

**SOLAR TRACKING SKYLIGHTS, INC.**

**STANDARD TERMS AND CONDITIONS OF SALES ORDER CONTRACT**

These Standard Terms and Conditions of Sales Order Contract (“Terms and Conditions of Sale”) apply to all orders of the Solar Tracking Skylight™ between Solar Tracking Skylights, Inc. (“STS”) and the Customer. Contact information for STS and Customer is as follows:

Solar Tracking Skylights, Inc. 4043 N. Ravenswood Ave., Suite 219 Chicago, Illinois 60613 Attn: G. Kramerich Facsimile: 866-728-6790	Customer/Buyer: [_____] [_____] [_____] Attn: [_____] Facsimile: [_____]
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1. General. These Terms and Conditions of Sale set forth the terms and conditions pursuant to which the Customer (“Buyer”) will purchase and Solar Tracking Skylights, Inc. (“Seller”) will sell its products (“Products”).

2. Purchase Orders and Seller’s Acceptance of Purchase Orders. All purchase orders of Buyer shall, unless otherwise agreed in writing by Seller, be in writing and set forth the Products desired, the specifications therefore, the desired delivery date, the price of each Product, and all other relevant information necessary to effectuate shipment of the Products by Seller. All orders for Products shall be subject to acceptance by Seller at Seller’s discretion. Notwithstanding any contrary language in Buyer’s purchase order, each purchase order shall be subject to acceptance by an authorized employee of Seller and each transaction shall be governed exclusively by these Terms and Conditions of Sale. Such acceptance of a Buyer’s purchase order is expressly limited to these Terms and Conditions of Sale, and any additional or different terms proposed Buyer are automatically rejected unless expressly assented to in writing by Seller. No contract shall exist except as hereinabove provided.

3. Price. Prices shall be those in effect at the time of order entry. Prices are subject to change by Seller without notice.

4. Sales Tax. Seller's prices do not include sales, use, excise or similar taxes. Consequently, the amount of any present or future sales, use or other similar tax applicable to the sale or use of the Products shall be paid by Buyer.

5. Payment/Delinquency Charge. Payment terms are net thirty (30) days from the date of Seller's

invoice. Seller reserves the right to charge interest at the rate of 1.5% per month (but not more than the maximum percentage permitted by law) on all balances not paid by Buyer within the designated net terms.

6. Delivery and Freight Charges. All delivery dates are approximate and based upon the prompt receipt of all necessary information from Buyer. Unless otherwise instructed, Seller will ship Products to Buyer via its choice of a common carrier, from Seller's facility. Notwithstanding anything contained herein, Seller shall not be responsible or liable for any loss or damage whatsoever, including loss of income and/or profits, incidental, special or consequential damages resulting from delay's in delivery of the Products for any reason whatsoever. All freight charges are stated on Seller's invoices and are part of Seller's payment terms.

7. Examination. Buyer must examine the Product upon delivery and must report all apparent errors or defects to Seller with ten (10) days of said delivery; otherwise, it shall be conclusively presumed between Seller and Buyer that the Product has been delivered as specified in the sales invoice.

8. Cancellations, Changes, or Holds. Cancellations to existing orders are subject to Seller’s acceptance and the applicable cancellation charges. Seller’s cancellation charges for Products will be the automatic forfeiture of Buyer’s deposit to Seller and Seller’s costs incurred by Buyer’s cancellation. Changes to existing orders are subject to Seller’s acceptance and the applicable change charges. Seller’s change charges for Products may, at the discretion of the Seller, be the automatic forfeiture of Buyer’s deposit to Seller or Seller's costs incurred by the Buyer's change(s). Seller may accept temporary

holds on orders for rescheduling purposes for a period not to exceed thirty (30) days. If at that time a reschedule is not received from Buyer, then Seller reserves the right to recommence shipments in accordance with the original schedule or cancel the order, subject to Seller's cancellation charges.

9. Returns. All Sales are final and no Products shall be returned to Seller, whether for inspection, repair, replacement, or any other reason, without prior written approval from Seller. Products and parts must be returned in new or like new condition complete with identification in accordance with Seller's instruction or the shipment may not be accepted. All returns must be sent to Seller freight prepaid F.O.B. destination unless otherwise instructed. Where authorization has been obtained to return products and parts beyond warranty, a restocking charge of twenty five percent (25%) and any transportation charges are applicable.

10. Currency. Unless otherwise indicated on Seller's invoice, all payments are to be made in United States currency.

11. Product Suitability. The Buyer is responsible for determining the suitability of the Seller's Product for its use or resale. Many states and localities have codes and regulations governing sales, construction, installation, and/or use of products for certain purposes, which may vary from those in neighboring areas. While Seller attempts to assure that its products comply with such codes, it cannot guarantee compliance, and cannot be responsible for how the product is installed or used. Before purchase and use of a product, Buyer will review the product application, and national and local codes and regulations, to be sure that the product, installation, and use will comply with them.

12. Owner's Manual. Reference is hereby made to the Owner's Manual included with each Solar Tracking Skylight unit, the provisions of which are hereby incorporated in full.

13. Warranty. Seller warrants that the Products sold hereunder will be free from defects in material and workmanship for a period of ninety (90) days from the date of shipment from Seller's facility. **SELLER'S WARRANTY HEREIN IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES OF SELLER AND THE MANUFACTURER OF THE PRODUCTS (COLLECTIVELY,**

**"Manufacturing and Selling Parties"), WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE CREATED UNDER APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL SELLER OR THE MANUFACTURING AND SELLING PARTIES BE LIABLE (AND PURCHASER SHALL NOT ASSERT ANY CLAIM) FOR SPECIAL, INCIDENTAL, COMPENSATORY OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS. PURCHASER'S SOLE AND EXCLUSIVE REMEDIES UNDER THIS WARRANTY SHALL BE LIMITED, AT SELLER'S EXCLUSIVE DISCRETION, TO: (1) REPLACEMENT OF ANY DEFECTIVE PRODUCTS OR PART THEREOF; (2) REPAIR OF ANY DEFECTIVE PRODUCTS OR PART THEREOF; OR (3) RETURN OF THE PURCHASE PRICE FOR ANY DEFECTIVE PRODUCT OR PART THEREOF.** The warranty and remedy set forth above are conditioned upon the proper installation of the Product according to the Installation Manual, proper storage of the Product, use and maintenance of the Products and conformance with all applicable recommendations of the Manufacturing and Selling Parties with respect to the Products. No agent, employee or representative of Seller (or any distributor, dealer or sales representative of Seller) has the authority to bind Seller to any affirmation, representation or warranty concerning the Products sold hereunder, and unless such affirmation, representation or warranty is specifically included in these Terms and Conditions of Sale, it will not form a part of the basis of these Terms and Conditions of Sale and shall in no way be binding upon the Seller or enforceable by Buyer.

14. Patent Infringement. Seller's liability for patent infringement (and the liability of the Manufacturing and Selling Parties) is limited to Seller's defense of any suit or proceeding brought

against Purchaser based on a claim that the Products sold hereunder, when employed in the manner intended by Seller, constitutes an infringement of any patent of the United States. If Purchaser's use of the Products in the manner intended by Seller is finally enjoined, Seller shall, at its option, procure for Buyer the right to continue using the Products, replace the same with non-infringing Products, modify the Products so that they become non-infringing, but equivalent to the Products sold hereunder, or refund the purchase price (less allowance for use, damage or obsolescence). Seller makes no warranty against patent infringement resulting from portions of the Products made to Buyer's specifications or the use of Products in combination with any other Products or in the practice of any process and if a claim, suit or action against the Manufacturing or Selling Parties is based thereon, Buyer shall defend, indemnify and save Seller and the Manufacturing and Selling Parties harmless from and against any and all claims, losses or damages arising therefrom.

15. Dispute Resolution. The parties agree that all litigation arising out of this Agreement, the purchase or sale of Products and/or the relationship of the parties shall be filed exclusively in the State or Federal courts located in Cook County, Illinois, and the parties further agree to submit to the personal jurisdiction of Illinois in all such litigation. Any and all claims by Buyer arising out of or related to the Products must be filed within one (1) year of delivery of such Products and shall thereafter forever be barred.

16. Force Majeure. Seller's obligations hereunder are subject to, and Seller shall not be held responsible for, any delay or failure to make delivery of all or any part of the Products due to acts or circumstances beyond the control of Seller, including, but not limited to, labor difficulties, fires, casualties, accidents, acts of God, transportation difficulties, inability to obtain Products, materials or components or qualified labor sufficient to timely perform part or all of any obligation, or governmental regulations or actions. In the event of the occurrence of any of the foregoing, at the option of Seller, Seller shall be excused from the performance hereunder or the performance of the Seller shall be correspondingly extended.

17. Confidentiality. Seller and Buyer agree that each of them may supply valuable business information to the other, which the providing party deems confidential. Seller and Buyer agree that neither of them will disclose to any third party any such information, including, but not limited to,

pricing information, without the express written consent of the providing party. Seller and Buyer agree not to issue any press release related to the relationship between Seller and Buyer without the prior written consent (which consent shall not be unreasonably withheld).

18. Miscellaneous.

(a) These Terms and Conditions of Sale constitute the entire agreement between Seller and Buyer as it relates to the purchase and sale of Products to Buyer by Seller and the liability of the Manufacturing and Selling parties, and supersede any and all prior agreements, correspondence, quotations or understandings heretofore enforced between the parties relating to the subject matter hereof.

(b) If any term or condition or part of these Terms and Conditions of Sale is held invalid, the remaining terms and conditions hereof shall not be affected thereby.

(c) This agreement and any sale of Products to Buyer shall be deemed to have been made in and governed by the substantive laws of the State of Illinois, without regard to choice-of-law provisions. The parties agree to opt out of the United Nations Convention on Contracts for the International Sale of Goods, which shall have no application to any transaction performed hereunder.

(d) Any failure by either party to enforce at any time any term or condition hereof shall not be considered a waiver of such party's right thereafter to enforce the same or any other term or condition hereof.

(e) These Terms and Conditions of Sale shall be binding upon the successors and legal representatives of Buyer and Seller.

19. Security Interest. To secure any indebtedness due and owing from Buyer from time to time, Buyer hereby grants to Seller, and Seller hereby reserves unto itself, a continuing purchase money security interest in any and all Solar Tracking Skylight, Inc. products and other products heretofore or hereafter sold or delivered to Buyer by Seller, and all related parts, components and accessories therefore, and all proceeds arising from the sale or other disposition of the foregoing, including, but not limited to, cash, accounts, contract rights, accounts receivable, instruments and chattel paper. Buyer shall at no time grant any security interest in conflict with that granted to Seller herein. Buyer shall cooperate in the preparation, signing and filing of financing

statements necessary to evidence and perfect Seller's security interest as described above.

IN WITNESS WHEREOF, the Parties have executed these Standard Terms and Conditions of Sale as of \_\_\_\_\_, 2011.

<b>Solar Tracking Skylights, Inc..</b>	<b>Customer/Buyer</b> _____
By_____	By_____
Name_____	Name_____
Its_____	Its_____