

SCOUT INDUSTRIES INC (SCOUT) terms and conditions of sale are expressed herein and are not subject to modification by a purchase order with other terms and conditions.

PRICES AND QUOTATIONS

- A. The prices shown in SCOUT price list or in any order acknowledgment are prices prevailing at the present time. SCOUT reserves the right to change such prices at any future date. Unless otherwise provided in writing, orders will be billed at prices prevailing at time of shipment.
- B. Unless otherwise stated in the quotation, prices issued by a written standard quotation are firm for 30 days from date of quotation. Purchase orders received and acknowledged within this 30-day period will be price protected for shipment within 90 days from the date of the order.
- C. Prices issued by a written non-standard quotation authorized by SCOUT LED in New York, NY may offer price protection for a different period.
- D. Additions to orders already processed shall be considered separate orders and shall be priced accordingly.
- E. All prices are subject to additional federal, city and state taxes, if applicable, unless appropriate exemption certificate is on file at SCOUT LED corporate office.
- F. Possession of a price list in not in itself an offer to sell.
- G. All prices are F.O.B. New York in US Dollars, and do not include any taxes, export and customs fees, duties, or other charges.
- H. Budget estimates and other preliminary pricing information do not constitute an offer nor impose any responsibility or liability on SCOUT.
- I. Quotations are per SCOUT LED Bill of Materials only.

PURCHASE ORDERS

- A. To assure expeditious handling, SCOUT orders must be separately written on appropriate order forms.
- B. The receipt of the buyers' purchase order does not imply acceptance of all the terms and conditions of buyers' purchase order. The acceptance of Buyers' order is expressly made conditional upon buyers' assent to the Terms and Conditions stated herein and in SCOUT's printed acknowledgment (if issued) and/or stated on the invoice. SCOUT's sale of merchandise covered by its price list shall only be upon SCOUT's Terms and Conditions. In the absence of any written notification to the contrary, and by virtue of the issuance of a purchase order, Buyer shall be deemed to have accepted Terms and conditions as stated herein and in SCOUT's acknowledgment (if issued) and/or on the invoice. SCOUT's failure to object to provisions contained in the Buyers' forms shall not be deemed a waiver of the provisions in SCOUT's Terms and Conditions.
- C. All additions, deletions or other changes to, or in, and order are subject to all of the Terms and Conditions herein. No material can be released for manufacture and shipment without the actual Purchase Order from the customer (verbal or agency orders are not acceptable). SCOUT cannot and will not be responsible for conforming to any plans and/or specifications unless they accompany the purchase order and are accepted as such. Submittal drawings must be approved and released for manufacture in writing by the customer for any custom product and for any order for which submittal drawings are deemed necessary by SCOUT.



ORDER CANCELLATION

- A. No order may be canceled without a cancellation charge.
- B. Cancellations are subject to the following conditions:
- (a) Canceled orders must be received in writing by SCOUT corporate offices in New York, NY. Receipt of cancellation shall not mean cancellation is assured or that full charge shall not be enforced (see notes b,c,d,e,f).
- (b) Orders canceled more than 30 days of product shipment shall incur charges (see notes c,d,e,f).
- (c) Even if more than 30 days prior to ship date, if the equipment has been released for fabrication the order may not be canceled regardless of ship date. Likewise, orders for special items are never cancel-able. However, if Buyer attempts to cancel said released or custom order, the factory reserves the right only to charge for any work performed, plus (e) and (f), up to the full amount of the order (in factory's sole discretion) regardless of stage of completion.
- (d) A cancellation charge of 25% of the total bill of materials price will be invoiced for submittal drawings costs and other expenses.
- (e) In addition the buyer will pay all costs, direct or indirect, which have been incurred by SCOUT, including engineering, design, drafting, travel and materials, etc.
- (f) Buyer will pay, at applicable contract price, for all products, which are completely manufactured at the time of cancellation.

SPECIAL ITEMS

- A. On special SCOUT fixtures/controls not listed in our current catalogs, we reserve the right to quote and sell only to the distributor/dealer who assisted SCOUT in the development of the business for a specific customer.

SPECIFICATIONS / VARIATIONS / ERRORS

- A. Merchandise will be shipped in accordance with the standard styles and sizes as described in SCOUT catalogs, or if special or made-to-order, in accordance with SCOUT drawings and specification sheets.
- B. In the event of a conflict between a customer's written order and an SCOUT drawing or specification sheet marked "approved," the SCOUT drawing or specification sheet shall prevail.
- C. SCOUT reserves the right to change details of design, materials and finish that does not, in SCOUT's sole opinion, change the essential fit, form or function of the product.
- D. Every effort is made to avoid errors in catalogs, price sheets, specification sheets and other documentation. SCOUT will not accept responsibility for labor charge-backs in connection with errors of measurements, prices, descriptions, etc.
- E. SCOUT will not be bound by a buyer's purchase order which contains general or blanket instructions that have not been approved and signed-off by, or specifically acknowledged by SCOUT. A full listing of instructions on the order itself must accompany each transaction.
- F. Orders containing such phrases as "all material to be supplied as per project plans and specifications," or similar, are subject to separate written acceptance by SCOUT.



MINIMUM ORDERS / MINIMUM BILLING

A. All orders are subject to a minimum billing requirement as determined by SCOUT from time-to-time (charge at time of printing is outlined below). Orders for less than these values will be billed at the minimum. Freight charges may apply at SCOUT's discretion.

PACKAGING

- A. Method of packaging is at SCOUT option.
- B. Export packaging may be charged as an extra.

DELIVERY AND TRANSPORTATION

- A. All merchandise is sold, and all shipments are made, F.O.B. SCOUT, New York warehouse.
- B. Unless otherwise requested, all orders that are within the continental USA will be shipped the best way via Ground, motor freight, or equivalent, as determined by SCOUT
- C. Shipping charges are as quoted.
- D. Any claims for shortages must be made to SCOUT within 2 weeks of shipment. Consignee must make all claims for loss or damage in transit to the carrier. SCOUT will render assistance in presentation of such claims without waiver of our rights to receive payment in compliance with the Terms of Payment.
- E. Foreign freight methods vary.
- F. SCOUT will use its discretion in routing all shipments, and reserves the right to select carrier and truck size. If any shipment made in accordance with Buyer's instructions shall incur additional labor or carrier costs such as expedited or air shipments, such costs shall be prepaid by the Buyer.
- G. The shipment date mentioned on our order acknowledgment (if any), is SCOUT's best approximation of the probable shipment date and is not a fixed or guaranteed shipment date. SCOUT shall not be bound by a shipment date in the Buyer's purchase order. Shipment of merchandise is subject to any and all delays due to any condition or happening whatsoever beyond SCOUT's control, including but not exclusive of strikes, fires, riots, wars, acts of God, inability to obtain materials, government regulations or other conditions. SCOUT shall not be responsible for any damage or loss resulting, whether directly or incidentally, from delayed shipments or its inability to ship as above.
- H. SCOUT reserves the right to make shipment installments unless otherwise expressly stipulated in the order acknowledgment. All such installments shall be separately invoiced and paid for when due, without regard to subsequent shipments. Delay in the shipment of any installment will not relieve Buyer of its obligation to accept remaining shipments.
- I. SCOUT reserves the right to refuse to make direct shipments to destinations outside Buyer's regular service area(s).



STORAGE

A. If any shipment made in accordance with Buyer's instructions is refused for whatever reason, Buyer shall be responsible for payment of such merchandise, in accordance with the terms hereof, as though such merchandise has been accepted at the time of original delivery. Buyer shall also be responsible for reasonable storage, handling and delivery charges and shall pay reasonable storage charges until such merchandise is delivered and accepted.

TERMS AND PAYMENT

A. Buyer shall make payments as specified herein and SCOUT may suspend shipment or delivery until such payments are made.

B. Buyers may be required to pay deposits based upon, but not limited to, the following conditions: a) being a first-time customer, b) poor credit report, c) buying custom, modified or other special products, d) an unusually large order.

C. SCOUT reserves the right to charge a service charge of 2% per month, but not in excess of any lawful rate, if Buyer is delinquent in payment of invoices.

D. Retention of any funds pending system Engineering check-out is not allowed unless specifically agreed to in writing.

E. If, in the opinion of SCOUT, the financial condition of Buyer becomes impaired or unsatisfactory, SCOUT may at any time limit or cancel the credit of Buyer and, before delivering additional goods to Buyer, require Buyer to pay in cash for such goods and to pay the goods theretofore delivered. Failure by Buyer to make any such payments within 10 days after demand in writing shall constitute breach of this agreement by Buyer. Approval of credit of one or more deliveries shall not be deemed a waiver hereof.

F. SCOUT shall be entitled to reimbursement for all costs and expenses (including reasonable attorney's fees) incurred by it in connection with collection of any amounts for goods sold in the event payment therefore shall not be made when due.

SECURITY INTERESTS

A. SCOUT shall retain a security interest in all goods sold until Buyer has paid the full amount of the purchase price (including any service charges). In the event Buyer shall default in payment of the purchase price, SCOUT shall have the right, in addition to and not exclusive of any other rights it may have under the Uniform Commercial Code or otherwise, to enter upon the premises where the goods are located and retake possession thereof, without notice, free from any claims of Buyer. At the request of SCOUT, Buyer will join SCOUT and any assignee of SCOUT in preparing, executing, and causing to be filed any and all financing statements pursuant to the Uniform Commercial Code. Buyer hereby authorizes SCOUT and any assignee of SCOUT to file a financing statement signed only by SCOUT or such assignee in all places where necessary or appropriate to perfect any security interest which SCOUT or such assignee might be deemed to have in all jurisdictions where such authorization is permitted by law.



CLAIMS AND ADJUSTMENTS

- A. Claims for shipping errors or merchandise defects will be waived unless made in writing to SCOUT INDUSTRIES INC 221 W 21st St, Unit 1B New York, NY 10011, and within 30 days after receipt of merchandise.
- B. SCOUT sole responsibility and obligation in the event of defective merchandise shall be limited to the repair or replacement of the merchandise, at SCOUT's option, at its own cost and expense, and SCOUT shall not be responsible for any other damage or loss which may be sustained or claimed, including but not limited to: labor, installation or any cost resulting in removal of obstructed construction materials whether permanent or temporary structures stand in the way of removal or repair of the defective SCOUT product including any ancillary equipment such as wiring, drivers, controls, and/or the such.
- C. Claims for shortages, losses and apparent or concealed damages sustained in transit shall be made by Buyer with the carrier.
- D. Upon request, SCOUT will provide evidence of goods turned over to a carrier, but reserves the right to charge a reasonable fee for all proof of delivery requests.

RETURNED GOODS

- A. Request to return non-defective stocking merchandise must be made within 30 days from the date of shipment and is subject to a 25% re-stocking charge.
- B. Returns for defective merchandise must be made within 10 days of receiving for consideration of a full refund or exchange for same product.
- C. Only regular items in the current line are returnable. Special, custom-made, made-to-order, or discontinued merchandise is not subject to return.
- D. Returns of orders drop-shipped to job site will be limited to 10% of the original order.
- E. ALL returned goods must be accompanied by a "Return Materials Authorization (R.M.A.)" issued by SCOUT. Returns without an R.M.A. number will be refused and returned to customer at their expense.
- F. Merchandise must be returned in the original factory-sealed cartons in sale-able condition.
- G. Returns for non-defective merchandise must be made with freight prepaid at customer's expense within 45 days of the date of SCOUT issuance of the R.M.A.
- H. All merchandise returned is subject to inspection. Non-sale-able and damaged merchandise will be credited at salvage value or less cost of repairs.
- I. SCOUT reserves the right to issue credit at prices prevailing at time of shipment, or time of return, whichever is lower, less the 25% restocking charge.



FIVE YEAR LIMITED WARRANTY

- A. SCOUT warrants that its products are free of defects in workmanship and materials for a period of five (5) years from the date of shipment. SUCH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SCOUT DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT TO THE PRODUCTS OF ANY OTHER SUPPLIER, WHICH OTHER PRODUCTS ARE SOLD BY SCOUT "AS IS." SCOUT at its sole option, will repair or replace, F.O.B. New Jersey, freight prepaid, any SCOUT product defective in workmanship or materials. Such repair or replacement is the sole and exclusive remedy against SCOUT and is limited to two years from date of shipment. SCOUT reserves the right to determine whether to repair or replace. No charge-back, or charge for labor or material, will be honored, accepted or paid by SCOUT. SCOUT will not be responsible for any consequential or incidental damages in connection with any breach of its aforementioned warranty, repair or replacement as aforesaid being the sole and exclusive remedy.
- B. SCOUT occasionally resells other manufacturers' products; said products may be covered by separate manufacturers' warranties. SCOUT does not make any warranties whatsoever as to such products and will accept no responsibility or liability whatsoever therefore.
- C. SCOUT will not be responsible for any products subjected to inappropriate application or installed or modified in any way that is not in accordance with SCOUT instructions.
- D. No agent, employee or representative of SCOUT has authority to bind SCOUT to any affirmation, representation or warranty concerning goods sold by SCOUT and unless an affirmation, representation or warranty made by an agent, employee or representative is specially included herein, or in SCOUT's acknowledgment or Buyer's purchase order, or in standard printed materials provided by SCOUT, it does not form a part of the basis of any bargain between SCOUT and Buyer and shall not in any way be enforceable by Buyer.
- E. The Buyer is to be solely responsible for the proper application of SCOUT product. SCOUT accepts no responsibility for the application of its product in any installation or for the design of the application itself.
- F. SCOUT voids any warranty if the distributor, customer or end user modifies the delivered SCOUT product in any way and/or uses any other non-specified third party drivers, controllers or power supplies.
- G. SCOUT assumes no responsibility for the natural degradation of LEDs or advancements in LED technology. Newer products when used in conjunction with older systems may display higher lumen outputs than the pre-existing products.



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TYPOGRAPHICAL ERRORS

In the event a product is listed at an incorrect price or with incorrect information due to typographical error or error in pricing or product information, we shall have the right to refuse or cancel any orders placed for product listed at the incorrect price. We shall have the right to refuse or cancel any such orders whether or not the order has been confirmed and your credit card charged. If your credit card has already been charged for the purchase and your order is canceled, we shall immediately issue a credit to your credit card account in the amount of the charge.

