

HOFFCO BRANDS TERMS AND CONDITIONS

Hoffco Brands, Inc. is herein referred to as "Seller" and the person or entity purchasing goods ("Goods") from Seller is referred to as "Buyer." These Terms and Conditions, any price list or schedule, quotation, acknowledgment or invoice from Seller relevant to the sale of the Goods and all documents incorporated by specific reference herein or therein, constitute the complete and exclusive statement of the terms of the agreement governing the sale of Goods by Seller to Buyer. Buyer's delivery of a deposit and/or acceptance of the Goods will manifest Buyer's assent to these Terms and Conditions. Seller reserves the right in its sole discretion to refuse orders.

1. **PRICES:** Unless otherwise specified in writing by Seller, the price quoted or specified by Seller for the Goods shall remain in effect for ten (10) days after the date of Seller's quotation or acknowledgment of Buyer's order for the Goods, whichever occurs first; provided, however, in all cases, the prices for Goods outside of the aforementioned ten (10) day window are subject to adjustment, at Seller's option, to those in effect at the time of Buyer's order. All prices are quoted in United States Dollars and are exclusive of taxes and transportation costs, which are Buyer's responsibility.

2. **TAXES:** Any current or future tax or governmental charge (or increase in same) affecting Seller's costs of production, sale, delivery or shipment, or which Seller is otherwise required to pay or collect in connection with the sale, purchase, delivery, storage, use or consumption of Goods, shall be Buyer's responsibility and shall be added to the price.

3. **TERMS OF PAYMENT:** Unless otherwise specified in writing by Seller, a deposit is required in order to initiate an order. The deposit amount is based upon the order total, excluding taxes and shipping charges. Taxes and shipping charges are included in the final payment total. Orders in the amount of \$10,000.00 or less require a 50% deposit. [Orders in the amount of \$10,001 to \$50,000.00 require a 65% deposit. Orders in the amount of \$50,001 to \$100,000.00 require an 85% deposit. Deposits for orders over \$100,000.00 will be determined on a case-by-case basis. The deposit will be credited against the purchase price of the Goods. The deposit is non-refundable.] Seller shall have the right, among other remedies, to suspend further performance hereunder in the event Buyer fails to make any payment when due. Buyer shall be liable for all expenses (including attorneys' fees, court costs and collection fees) relating to the collection of past due amounts. If any payment is not paid when due, it shall bear interest at a rate equal to the greater of one and one-half percent (1.5%) per month or the maximum permitted by law from the date on which it is due until paid.

4. **CANCELLATION:** Orders (or any portions thereof) may be cancelled by Buyer only with the advance written approval of the Seller. If such written approval is given, Seller shall retain Buyer's deposit and Buyer shall, if such cancellation is after the shipment date has been scheduled, make payment to Seller of the balance of the purchase price for the Goods.

5. **SHIPMENT AND DELIVERY:** While Seller will use all reasonable commercial efforts to maintain the delivery date(s) acknowledged or quoted by Seller, all shipping dates are approximate and not guaranteed. Seller reserves the right to make partial shipments. Seller, at its option, shall not be bound to tender delivery of any Goods for which Buyer has not provided shipping instructions and other required information. If the shipment of the Goods is postponed or delayed by Buyer for any reason, Buyer agrees to reimburse Seller for any and all storage costs and other additional expenses resulting therefrom. Risk of loss and legal title to the Goods shall transfer to Buyer upon delivery to and receipt by the carrier at Seller's shipping point. All shipments are F.O.B Seller's shipping point. Any claims for shortages or damages suffered in transit are the responsibility of Buyer and shall be submitted by Buyer directly to the carrier.

6. **BUYER'S INSPECTION AFTER DELIVERY:** Buyer shall inspect the Goods delivered to it immediately upon receipt, and failure of Buyer to give Seller notice of any claim within five (5) business days after receipt of such Goods shall be an unqualified acceptance of such Goods.

7. **RETURNED GOODS:** Except as otherwise provided with respect to warranty defects in Section 8, advance written permission to return Goods must be obtained from Seller.

8. **LIMITED WARRANTY:** Subject to the limitations of Section 9, Seller warrants that the Goods manufactured by Seller will be free from defects in material and workmanship under normal use and service for a one-year period from the date of shipment of the Goods by Seller. **THE WARRANTIES SET FORTH IN THIS SECTION 8 ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY SELLER WITH RESPECT TO THE GOODS AND ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** The foregoing warranty does not extend to any losses or damages due to physical abuse to or misuse of the Goods or operation thereof in a manner inconsistent with the use indicated in the instructions, any use of the Goods other than that for which it is intended, normal wear and tear, negligence (other than Seller's), modification or alteration of the Goods, or repair or service of the Goods by any person other than Seller. If within thirty (30) days after Buyer's discovery of any warranty defects within the warranty period, Buyer notifies Seller thereof in writing, Seller shall, at its option and as Buyer's exclusive remedy, repair or replace that portion of the Goods found by Seller to be defective. No refund of the purchase price of the Goods is permitted. Buyer shall give Seller the reasonable opportunity to perform any appropriate inspections on Goods for which a warranty claim is made. Failure by Buyer to give such written notice within the applicable time period shall be deemed an absolute and unconditional waiver of Buyer's claim for such defects. Seller shall have the right to require Buyer to deliver the Goods to Seller's designated service center, and Buyer shall pay all charges for inbound and outbound transportation. Parts repaired or replaced during the warranty period shall be covered by the foregoing warranty for the remainder of the original warranty period or ninety (90) days from the date of shipment, whichever is longer; provided that no additional warranty shall apply to repaired Goods as a whole or to parts not repaired or replaced by Seller pursuant to the foregoing warranty. Buyer shall comply with Seller's product return policy as from time to time in effect. Buyer assumes all other responsibility for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use of Goods, either alone or in combination with other products/components. This Section 8 applies to any entity or person who may buy, acquire or use the Goods, including any entity or person who obtains the Goods from Buyer, and such subsequent transferee shall be bound by the limitations herein and in Section 9. Buyer agrees to provide such subsequent transferee conspicuous, written notice of the provisions of Sections 8 and 9 hereof.

9. **LIMITATION OF REMEDY AND LIABILITY:** THE SOLE AND EXCLUSIVE REMEDY OF BUYER FOR BREACH OF ANY WARRANTY HEREUNDER SHALL BE LIMITED TO REPAIR OR REPLACEMENT OF THE GOODS AS SET FORTH IN SECTION 8 HEREOF. **SELLER SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE AND THE REMEDIES SET FORTH IN THESE TERMS AND CONDITIONS ARE EXCLUSIVE. IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION (WHETHER BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), SHALL SELLER'S LIABILITY TO BUYER AND/OR ITS CUSTOMERS EXCEED THE PRICE PAID BY BUYER FOR THE SPECIFIC GOODS PROVIDED BY SELLER GIVING RISE TO THE CLAIM OR CAUSE OF ACTION. BUYER AGREES THAT IN NO EVENT SHALL SELLER'S LIABILITY TO BUYER AND/OR ITS CUSTOMERS EXTEND TO INCLUDE**

INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, or loss of use, revenue, reputation or data.

10. **EXCUSE OF PERFORMANCE:** Seller shall not be liable for delays in performance or for non-performance due to acts of God; acts of Buyer; war; fire; flood; weather; sabotage; strikes or labor disputes; civil disturbances or riots; governmental requests, restrictions, allocations, laws, regulations, orders or actions; unavailability of or delays in transportation; default of suppliers; or unforeseen circumstances or any events or causes beyond Seller's reasonable control. Deliveries or other performance may be suspended for an appropriate period of time or canceled by Seller upon notice to Buyer in the event of any of the foregoing, but these Terms and Conditions shall otherwise remain unaffected as a result of the foregoing. If Seller determines that its ability to supply the total demand for the Goods, or to obtain material used directly or indirectly in the manufacture of the Goods, is hindered, limited or made impracticable due to causes set forth above, Seller may allocate its available supply of the Goods or such material (without obligation to acquire other supplies of any such Goods or material) among itself and its purchasers on such basis as Seller determines to be equitable without liability for any failure of performance which may result therefrom.

11. **BUYER'S COMPLIANCE WITH LAWS:** Buyer is familiar and shall fully comply with all applicable laws, regulations, rules and other requirements of the United States and of any applicable state, foreign and local governmental body in connection with the purchase, receipt, use, transfer and disposal of the Goods.

12. **EXPORT/IMPORT:** Buyer acknowledges that all applicable import and export control laws, regulations, orders and requirements, including without limitation those of the United States, the European Union, and the jurisdictions in which the Seller and Buyer are established or from which Goods may be supplied, will apply to their receipt and use. In no event shall Buyer use, transfer, release, import or export Goods in violation of such applicable laws, regulations, orders or requirements.

13. **ASSIGNMENT:** Except as provided in Section 8 hereof, Buyer shall not assign its rights or delegate its duties hereunder or any interest herein without the prior written consent of Seller, and any such assignment, without such consent, shall be void.

14. **GOVERNING LAW / VENUE:** The validity, performance, and all other matters relating to the interpretation and effect of these Terms and Conditions shall be governed by the laws of the State of Colorado without regard to its conflicts of laws principles. Buyer and Seller agree that the proper venue for all actions arising in connection herewith shall be only in Colorado. No action, regardless of form, arising out of transactions relating to this contract, may be brought by either party more than two (2) years after the cause of action has accrued. The U.N. Convention on Contracts for the International Sales of Goods shall not apply to this agreement.

15. **GENERAL PROVISIONS:** These Terms and Conditions supersede all other communications, negotiations and prior oral or written statements regarding the subject matter of these Terms and Conditions. No change, modification, rescission, discharge, abandonment, or waiver of these Terms and Conditions shall be binding upon the Seller unless made in writing and signed on its behalf by a duly authorized representative of Seller. No conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement these Terms and Conditions shall be binding unless hereafter made in writing and signed by the party to be bound, and no modification or additional terms shall be applicable to these Terms and Conditions by Seller's receipt, acknowledgment, or acceptance of purchase orders, shipping instruction forms, or other documentation containing terms at variance with or in addition to those set forth herein. Any such modifications or additional terms are specifically rejected and deemed a material alteration hereof. If this document shall be deemed an acceptance of a prior offer by Buyer, such acceptance is expressly conditional upon Buyer's assent to any additional or different terms set forth herein. No waiver by either party with respect to any breach or default or of any right or remedy, and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver be expressed in writing and signed by the party to be bound. All typographical or clerical errors made by Seller in any quotation, acknowledgment or publication are subject to correction.

16. **OTHER PROVISIONS:**

(a) Buyer agrees to Seller's suggested retail pricing of all Goods. Pricing of Goods is not to fall below Seller's pricing set forth on Seller's website, www.HoffcoBrands.com. Pricing of Goods is subject to change without notice and Buyer takes full responsibility for maintaining an accurate price record of all Goods. If Buyer wishes to run a promotional discount, Buyer can do so with prior written consent from Seller.

(b) Buyer will not purchase or register keywords, Pay Per Click advertising, AdWords, search terms, domain names, or other identifying terms that include the word "Hoffco Brands," or variations and misspellings thereof for use in any search engine, portal, sponsored advertising service or other search or referral service. Specifically, Buyer is prohibited from: (i) bidding on Seller's trademarks ("Hoffco Brands," "Celltronix" and "AMP ENERGY", "Norlite", "DreamOne", "Neo-Pak", "Hawk Optix"), and any keyword string that includes these terms (for example "Hoffco Brands gadgets," "Celltronix electronics," and "Hoffco products"); (ii) bidding on variations of Seller's trademarks (for example, "Norelite," "Hoffco.com," "www.Hoffco.com," "www.Hoffco," "ww.Hoffco.com," "www.Hoffco.com," "Hoffco.Celltronix," and "www.Hoffco.com," etc.); (iii) purchasing domain names based on Seller's trademarks or variations of Seller's trademarks (for example, "hoffcobrandsinc.com," "hoffcoinc.com," "hoffcoproducts.com," and "norliteflashlights.com"), or (iv) purchasing Pay Per Click advertising containing Seller's trademarks or variations of Seller's trademarks. (for example, "hoffcobrandsinc.com," "hoffcobrand.com," "celltronix.com," and "ampenergy.com").

(c) Buyer must be an active retailer of at least one other brand competing with Seller. This will eliminate confusion between Seller's online website and Buyer's website. Buyer's website must not appear to replicate www.HoffcoBrands.com in any way, and must appear as an online retail store of multiple brands.

(d) Under no circumstances shall Buyer send commercial electronic mail messages as defined in CAN-SPAM Act of 2003 (the "Act") with respect to Seller. For clarification, this does not prohibit Buyer from sending transactional or relationship messages as defined in the Act.

(e) Buyer agrees not to submit Seller's product for review to any review sites or companies, without Seller's written consent. Reviews of Seller's products are to be submitted by Seller only. Any and all reviews of Seller's product are to link back to Seller's website, www.HoffcoBrands.com, only. No other links are to be used.

(f) Any marketing materials (logos, videos, slogans, banners, POP displays, etc.) provided by Seller to Buyer may not be modified or manipulated in any way. Any marketing materials that are not supplied by Seller directly to Buyer may not be used without Seller's prior written approval. If Seller determines, in its sole discretion, that Buyer is using unauthorized advertising/marketing materials, then Seller may (without limiting any other remedies available to it) withhold shipments otherwise due to Buyer and/or discontinue Buyer as a buyer of Goods.

(g) Seller reserves the right to suspend or terminate Buyer's account without warning or notice for the above violations or any other reason deemed appropriate by Seller at its sole discretion.