices quoted shall be exclusive of lamps. XAL INC. takes all reasonable precautions to ensure that the price quotations, descriptions, illustrations, and technical data in XAL INC.'s catalogs, distributor net price lists, and any of its other publications (collectively, "XAL INC. Information") are correct at the time of printing, but shall not be responsible for any errors or omissions. All XAL INC Information is intended as guidance only and XAL INC. reserves the right to change such information at any time. XAL INC endeavors to correctly ship quantities ordered. It shall be the responsibility of the buyer to verify quantities against drawings and final verification.
3. **PURCHASE ORDERS** Purchase orders shall be made out to and sent to XAL INC, 520 West 27 Street Suite # 702 New York NY 10001, and shall be deemed accepted only upon issuance of a written acknowledgement of such order by XAL INC. Acceptance of any purchase order placed by buyer shall automatically bind buyer to these Terms and Conditions and such purchase order shall become a part hereof. XAL INC agrees to furnish the merchandise covered by its distributor net price list only subject to these Terms and Conditions.
4. **SHIPMENTS** Freight on individual shipments to a destination within the Continental USA shall be prepaid by XAL INC and billed to buyer. Freight on shipments made to a destination outside the Continental USA including, but not limited to, Hawaii, Alaska, Puerto Rico, or any foreign country, are prepaid by XAL INC to a Continental USA forwarder's warehouse determined by the buyer and billed to buyer and such shipments are the buyer's responsibility beyond such point (including, without limitation, cost for export packing and handling and customs or taxes and tariffs). All shipments are FOB New York, NY. In all events, XAL INC retains the right to select the carrier, method, and route of shipment for which it bears the cost. XAL INC reserves the right to make partial shipments unless otherwise stipulated in buyer's purchase order. Each such partial shipment will be invoiced by XAL INC at time of shipping and shall be paid by buyer when due, without regard to subsequent shipments. Delay in any partial shipment shall not relieve buyer of its obligation to accept the remaining shipments of the order. XAL INC shall have the right to stop delivery at any time and the discretion to terminate any order if buyer defaults on payment of any shipment after it has become past due for payment. Special methods of shipment such as, but not limited to, overnight courier, any other express delivery, or shipments in any specified manner upon buyer's request, shall be buyer's sole responsibility. If XAL INC is notified by buyer not to deliver merchandise after said merchandise has already been fabricated according to buyer's order and is ready for shipment, then buyer shall pay reasonable storage charges until such merchandise is released and accepted by buyer. If any shipment made in accordance with buyer's instructions is refused for any reason, then buyer shall be responsible for payment as if goods were accepted at time of delivery and buyer shall pay for any re-handling and reshipping charges and all reasonable storage charges as they are incurred.
5. **MINIMUM ORDER** Any purchase order of less than US\$ 100 net value shall be subject to a minimum billing of US\$ 100.
6. **TITLE, RISK OF LOSE, AND DELAYED SHIPMENTS** regardless of the shipping arrangements made, title and risk of loss to the products shall pass to buyer upon delivery to a carrier at XAL INC's location in New York, NY. XAL INC shall not be liable for any loss of or damage to the products resulting after delivery to such carrier. The carrier shall be liable for any loss, damage, or shortage, whether apparent or concealed, which occurs during transit. Unless products have been checked on receipt they shall be signed as "Unexamined". Claims for loss, damage or shortage in transit shall be made by buyer to carrier directly. Any delivery dates quoted are given and intended as estimates only and XAL INC shall not be liable for any loss or damage resulting from delayed shipments on a later date than the date quoted.
7. **WARRANTY, DISCLAIMER AND REMEDIES** XAL INC. warrants for a period of 24 months from the shipment date ("Warranty Period") that the products are free from any manufacturing defects so long as the same are utilized in accordance with the final specifications. Lamps are expressly excluded from this warranty. Ballasts, transformers and dimmers are warranted separately by their respective manufacturers and only to the extent of their individual warranty. IT IS EXPRESSLY UNDERSTOOD THAT XENON LIGHT MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS. SPECIFICALLY, XENON LIGHT MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE APPLICATION OR USE OF THE PRODUCTS FOR A PARTICULAR PURPOSE. INSTALLATION OR SERVICE BY A NON-LICENSED ELECTRICAL

CONTRACTOR, REPAIRS OR ALTERATIONS OUTSIDE OF XENON LIGHT'S FACTORY, ABUSE, NEGLIGENCE OR ACCIDENT AS WELL AS ANY OTHER IMPROPER INSTALLATION, APPLICATION OR USAGE OR THE USE CONTRARY TO XAL INC'S PRINTED INSTRUCTIONS, IF ANY, OF ANY PRODUCT OR PARTS OF PRODUCTS VOIDS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED.

Any manufacturing defect shall be proven and notified in writing to XAL INC. Defective products must be returned to XAL Inc., 520 West 27 Street Suite 702 New York NY 10001, during the Warranty Period. XAL INC. may, at its option, repair the defective products or replace such with conforming products of like size and quantity and in conformity with the specifications as set forth on the purchase order. Repaired products or new replacement products will be shipped to buyer in accordance with the shipment provisions contained, herein. XAL INC.'S LIABILITY TO BUYER SHALL IN NO EVENT EXCEED 100% OF THE AMOUNT HAVING BEEN ACTUALLY PAID TO XAL INC. WITH RESPECT TO THE SUBJECT PRODUCT. BUYER ACKNOWLEDGES AND AGREES THAT XENON LIGHT SHALL IN NO EVENT BE LIABLE TO BUYER OR ANY THIRD PARTY FOR, AND BUYER HEREBY WAIVES ANY RIGHT TO CLAIM, ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, EXPENSES, LOST PROFITS, LOST SAVINGS OR OTHER DAMAGES ARISING OUT OF THE USE OR INTENDED USE OR OTHERWISE IN CONNECTION WITH THE PRODUCTS.

8. COPYRIGHT all trademarks, drawings, descriptions, and other information issued by XAL INC. shall remain the property of XAL INC. together with the copyright and patents therein.

9. CANCELLATIONS AND RETURNS Merchandise may not be cancelled or returned without written authorization from XAL INC. XAL INC. reserves the right to charge for costs involved in accepting any such cancellation or return. Custom products (manufactured to special nonstandard design) may not be cancelled or returned under any circumstances. Any request to return products must be submitted to XAL INC. within 60 days of shipment. Any such request may be approved by XAL INC. only and subsequent returns are subject to a written Returned Goods Authorization (R.G.A.) issued by XAL INC. Products shall be returned within 30 days from issuance of the R.G.A., if any, shipment paid by buyer, to XAL INC's location in New York, NY, in the original, unopened packing. All returns are subject to inspection. A restocking charge of 25% up to 100% of invoice value shall be incurred upon receipt of product.

10. INDEMNIFICATION Buyer hereby indemnifies and holds harmless XAL INC, its directors, officers, employees, agents and its affiliates and their respective directors, officers, employees, and agents from and against any and all injuries, damages, costs, losses, penalties, demands, claims, actions, causes of action, judgments, assessments, obligations, liabilities, and expenses, including, without limitation, attorneys' fees, which in any way arise out of, or by reason of, or are claimed to arise out of, or by reason of, the use or misuse of the products hereunder, excepting only such injuries, damages, costs, losses, penalties, demands, claims; actions, causes of action, judgments, assessments, obligations, liabilities, and expenses which have been demonstrated and proven to be resulting from the sole gross negligence or willful misconduct of XAL INC. The intent hereof is that the buyer shall indemnify and hold harmless XAL INC, its directors, officers, employees, agents and its affiliates and their respective directors, officers, employees, and agents to the maximum extent permitted by law. Buyer shall pay XAL INC's expenses, including, without limitation, reasonable attorneys' fees, incurred as a result of buyer's default in the performance of any of the buyer's obligations hereunder.

11. FORCE MAJEURE XAL INC. shall not be responsible or liable for any delay or failure to deliver any of the products if such delay or failure results directly or indirectly from any act of God, war, riot, insurrection, embargoes, acts of civil or military authorities, fires, floods, explosions, accidents, strikes, lockouts, differences with workmen, delays in transportation, shortage of fuel, labor or materials, delays of suppliers, capacity shortages, infringement claims that cannot be resolved or can only be resolved through the payment of royalties or incurrence of other monetary obligations by XAL INC, governmental restrictions, prohibitions or allocations (including any statute, ordinance, regulation, or order of any governmental body), or any other cause beyond the reasonable control of XAL Inc. Any such event or circumstance shall release XAL INC without penalty from performance, in whole or in part, of its obligations hereunder.

12. APPLICABLE LAW The validity, interpretation, and legal effect of these Terms and Conditions shall be governed and construed in all respects by the laws of the State of New York, without regard to the conflict of law's provisions thereof.

13. ARBITRATION Any controversy or claim arising out of or relating to these Terms and Conditions or the validity or breach hereof, shall be settled by arbitration in New York, NY, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment upon the award rendered may be entered in any court of competent jurisdiction.

14. SEVERABILITY In the event that any provision of these Terms and Conditions shall be found to lack validity or become void, the remaining provisions hereof shall remain in force. XAL INC. reserves the right to make any changes as it deems suitable

XAL QUICKSHIP PROGRAM TERMS

High quality expectations are essential for any successful business, despite tight project schedules. The XAL QuickShip program enables you to keep ahead of expectations. We help enhance your competitive edge, ensuring you can start installation more quickly than you thought possible. We can ship within 10-20 business days of your QuickShip order, depending upon the selection. XAL QuickShip fast-tracks some of our most coveted products. For more information on what products are available for this program, please see the product page in our catalog or on our website.

XAL QUICKSHIP POLICY:

1. "QuickShip" must be clearly listed on PO.
2. QuickShip items must be on Separate Purchase Order.
3. QuickShip orders must be received with complete and correct catalog numbers.

4. Variant request will not qualify for Quick Ship program.
5. Limited Order Quantity:
 - Recessed luminaires: 15 pieces
 - Surface mounted luminaires: 15 pieces
 - Linear fixtures: 30 pieces
6. QuickShip shipping lead times:
 - Recessed luminaires: 20 days
 - Surface mounted luminaires: 20 days
 - Linear fixtures: 10 days

All ship dates of 10- and 20-day lead times do not include weekends or holidays.

7. QuickShip orders must be received before 2pm. After 2pm, shipping will be based on the next business day.
8. QuickShip orders are based on standard XAL terms for payment.
9. Change order of any type will affect shipping times.
10. Partial shipments may be required based on current factory inventory.