

HUNTER INDUSTRIES INCORPORATED
NORTH AMERICAN DISTRIBUTOR AGREEMENT FOR DISTRIBUTION OF
HUNTER FX LUMINAIRE LIGHTING PRODUCTS

Company Name: _____ (“Distributor”)

Hunter Industries Incorporated (“Hunter”) and Distributor hereby agree that Distributor shall act as a non-exclusive distributor for Hunter’s FX Luminaire (“FXL”) lighting products as designated by Hunter from time to time (the “Products”) on the following terms and conditions:

1. Pricing. Distributor’s standard purchase price for the Products (the “Base Price”) shall equal 45% of Hunter’s FXL suggested list prices in effect at the time of shipment. Distributor’s purchase price will remain 45% of the suggested list price, but the suggested list price is subject to change by Hunter FXL at any time. The suggested list price is merely a benchmark for determining Distributor’s base price, and is not binding on any person.

2. Territory. Distributor’s non- exclusive “Territory” is as per signed, approved and accepted Addendum A attached.

Distributor shall receive all product shipments from FXL within the designated territory and shall make all sales of the products within this Territory. For purpose of Hunter’s contractor/installer promotional programs, only Distributor’s sales of the Products to contractor/installers within Distributor’s designated Territory are considered “authorized Distributor sales”, and therefore only such sales are eligible for any reward, incentive, and rebate programs made available to contractor/installers.

3. Payment Terms. Hunter’s FXL invoices are due and payable upon receipt in United States dollars, without deduction or offset of any kind, and shall be past due 31 days after the date of the invoice. Hunter invoices paid within 30 days of the invoice date will be eligible for an additional three percent (3%) early payment discount from the amount owed under the invoice, i.e., from the Base Price. No early payment discount of any kind will apply to any invoice not paid within 30 days of the invoice date. The postmark date posted by the applicable postal authority (or its equivalent) or the date of Hunter’s receipt of a wire transfer payment shall determine the Distributor’s payment date. Distributor shall immediately pay Hunter for any amounts owed to Hunter relating to any early payment discount improperly taken by Distributor or applied to its invoice. A late payment charge of 2% per month will be added to all amounts which are not paid within 60 days of the invoice date. Hunter reserves the right to suspend performance, to decline to deliver except for cash, or to stop delivery of Products in transit if any invoice is not paid within 30 days of the invoice date, until amounts then due Hunter are paid in full.

4. Minimum Order. There is no minimum order, subject to the case quantity requirements as outlined in the applicable suggested list price list.

5. Shipping/Delivery. All orders in excess of an invoiced amount of \$2,500 shipped to a point in North America (including the continental United States, Alaska, Hawaii, Canada, and Mexico) shall be shipped freight pre-paid by Hunter to the delivery point in the Territory designated by Distributor. **Distributor shall pay the freight on all orders equal to or less than an invoiced amount of \$2,500, orders shipped outside North America, or orders shipped priority service (next day, 2nd day, or 3rd day air) at Distributor’s request.** All Products shall be packaged by Hunter as Hunter deems proper for protection against normal handling. Routing and manner of shipment shall be at Hunter’s discretion, and the Products may be insured at Distributor’s sole option and expense. In the absence of a separate “ship to” designation on an acknowledgment of Hunter of a purchase order, Hunter is authorized to ship the order to Distributor at Distributor’s address. No shipment arranged by Hunter shall be diverted or reconsigned by Distributor without the prior written consent of Hunter.

6. New Product Returns. Once Products are shipped from FXL, it is Hunter’s standard policy not to accept returns of new Product except under special circumstances. Distributor, at its expense, may return Product(s) which are new and unused to FXL with the prior written authorization of an authorized FXL Sales Manager (which authorization may be withheld in such Manager’s discretion). If such authorization is given, returns shall be credited to Distributor’s account at the current price to Distributor for the returned new and unused Product(s), less 25% restocking charge. Hunter expressly reserves the right to disallow return of used, improperly installed, old, obsolete, shop-worn, stale, out-of-warranty, or special-order Products.

7. Hunter’s Warranty to Distributor. All FX Luminaire Transformers are warranted from manufacturer’s defects for a period of ten (10) years from the original date of installation. If a transformer should fail due to manufacturing defects within this period, Hunter Industries will repair or replace the faulty unit free of charge. All FX Luminaire Low Voltage Lighting Fixtures are warranted from corrosion and/or manufacturer’s defect for a period of three (3) years from date of installation. If a fixture should fail due to corrosion or manufacturer’s defects, Hunter Industries will repair or replace said fixtures free of charge. Hunter Industries extends the warranty on FX Luminaire Fixtures and Transformers to ten (10) years from the date of installation when both FX Luminaire fixtures and transformers are installed on the same project exclusive of any competitor’s products. If, due to manufacturer’s defects, either fixture(s) or Transformer(s) should fail within this period of time, Hunter Industries will repair or replace the faulty equipment free of charge.

HUNTER’S OBLIGATION TO REPAIR, REPLACE, OR REPURCHASE ITS PRODUCTS AS SET FORTH ABOVE ARE THE EXCLUSIVE REMEDIES AVAILABE UNDER THE EXPRESS WARRANTY EXTENDED BY HUNTER IN THIS PARAGRAPH 7. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. HUNTER WILL NOT BE LIABLE TO DISTRIBUTOR OR TO ANY OTHER PARTY IN STRICT LIABILITY, TORT, CONTRACT, OR ANY OTHER MANNER FOR ANY DAMAGES CAUSED OR CLAIMED TO BE CAUSED AS A RESULT OF ANY DESIGN OF OR DEFECT IN HUNTER’S PRODUCTS, OR FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY NATURE, INCLUDING WITHOUT LIMITATION LOST BUSINESS OR PROFITS. NOTWITHSTANDING THE FOREGOING, IF FOR ANY REASON HUNTER IS FOUND TO BE LIABLE IN NO EVENT SHALL HUNTER’S LIABILITY EXCEED THE PRICE OF THE PRODUCT WHICH GIVES RISE TO THE CLAIM, LOSS OR DAMAGE.

Any FX product being returned must receive approval and a Return Goods Authorization number from Hunter Customer Service prior to sending product back. All returned product is subject to a 25 percent restocking fee. Product must be returned within six (6) months of order date. All product returned must be in its original packaging, be undamaged and unused and never energized. Product not meeting these criteria will be returned to original sender. Products with specialty finishes are not returnable. Specialty finishes include (but are not limited to): Almond (AL), Verde Speckle (VF), Silver (SV), Flat White (FW), White Gloss (WG), Black Wrinkle (BF), White Wrinkle (WF), and Nickel Plate (NP). Hunter Industries is not responsible for product loss or damage during return transit to RMA location.

8. Hunter’s Warranty to Distributor’s Customer. Distributor shall pass through to its customers Hunter’s express warranty described in Section 7 to repair or replace Product (but not repurchase Product) which is defective in materials or workmanship for a period of (i) ten years from the date of installation for FX Luminaire Transformers, (ii) three years from the date of installation on all FX Luminaire Low Voltage Lighting Fixtures. Hunter Industries extends the warranty on FX Luminaire Fixtures and Transformers to ten years from the date of installation when both FX Luminaire fixtures and transformers are installed on the same project exclusive of any competitor’s products. If, due to manufacturer’s defects, either fixture(s) or Transformer(s) should fail within this period of time, Hunter Industries will repair or replace

the faulty equipment free of charge. Hunter shall not be required to repair or replace any Product which has been subject to damage, improper installation or maintenance, misuse, abuse, alteration, tampering, improper electrical current, service other than by Hunter authorized agents, or operating conditions other than that for which the Product was designed.

9. Term. After signed by both Hunter and Distributor, this Agreement shall be effective from Hunter's acceptance date (set forth below) until December 31, 2017, unless (i) earlier terminated by either party for any or no reason upon 60 days' advance written notice of the proposed termination date, or (ii) pursuant to any other provision contained herein (the "Term"). Notwithstanding the foregoing, Hunter has the right to immediately and without notice refuse to deal with Distributor temporarily or permanently if Distributor breaches any policy distributed by Hunter.

10. Standard Terms and Conditions. The terms and conditions on the reverse hereof form a part of this Distributor Agreement and are expressly incorporated herein by reference.

The undersigned distributor has read, understand, and accepts the above terms, including those on the reverse hereof.

Distributor: _____

Signature: _____

Printed Name and Title: _____

Address: _____

Approved and Accepted: **HUNTER INDUSTRIES INCORPORATED**

By: _____

Printed Name and Title: _____

Steve Abernethy, VP of Sales

Acceptance Date: _____

Address: 1940 Diamond Street, San Marcos, California 92078, USA

Telephone: (760) 744-5240

Facsimile: (760) 471-9626

HUNTER INDUSTRIES INCORPORATED
TERMS AND CONDITIONS FOR DISTRIBUTION OF
FX LUMINAIRE LIGHTING PRODUCTS

A. Restrictions on Distribution. During the Term of this Agreement, Distributor shall not sell Products outside of Distributor's Territory. Moreover, Distributor shall not directly or indirectly market, advertise, or in any other way solicit orders in any medium, be it online or offline, likely to result in orders for the Products from outside the Territory. For elimination of doubt, general advertising on Distributor's website(s) or any non-regional (i.e. national or international) websites shall not be deemed to violate this paragraph absent specific intent or efforts to target such advertisements to obtain sales outside of Distributor's Territory. Hunter explicitly reserves the right to at any time, in its sole discretion and for any reason whatsoever, modify Distributor's Territory or increase or decrease the number of Distributors within any given territory, or to otherwise modify any distribution within any given territory.

B. Independent Contractor Status. Distributor is an independent contractor with sole control of the manner and means of its performance under this Agreement, and is not a partner, co-venturer, agent, employee, or representative of Hunter. Accordingly, Distributor shall have no authority, either express or implied, to make any contract, agreement, commitment, representation, or warranty (except as provided in Section 8) on behalf of Hunter.

C. Agents of Distributor. Distributor is fully responsible and liable for the acts of any of its agents or employees, all of whom shall be deemed subject to the terms of this Agreement. Any actions of Distributor's agents or employees shall be deemed to be an act of the Distributor for purposes of determining Distributor's compliance with this Agreement.

D. Distributor Orders. All orders placed by Distributor shall be subject to acceptance in writing by Hunter at its principal place of business and shall not be binding until final acceptance. Hunter may make partial shipments on account of the orders. Hunter may change these standard terms and conditions or those contained in its form of invoice as it determines from time to time with 30 days' advance notice to Distributor. The terms and conditions of this Agreement, and any supplemental terms and conditions of Hunter's applicable invoice, will apply to each order accepted and shipped by Hunter hereunder. The provisions of Distributor's purchase orders or other business forms or communications shall not apply to any order notwithstanding Hunter's acknowledgment or acceptance of such order. Hunter shall be entitled to allocate available supplies of Products among its present and future customers and distributors on a reasonable basis, and impose such reasonable limitations upon sales and deliveries to Distributor as Hunter in its discretion considers appropriate in light of the financial condition and past sales volume of Distributor and other factors Hunter in its sole discretion deems relevant. Hunter reserves the right to cancel any orders placed by Distributor and accepted by Hunter as set forth above, or to refuse or delay shipment thereof, if Distributor (i) fails to make any payment as provided in this Agreement or under the terms of payment set forth in the invoice or as otherwise agreed to by Hunter and the Distributor, or (ii) otherwise fails to comply with the terms of this Agreement. In the event that Hunter discontinues the manufacture or distribution of any of the Products at any time, Hunter shall be without any liability of any kind to Distributor or any other person for such discontinuance. No such cancellation, refusal, or delay will be deemed a termination or breach of this Agreement by Hunter. Hunter is authorized to set off any amounts it owes to Distributor against any amounts owed to it by Distributor.

E. Title to Products. Title to the Products shall pass to Distributor upon delivery of the Products by Hunter to the initial carrier, notwithstanding any authorization given by Hunter under Section 6 of the Agreement which permits Distributor to return the Products. If any of the Products are returned pursuant to Section 6 of the Agreement, title shall remain with Distributor until the Products are actually received by Hunter.

F. Expenses. Distributor shall assume and pay all costs of any nature whatsoever that Distributor shall incur in connection with the transportation, storage, advertising, marketing, distribution, and sales obligations imposed by this Agreement, and Hunter shall not be responsible or liable therefor.

G. Distributor Selling and Support Efforts. During the Term of this Agreement, Distributor shall use its best efforts to develop a successful, high volume distributorship for the Products in the Territory to promote efficient distribution, sales and use of the Products in the Territory and to perform all its other obligations hereunder in a professional and diligent manner. Distributor's best efforts shall include, but not be limited to, the following: (i) maintaining a place or places of business within the Territory for adequate office, warehouse, and display space for the Products; (ii) maintaining an adequate stock of Hunter's full line of products sufficient to provide reasonable availability to customers in the Territory; (iii) providing adequate and reasonable sales efforts and active promotion of the Products commensurate with total market potential in the Territory; (iv) maintaining a professional sales staff with experience in sales of lighting products; (v) traveling throughout the Territory calling on all sources of potential business for Products on a regular and adequate basis; (vi) providing training to its customers and staff in the proper installation, adjustment, and service of the Products; (vii) responding to and resolving any end-user service and warranty needs in a timely and professional manner; (viii) attending and participating in local and regional promotional activities and trade shows relating to the Products; (ix) attending Hunter's scheduled sales and service meetings, and sending its sales and service personnel to attend the Hunter's service training sessions; (x) monitoring and analyzing the market for Products; (xi) stocking and making available to customers Hunter's literature and sales aids for the Products; (xii) working closely and cooperating with and performing with the satisfaction of Hunter's Sales Managers in the Territory; (xiii) providing timely, professional services to customers; (xiv) maintaining adequate displays of Hunter Products in Distributor's counter sales area; and (xv) prominently displaying Hunter signage at Distributor's expense to adequately identify Distributor's place of business as stocking Hunter Products.

H. Prohibited Activities. During the term of this Agreement, Distributor agrees that neither it, nor any of its affiliates or its immediate family members will directly or indirectly, own an interest, operate, enjoin, control, or participate in, or become connected as an officer, employee, agent, independent contractor, partner, shareholder, or principal of any corporation, partnership, proprietorship, firm, association, person, or other entity which installs the Products. Distributor acknowledges that this prohibition is necessary to guard against the appearance of impropriety and potential conflicts of interest in servicing Distributor's customers. Consequently, breach of this covenant is sufficient grounds for immediate termination of this Agreement.

I. Confidential Information. Hunter may disclose to Distributor certain confidential information including, but not limited to, financial information or projections; lists of manufacturers, agents, vendors, suppliers, dealers, distributors, customers, potential customers; manufacturing processes; product research; designs under consideration for production; sales, marketing and strategic plans; pricing policies; and other "trade secrets" under California law (collectively, "Confidential Information"). Confidential Information shall not include information that can be documented as being known within the industry prior to the date of this Agreement or information that becomes publicly available thereafter through no breach of this Agreement by Distributor. Hunter maintains the Confidential Information as its own proprietary and confidential information, and may stamp such information as "trade secret," "confidential," or with a similar designation (but failure to do so will not impair the classification of information as Confidential Information). Distributor acknowledges the existence and status of the Confidential Information and its ownership by Hunter, and that the unauthorized use, loss or disclosure of such Confidential Information will cause irreparable harm to Hunter. During or after the Term hereof, Distributor shall not directly or indirectly use the Confidential Information for its benefit or the benefit of anyone else or in any way against Hunter's interest, and shall not disclose, permit the disclosure of, or authorize the disclosure of any of the Confidential Information or the terms of this agreement to any third person or entity, either directly or indirectly. Distributor acknowledges that a breach of this paragraph will cause irreparable harm to Hunter, and that Hunter is entitled to the immediate issuance, without notice, hearing, or bond, of a temporary restraining order precluding the continuance of the conduct in question and may pursue other injunctive relief and/or a claim for damages in the event of a breach or threatened breach of Distributor's obligations contained in this paragraph.

J. Ownership and Control of Trademarks. Hunter agrees that Distributor shall have the non-exclusive right, without the right to grant, sublicense, or assign such right to others, to use Hunter's trademarks, logos and copyrighted material associated with the Products (collectively, the "Marks"), solely in connection with Distributor's marketing and sales of the Products to customers located in the Territory. Distributor agrees not to use any of the Marks, or any similar variation thereof, in any other manner, including but not limited to the manufacturing of Products, or the establishment or operation of a franchise to distribute the Products. Distributor shall not commit any act or engage in any conduct that adversely affects the Marks. Nothing herein shall permit Distributor to use the Marks in any manner which might jeopardize Hunter's right or ability to use or license others to use the Marks or Hunter's ability to enjoin or otherwise prohibit the use thereof by other parties, including, without limitation, knowingly publicizing, making known publicly or to the applicable industry, or introducing the Marks into any county, state, or country outside the Territory. This Agreement shall not be construed as a grant of a license or an assignment to Distributor of any right, title and/or interest in and to the Marks. The Marks are and shall remain the exclusive property of Hunter and at no time and under no circumstances shall Distributor: (i) acquire property rights or any other property interest therein; (ii) challenge, attack, or contest the ownership or validity of Hunter's rights in the Marks or their respective applications or registrations; or (iii) apply for, or be the assignee of, any trademark protection which would affect Hunter's ownership of any rights in the Marks, or file any document with any governmental authority, or take any other action which could affect Hunter's ownership of the Marks, or aid or abet anyone else in doing so. Upon any termination or expiration of this Agreement, Distributor shall immediately discontinue all use of the Marks and shall forthwith take any and all action that may be required or requested by Hunter to dispose of, or deliver to Hunter, materials in Distributor's possession having any of Hunter's Marks.

K. Advertising and Promotion. The Distributor shall not publish or permit to be published any advertising relating to the Products that is likely to mislead or deceive the public or impair the goodwill of Hunter or Distributor or the reputation of the Products. Nonetheless, Distributor shall have the right to advertise and promote the Products by telephone, mail, newspaper or magazine in the Territory. Hunter has prepared and continued to develop certain sales materials regarding the Products and shall, from time to time, make these materials available to Distributor. If Distributor uses Hunter's sales materials, it shall do so only in connection with the sales of the Products and upon termination of this Agreement shall promptly cease using the same and shall immediately return to Hunter any and all such sales materials.

L. Compliance with Laws and Other Obligations. Hunter and Distributor will maintain high ethical standards of business practice and will refrain from being involved in any activity which may disparage the other party or the Marks, and will comply with all applicable foreign and U.S. federal, state and local laws, rules and regulations. Distributor shall not be excused from any obligation of payment to Hunter by reason of any applicable exchange control restriction. Distributor shall be liable for all costs of compliance with environmental, waste disposal and similar laws including those associated with, but not limited to, the recycling of containers or packages in any county, state, or country within its Territory. None of the officers, directors, representatives, agents or employees of Distributor nor any major shareholder or owner: (a) has used or is using any funds derived from Hunter for any illegal contributions, gifts, entertainment or other unlawful expenses relating to political activity; (b) has used or is using any funds derived from Hunter for any direct or indirect unlawful payments to any foreign or domestic government officials or employees; (c) has violated or is violating any provision of the Foreign Corrupt Practices Act of 1977; (d) has established or maintained, or is maintaining, any unlawful or unrecorded fund of monies or other properties of Hunter; or (e) has made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any nature using funds of Hunter or otherwise on behalf of Hunter.

M. Taxes, Costs and Compliance. Distributor shall assume and pay any and all sales, use, gross receipts, excise, duties and other taxes or costs applicable to the sale, export, importation, distribution, storage, use and transportation of Products purchased from Hunter pursuant to this Agreement. Distributor shall also pay any and all personal property, inventory and similar taxes applicable to any inventory of Products held by Distributor.

N. Indemnification. Distributor shall indemnify, defend and hold Hunter and its agents harmless from and against any claim, loss, damage, expense, or liability (including reasonable attorneys' fees and costs) that may result in whole or in part, directly or indirectly, from the operations or activities of the Distributor, its agents or customers or from any breach of this Agreement by Distributor.

O. Security Interest. Distributor hereby grants to Hunter a security interest in all Products delivered to Distributor until sold by Distributor, and thereafter in any proceeds therefrom, to the extent of any monetary obligations owed by Distributor to Hunter. Distributor authorizes Hunter to file appropriate financing statements to perfect such security interest and agrees to cooperate in taking such other actions as are reasonably necessary to perfect such security interest.

P. Termination. If either party fails to perform any of its obligations under this Agreement, the other party may defer shipments or receipt of deliveries until the default is cured, and at its option may treat the default as a breach of the entire Agreement. If the default is not cured within ten days of giving of written notice thereof to the defaulting party, this Agreement shall terminate at the end of the ten day period, except that Hunter may terminate this Agreement immediately by notice given to Distributor for (i) misrepresentation by Distributor concerning any of the Products, or (ii) unauthorized use by Distributor of any Mark or other intellectual property right of Hunter. If Distributor becomes or is adjudicated insolvent or bankrupt, or if a receiver or trustee is appointed for Distributor or any of its property, or if a petition for reorganization or arrangement under any bankruptcy or insolvency law regarding Distributor is approved, or if any assignment for the benefit of Distributor's creditors, or if creditor files a voluntary petition in bankruptcy or petition or answer seeking to take advantage of any insolvency or bankruptcy law or otherwise admits insolvency or bankruptcy or consents to the appointment of the receiver or trustee, then, in addition to such other remedies as may be available in law or in equity, Hunter shall have the right to terminate this Agreement on five days' prior written notice.

Q. Effect of Termination. Notwithstanding any termination of this Agreement, Distributor shall not be relieved of its obligation to pay for all Products shipped or delivered prior to termination, and it shall be a precondition to effect a termination by Distributor of this Agreement that Distributor first makes payment for all Products previously delivered. Upon termination of this Agreement, Hunter shall deliver only those Products ordered from and accepted by Hunter prior to the effective date of the termination. Hunter may elect to fill large orders placed after either party has given notice of termination of this Agreement. Within thirty days after the termination of this Agreement, Hunter at its option, may repurchase, and Distributor shall sell to Hunter, any or all of the Products in Distributor's possession that Distributor has not previously contracted to sell to a third party. If Hunter elects to purchase any or all of such Products, Hunter shall pay to Distributor the purchase price originally paid by Distributor for such Products, less the cost of reconditioning and repairing any Products which are damaged or used, and less any money due or to become due to Hunter under this Agreement. If Hunter elects not to purchase any or all of such Products within said thirty days, Distributor shall have the right to sell such Products in the ordinary course of business.

R. Miscellaneous Provisions.

(i) Except as otherwise specified herein, all notices, requests, demands or communications required hereunder shall be in writing and delivered personally, or sent either by the equivalent of U.S. certified mail, postage prepaid/return receipt requested or by overnight air courier (e.g., Federal Express or DHL), or sent by facsimile (if such facsimile notice is followed immediately by a letter delivered personally or by overnight air courier), to the parties at their respective addresses as set forth adjacent to their signatures herein (or at such other address as shall be given in writing by either of the parties to the other). All notices, requests, demands, or communications shall be deemed effective immediately upon personal delivery or facsimile transmission, four (4) days following deposit in the mails, or two (2) days following delivery to the overnight air courier in accordance with this paragraph.

(ii) This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. This Agreement constitutes the entire understanding between Distributor and Hunter with respect to Distributor's distribution of Hunter's FXL lighting products and supersedes all prior agreements, written or oral, between the parties hereto with respect to the subject matter hereof. This Agreement shall not be modified except in a writing signed by the parties. No waiver of any provision of the Agreement or any right or obligations of either party hereunder shall be effective, except pursuant to a writing signed by the party or parties waiving compliance, and any such waiver shall be effective only for the specific instance and purpose stated in such writing. This Agreement shall not in any way modify the parties' rights and responsibilities under any written agreement between the parties, if any, pertaining to the distribution of Hunter's golf irrigation products or residential and commercial irrigation products. This Agreement only sets forth the rights and responsibilities of the parties with respect to Distributor's distribution of FXL lighting products of Hunter.

(iii) Distributor shall not assign its rights or delegate its obligations under this Agreement without the prior written consent of Hunter. This Agreement shall be binding on all successors and permitted assigns of the parties.

(iv) In any action or proceeding between the parties to interpret or enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover its expenses, including without limitation fees and costs required to enforce or collect on any judgment or arbitral award, fees or costs incurred in connection with any bankruptcy, general assignment or other debtor-creditor relief proceeding, and all reasonable attorneys' fees and costs relating to any of the foregoing.

(v) This Agreement shall be governed by and construed in accordance with the substantive laws of the State of California (not including its choice of law provisions). The terms of the U.N. Convention for the International Sale of Goods shall not apply, if such Convention would otherwise be applicable to any transaction contemplated or consummated between the parties pursuant to this Agreement. The parties to this Agreement consent to the jurisdiction of the federal and state courts located in the State of California, USA, and agree that San Diego County, California, USA is the exclusive venue and forum for any action brought to enforce or interpret this Agreement.

(vi) If the performance by Hunter of all or any of its obligations under this Agreement is delayed due to any cause or causes beyond its reasonable control (including but not limited to acts of God, earthquake, fire, hurricane, inclement weather, war, terrorism, loss of adequate supply of raw materials or manufacturing capability, environmental or labor troubles, failure of transportation system, or changes in governmental regulations), Hunter shall not be deemed to be in default or breach on account of such delay, and the time for its performance shall be deemed extended to the extent of such excusable delay.

(vii) In the event that any provision of this Agreement is held by a court, arbitrator or other tribunal of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed valid and enforced to the maximum extent permissible and the remaining portions of this Agreement shall remain in full force and effect.

(viii) Notwithstanding the expiration or termination of this Agreement, those provisions of this Agreement that would reasonably continue in effect subsequent to its termination or expiration, such as confidentiality restrictions, shall remain in effect pursuant to the terms thereof.

FX Luminaire Professional Distribution Program – PDP 2017

North American Program

Industry Standard Discount

FX Luminaire offers an industry standard discount of **50/5** to authorized distributors on a year-round basis. Distributors that elect not to participate in the Professional Distribution Program will receive this standard discount on all purchases for the program year and be assigned to the dealer program.

FX Luminaire Distributor Advantage Discounts

Commit to **100%** of your distributor “base purchases”, and your Program Discount becomes **50/10**.

The base number for commitment calculation will be determined by the Director of FX Luminaire Sales.

Advanced Planner Discount

For distributors that maintain adequate quarterly progress toward year end commitments, FX Luminaire offers a generous additional discount that applies to purchases all year long.

*Order and ship based on the following targets and earn an additional **10%** on your qualified FX Luminaire Distributor Advantage Discount. Failure to meet the quarterly commitment targets will result in the discount being lowered to **50/10** for the remainder of the year.*

- 20% of your commitment by: March 31, 2017
- 52% of your commitment by: June 30, 2017
- 78% of your commitment by: September 29, 2017

The minimum commitment level to qualify for FX Luminaire Distributor Advanced Planner Discount is **\$75,000**. If annual purchases are below the minimum commitment level for the calendar year, FX purchases will not be included in the Hunter Industries rebate calculation. Additionally, the account will be assigned to the Dealer program for the following year.

*Advantage Discount plus the Advanced Planner Discount adds up to **50/10/10** for the entire program year.*

In-Season Payment Terms

As an incentive for prompt payment, all orders are eligible for the following terms:

- **Standard Payment Terms: 4% 30 days, 3% 60 days, net 75 days**

Season Planner Extended Terms

Receive additional dating on all individual orders and shipments meeting a minimum dollar threshold within the dates below:

- **Shipment Period** (January 2, 2017 – April 14, 2017)

Individual Orders > \$ 10,000 3% June 10th, Net July 10th

Extended payment terms must be specifically requested on the purchase order at the time of order, and invoice dollar minimums must be met to receive the Extended Payment Terms.

FX Luminaire PDP 2017: 12/16

Initials of Distribution Representation _____

Initials of Hunter Representation _____

FX Luminaire Professional Distribution Program – PDP 2017

North American Program

Discounts are given on-invoice with the understanding that all orders will be paid as scheduled. Any discounts taken but not earned will be charged back.

Master Carton Order Discount

To provide an incentive to program participants to order fixtures in full master carton quantities, we are offering a **1% on-invoice master carton discount** on all products available in master cartons.

See list of qualifying products and the applicable quantities. Master cartons cannot be of mixed SKUs.

Pallet Order Discount

To provide an incentive to program participants to order fixtures in PDP pallet quantities, we are offering a **1% on-invoice pallet discount** on all specific products available in pallet quantities.

See list of qualifying products and the applicable PDP pallet quantities. Pallets cannot be of mixed SKUs.

Large Order Discount

All orders over **\$10,000** on a single invoice with a single shipping destination will receive a **1% on-invoice discount**.

Hunter Irrigation and FX Luminaire products may be combined to reach this invoice amount.

Free Freight

Program participants receive freight pre-paid on all qualified orders exceeding **\$1,000** on invoice. All Hunter Industries irrigation and FX Luminaire lighting orders may be combined to meet freight minimums.

Sales Promotional Funds

To support the valuable marketing activities of our regional teams and distributors at a local level, we provide promotional funds to be used toward FX Luminaire specific programs to grow your business. Program participants will accrue sales promotional funds of **1%**, calculated based on your annual purchases to the maximum of your commitment for the 2017 season.

All promotional plans must be coordinated and approved with your FX Luminaire Account Manager or FX Director of Sales on a quarterly basis.

Reimbursement may be held, pending payment of the shipments that make up the annual commitment.

Promotional funds may be revoked if purchase progress towards your annual commitment is insufficient to meet your planned purchase commitment.

Promotional fund claims must be submitted by December 15th.

Non-Defective Returns

All returned product requires authorization from Hunter Customer Service Department prior to the return. All returns are subject to a 25% restocking fee. Merchandise must be received by Hunter Industries within six (6) months of order date. Returned items must be in original sealed packaging and in resalable condition. Products with specialty powder coat finishes are not returnable. Specialty powder coat finishes include (but

FX Luminaire PDP 2017: 12/16

Initials of Distribution Representation _____

Initials of Hunter Representation _____

FX Luminaire Professional Distribution Program – PDP 2017

North American Program

are not limited to): Almond (AL), Verde Speckle (VF), Silver (SV), Flat White (FW), White Gloss (WG), Black Wrinkle (BF), White Wrinkle (WF), and Nickel Plate (NP).

Program Period

The 2017 PDP Program begins January 2, 2017, and extends to December 15, 2017.

Program and Price Changes

PDP Program orders will be priced according to the 2017 Price List. FX Luminaire reserves the right to change pricing and/or program terms and will seek to provide at least 30-day notice.

Program Incentives

All incentives, discounts, dating, and/or year-end rebates will be forfeited if your PDP program commitments for purchases or payments are not met.

Payment Discounts

All payment and program discounts are given on-invoice with the understanding that all orders will be shipped and paid as scheduled. Any discounts taken but not earned will be charged back.

Account Status

All past due accounts will be charged a 2% per month late penalty. FX Luminaire reserves the right to stop shipments to past due accounts and to those accounts exceeding their line of credit.

Corporate Communications

As a member of the FX Luminaire Professional Distribution Program, you agree to receive corporate communication emails that pertain to product launches and quarterly updates. Your participation in the program allows Hunter to opt back in any of your staff who opt out for any reason.