

## Sign Purchase Agreement

Rev 4 Dated: November 1, 2018

This Agreement is entered into by and between Smart LED Signs & Lighting, a Kentucky Corporation, hereinafter "Seller", and the "Buyer" (i.e., the direct customer for whom the sign is being made, who may be the end user or alternatively, a sign retailer or reseller), for the purposes herein stated. This Agreement protects both Buyer and Seller and represents the totality of all terms and conditions pertaining to the purchase of sign(s) from Smart LED Signs & Lighting, other than those covered by Kentucky State and US Federal Law. When a Buyer places a firm order for a sign, Buyer agrees to accept this Agreement and all its terms and conditions without Buyers' signature required on this document. Should the Buyer disagree with any of the terms in this agreement, Buyer should not purchase the sign without discussion and written modification this Agreement by the Seller. Buyer should identify any specific concerns and negotiate with Seller on possible modifications of this agreement; otherwise it is assumed Seller concurs with all clauses in this Agreement as written here without exception, if Buyer places an order for the sign(s).

1. AGREEMENT: Once the sign(s) have been paid for in full by the Buyer, the Seller, Smart LED Signs & Lighting hereby sells, conveys and transfers to Buyer all rights, title and interest in the signage, as described in the Final Proof, invoice, and any other supporting written information such as Purchase Orders, contract agreements, and emails.
2. ORDER CANCELLATION. Once the down payment has been made or a signed PO issued (for Government Buyers), and the Buyer has approved the Production proof in writing or has given written authorization by email to begin production of Buyer's custom signs or lighting, these actions constitute a non-revocable contract. All orders are final. Smart LED Signs & Lighting makes custom signs, and once production authorization is authorized by the Buyer, it purchases materials and schedules its labor force in the production line to specifically produce the sign (s) ordered. However, should the buyer find it necessary to cancel the order or substantially modify the design of a sign already in the production line (there is no charge for design modifications to design proofs prior to the Buyer authorizing production), Smart LED Signs & Lighting may elect to cancel the order and refund the Buyer's money, subject to a cancellation fee. This fee is 10% if the order is cancelled within 2 working days after the order is placed; and 50% if it is cancelled within 10 days. After 10 days, no refund will be made. These refunds depend on production workload, any special material purchased, etc, and are entirely at the discretion of Smart LED Signs & Lighting.
3. DELIVERY AND ACCEPTANCE: Acceptance by the Buyer shall be defined as the Buyer taking possession of the signage and not returning the signs to Smart LED Signs & Lighting within 15

days. Such acceptance shall acknowledge that the signage is in good order and condition and that Buyer is satisfied with same, and all agreed upon payments are due and payable

If there are specific issues with non-conformance of the delivered signs to the approved Specification (Final Proof) that can be readily corrected by the Seller, Buyer can state these problems to the Seller within 15 days after delivery and claim conditional acceptance, with final acceptance occurring if and when the Seller fixes these problems without further cost to Buyer, including shipping. The Seller then has 30 days to fix the problems (the Buyer must make the signs available for repair during this period, and repair may take place on-site after the signs are installed). If the problems are fixed satisfactorily by the Seller or its designee in this time period, so that the repaired or modified sign meets the specifications on the Final Proof, the Buyer agrees to accept the repaired signs and complete full payment.

If the sign cannot be repaired by the Seller or its designee within the 30 days so it meets the specifications on the final proof, or its appearance and workmanship after repair does not meet professional signage standards, the Buyer may then refuse acceptance and return the sign(s) (seller will pay for shipping). In the highly unlikely event this occurs, all of the Buyer payments related to that item being returned will be refunded to the Buyer. In no case will a refund be made if the Buyer retains possession of the sign(s);

However, a partial refund may be offered by the Seller under certain conditions; the Buyer may choose to accept or reject this offer. It is possible, although unlikely, that there are some minor cosmetic style errors which do not affect functionality or professional appearance (e.g., wrong font for text used, wrong border pattern, etc) of the delivered signs that are difficult or are expensive to repair by the Seller, and/or the Buyer is willing to keep the signs "as is", because the sign(s) are still acceptable for their intended purpose. In this case, the Seller may offer the buyer a discount in total price (typically 5% to 10%) as compensation for the out-of-spec signs, as an alternative to modifying them. The amount of discount is negotiated between Buyer and Seller but is typically less than the cost for the Seller to make a new sign or modify an existing sign so it meets specifications. The Buyer can accept the signs with this negotiated discount, or alternatively, return the Signs to the Seller, getting a full refund. This situation is quite unlikely to occur.

If the Buyer refuses acceptance of the sign(s), either initially or after conditional acceptance, it has 15 days to return the signs to Smart LED Signs & Lighting. in their original delivered condition stating its reasons for non-acceptance. The only valid reasons for the Buyer declaring non-acceptance of the sign(s) are: (1) substantial design specification variances (e.g., wrong size, wrong colors, wrong layout, wrong materials, wrong background texture, misspelled text, unreadable text) between the delivered signs and the sign design specifications on the Final Proof that cannot be repaired by Smart LED Signs & Lighting or its designee; (2) poor quality

workmanship or structural problems, well below professional sign standards, that cannot be repaired by Smart LED Signs & Lighting, Inc or its designee; (3) loss, severe damage or destruction of the sign(s) that occurred during shipping that cannot be repaired by Smart LED Signs & Lighting or its designee.

If the Buyer wants to change the design, so that it is different from the Final approved Proof, after the sign(s) is delivered, this is NOT a valid reason for refusing sign acceptance. Any significant problems that occur to an Accepted sign during normal "wear and tear" that bring it into non-conformance of the original specification proof are covered in Paragraph 8 below, SIXTY DAY WARRANTY.

4. PURCHASE PAYMENTS: Buyer agrees to pay unto the Seller, Smart LED Signs & Lighting, the total sum of money due as specified in the Final Proof, invoice, and other documentation such as emails and Purchase Orders within the time line specified on the invoice. Until the total sum of money for the agreed upon price is paid, the signage remains the property of Smart LED Signs & Lighting. Partial payment by the buyer conveys no ownership or rights to the signage by the Buyer. Smart LED Signs & Lighting reserves to right to collect any payments the Buyer owes in arrears, which result in default of the contract, by any legal means; including charging a credit card number provided by Buyer for the down payment or initial 50% payment; employing a Collection Agency; placing a Mechanic's lien on a building the signage is installed on; and bringing a lawsuit against the Buyer. In addition, nonpayment of money due on a contract, resulting in default, will result in the Buyer being reported to the major Credit Bureaus for credit delinquency. Also, the Seller may in some cases repossess the signs because the signs are still the property of the Seller and are collateral for the credit purchase.

5. SCHEDULE. Upon receipt of Order, which will include Approval of Final Design Proof by Seller, transferring of Down Payment from Buyer to Seller, and submittal of other documentation such as Purchase Order by Buyer to Seller, Seller will commit to a firm delivery date for delivery of signage to buyer. Seller will make every attempt to meet this date, especially if the Sign is required for a critical milestone for Buyer (e.g., store opening, birthday or Christmas present, major event, etc), and will provide status to Buyer on sign delivery schedule whenever requested by Buyer. Seller has been able to meet virtually all critical dates in last 9 years, even if it requires shipping the signs by Air Freight at Seller's expense. However, due to the large volume of custom and unique signs produced in a short time, buyer delays in approval of proofs or samples, vendor materiel delivery delays, uncertainty of paint and coating drying time in wet weather, and variability and delays in shipping times, Seller cannot absolutely guarantee delivery of signs on agreed upon dates, and Buyer agrees Seller will not be subject to schedule penalties or payment withholds due to any late delivery. Furthermore, Seller agrees not to file a lawsuit against Buyer for actual or punitive damages due to late delivery of sign(s). However, if

actual sign delivery time is later than 10 days after delivery time promised by the Seller (however, loss or damage of sign by shipper is excluded from this clause), Seller has the right to cancel the sign order and get all its payments refunded. If Shipper causes schedule delay, Seller cannot cancel the sign order and get a refund. Seller is not responsible for any consequential damages to the Buyer, his agents, or to a third party due to delays of delivering a sign (s), such as the cost of loss of business, delay of an event, etc. In case of delays of delivering signs beyond the contractual delivery date, the Seller is only responsible at most to the cost of the signage, assuming it cannot be constructively used by the Buyer because of the delay in delivery time. In this case, the sign must be returned to the Seller (or it may not be delivered at all to the Buyer) before a complete refund will be made. To get a refund, the Buyer must put in writing the "must have by" delivery date, and both Buyer and Seller must sign this agreement. Verbal understandings of firm delivery schedule requirements will not be honored; they must be in writing with both parties agreeing to the delivery date.

6. TITLE TO SIGNAGE: The Seller, Smart LED Signs & Lighting represents that it owns all signage described herein free and clear and that such signage is free of all liens when it delivers the sign to the Buyer.

7. MAINTENANCE AND REPAIR: After acceptance by the Buyer, all maintenance and repair costs to the signage, except for that covered by the 60 day warranty defined in Paragraph 8, shall be paid by Buyer, and Seller is hereby relieved from any responsibility to maintain or repair signs.

8. SIXTY DAY WARRANTY: The Seller offers a sixty (60) day labor warranty on all of its signs and lighting, both indoor and outdoor. Excluded from this warranty is any damage from vandalism; accidental impact; high winds or gusts greater than 70 mph; sign banging against a post or other hard object due to motion from winds (e.g., sign hanging from chains swinging wildly); bird damage; hailstorms; abuse to the sign after it is received until it is properly installed; improper installation; and any unusual operating environments the sign was not designed for. If the Buyers sign or lighting suffers damage covered under this warranty in the 60 day warranty period, buyer can return the sign or lighting to the Seller (shipping will be pre-paid by Smart LED Signs & Lighting), and the sign will be repaired or replaced, or the Seller may contract with a local sign company for in-place repair. See Paragraph (I) below for more details. The warranty period starts the day the sign is delivered to the Buyer, not the day it is installed.

9. SIGN INSTALLATION. Seller takes no responsibility for proper sign installation, unless Seller is under contract to install the sign. However, Seller will take responsibility for the integrity of all hardware it provides and attaches to the signs(s), assuming it has been informed correctly of the expected thermal and structural environment the sign and its supports will be operating in. Seller takes no responsibility for sign warping in extremely high-temperatures experienced by

the sign, greater than 130 degrees F. Seller takes no responsibility for failure of a wall, beam, post, eyehook, or other structural support unless Seller has provided such support or has inspected such support and has installed the sign on it. When a hanging sign is ordered, Buyer must inform Seller of worst case expected wind condition so that proper hardware is installed to avoid a potential safety problem. See Paragraph (H) below for more details. Seller is not responsible for structural failure if winds exceed the design values of 70 mph (e.g., a tornado or hurricane). Buyer agrees Seller is indemnified against any damages to persons or property in case of a sign structural failure when Buyer, or third Party, installs the sign. In any case of sign structural failure, Buyer agrees that Sellers liabilities are limited to the cost for replacing the sign and will not include any consequential damages to persons or property.

10. TAXES AND LICENSES: All taxes, license fees, import and customs duties, and other expenses associated with the signage shall be paid by Buyer. Kentucky sales tax, if applicable for Buyers located in the State of Kentucky, will be added onto the price of the sign and the Buyer will pay this tax, which the Seller will then send to the State of Kentucky.

11. INDEMNIFICATION OF SELLER: Buyer shall indemnify, protect and hold harmless the Seller (Smart LED Signs & Lighting); its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatever nature, arising out of the use, condition or operation of any item of the signage, regardless of where, how and by whom installed. Buyer shall assume the settling of, and the defense of any lawsuits or other legal proceedings brought to enforce all such losses, damages, injuries, claims, demands and expenses and shall pay all judgments entered in the suit for other legal proceedings. The indemnification and assumptions of liability and obligation herein provided shall continue in full force and effect notwithstanding the termination of this agreement, whether by expiration of time, by operation of law or otherwise.

12. DEFAULT BY BUYER: Time is of the essence under this agreement and any of the following events shall constitute defaults on the part of Buyer here under: (a) failure of Buyer to pay any payment within fifteen (10) days in which same becomes due; (b) any breach or failure of Buyer to perform any of its obligations (such as returning the signs if it refuses acceptance, or making them available for repairs) under this agreement; (c) insolvency of bankruptcy of Buyer or assignment for the benefit of creditors; (d) any other act of Buyer which will causes Seller to deem itself insecure. Upon the occurrence of any default, Seller may exercise this option without notice to or demand on the Buyer and thereupon all signs and rights of Buyer therein shall be surrendered unto Seller; upon default, Seller may take possession of the signage where found with or without process of law in court, may enter upon the agreed premises without liability for suit, action, or other proceedings by Buyer and remove same; hold, sell, agreement or otherwise dispose of the signage or keeping of any of them as the Seller so chooses without

effecting the obligation of Buyer as providing by this agreement; collect all unpaid payments due without prejudice to the Seller in right to regain possession of the signage.

13 INTELLECTUAL PROPERTY & DESIGN RIGHTS. Seller agrees to allow Buyer to put photos of completed sign(s), including installed signs, on Seller's website ([www.smartledsigns.com](http://www.smartledsigns.com)), for purposes of advertising only, unless Buyer provides in writing a prohibition to do so, within 10 days after the sign is delivered. If Buyer has developed the sign's design, or its logo, or artwork, and provided this to the Seller, Buyer can declare this as intellectual property (including a copyright) and Seller has no right to use these designs on any other signs, banners, or other material to be sold without express written permission from the Buyer; however, Seller can still include photos on the website unless explicitly prohibited from doing so by the Buyer within 10 days of sign delivery. All designs that the Buyer has developed for "free", ie., no cost to Seller, remain the intellectual property of Seller, and Buyer may not use these designs on any other signs, business cards, banners, brochures, printed materials, logos, etc. without express permission of Seller (usually this is given at no cost). However, if Buyer has commissioned Seller in a separate transaction specifically to design a logo, emblem or other artwork; in this case, Buyer then owns all rights to the design and Seller cannot use this for other purposes without the express written permission of the Buyer. Both Buyer and Seller agree that should any dispute arise on intellectual property ownership, neither party will file a lawsuits but an independent arbitrator located in the State of Kentucky will be employed, with arbitration costs to be shared equally between Buyer and Seller, to determine intellectual property ownership, fault, and any damages.

14. FINAL RELEASE. Upon receiving the final payment from Buyer under this agreement, Seller shall execute such further assurances as may be reasonably required by Buyer to ensure that the equipment is free from all liens and encumbrances.

15.. GOVERNING LAW: This agreement shall be governed by the laws of the State of Kentucky. Any lawsuit initiated by Seller to recover payments or damages will most likely be filed in the State of Kentucky; however, Seller reserves to right to file a lawsuit in the State where the Buyer is located. Buyer agrees that any countersuit will be filed in the State of Kentucky.

signed, Lyn Story President/CEO/Principal Owner Smart LED Signs & Lighting