

**3333 CHAPEL WOOD COURT  
FORT WORTH, TEXAS  
76116-1226**

**NIGHTSTAR® - TEXAS**

**V: 817.244.3647  
C: 817.929.8758  
BOB@BALLEW.COM**

Friday, January 23, 2004

**DO NOT PRINT THIS PAGE.**

**PRINT PAGES 2 THRU 6 ONLY.**

**(Replace this page with other Page 1.)**

Acknowledged, Accepted & Agreed:  
Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Wholesale Purchasing Agreement**  
Page 1 of 1

Section I. Wholesale Purchasing Policy ("WPP")

1. Minimum purchase order - one case (20 units). Full case weight is approximately 21 pounds.
2. Orders shall be secured through submission of a Purchase Order
3. Only one Purchase Order shall be active at one time. Closure of Purchase Order requires payment in full.
4. Until credit terms established with Supplier, wire transfer, money order or credit card payment shall secure purchases. Expenses associated with submission of funds are the responsibility of the Buyer. All payments shall be made in U.S. currency.
5. Shipping and handling costs is Buyer's responsibility. Add \$1.00 per unit for shipping and handling in USA.
6. Allow lead times of 4 to 6 weeks on orders up to 500 units. Without submission of order projections by Buyer, longer lead times may be experienced.
7. This price list incorporates Applied Innovative Technologies, Inc. Standard Terms and Conditions.
8. Price quotations unit specifications are subject to change at any time without notice.

Section II. Wholesale Price List:

Units	Wholesale Price/Unit
20-5000	US \$22.50
5001+	US \$19.50

Nomenclature, NSN, UPC:

BLACK	Flashlight, Stealth Black, White LED UPC # 8-1034600001-1 NSN # 6230-01494-0286
YELLOW	Flashlight, Marine Yellow, White LED UPC # 8-1034600002-8 NSN # 6230-01494-0585
CLEAR	Flashlight, High-Tech Clear, White LED UPC # 8-1034600003-5 NSN # 6230-01494-0603

Manufacturer's suggested retail price ("MSRP") is US \$44.95 per each.

Section III. Customer Information Form ("CIF")

BUYER's Company Name:

Date:

Address:

Phone #:

Fax #:

Business Website Address:

Business Structure (Circle):

Corporation

Partnership

Sole Proprietorship

Business Conducted (Circle):

Importer

Wholesale

Distributor

Retailer (Store/Catalog)

Sales Rep.

Years in Business:

Sales Tax License Number:

Company Profile:

Importer: Number of Wholesalers used to promote sales:  
Countries business conducted in:

Wholesaler: Number of Distributors used to promote sales:  
Countries business conducted in:

Distributor: Number of Retail outlets selling represented merchandise:  
Countries business conducted in:

Retailer: Number of Stores:  
Cities stores located in:

Catalog Name of publications:

General Company Information:

Similar Product Lines Presently Distributed:

Credit References:

Name:

Company

Telephone/Fax

Name:

Company

Telephone/Fax

Bank Name:

Address:

Contact Name:

Title:

Telephone #:

Fax #:

Is Buyer willing to participate in website cross-linking with Seller? Y or N

All of the information being provided herein is true and correct.

Submitted by:

Title

Signature:

E-mail Address:

Acknowledged, Accepted & Agreed:

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Wholesale Purchasing Agreement

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Section IV. Seller's Standard Terms and Conditions of Sale  
Standard Terms and Conditions of Sale  
Applied Innovative Technologies, Inc. and NightStar® - Texas

1. **Acceptance.** Acceptance by Applied Innovative Technologies, Inc. (Supplier) of ("Buyer") wholesale product purchase order ("Offer") is expressly made conditional on Buyer's assent to all of Supplier's terms as set forth herein that are additional to or different from those offered in Buyer's contract or purchase order.
2. **Taxes and Duties.** Unless separately stated on the face of Suppliers invoice, all prices are quoted, all orders accepted and all billings rendered exclusive of all international and United States of America, federal, state, and municipal taxes of any kind. Supplier will not report, collect, or pay any tax which may be imposed on Buyer and Buyer shall report and pay all such imposed taxes.
3. **Warranties.** Supplier extends a limited lifetime guarantee on NightStar® Magnetic Force Emergency Light (Product) to be free from defects in materials and workmanship for the original owner whose name appears on the returned warranty card. APPLIED INNOVATIVE TECHNOLOGIES, INC. DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES, WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. Buyer agrees to indemnify and hold Supplier harmless from any and all claims, actions, or liabilities arising from the use of Products manufactured or distributed by Supplier.
4. **Suppliers Trademarks and Symbols.** Buyer may use Supplier's trademarks, trade names or any other symbols only for the purpose of identifying and advertising the Product within the scope of this Agreement and in the Supplier's sole interest. The Buyer agrees neither to register, nor to have registered any trademarks, trade names or symbols of the Supplier.
5. **Buyer Specific Product Labeling and/or Containerization.** Unique product labeling and/or containerization produced by Supplier for Buyer shall be subject to additional charges to be paid by Buyer. Buyer accepts delivery of all merchandise manufactured to Buyer's custom specifications.
6. **Product Purchasing.** Wholesale price availability is contingent upon full completion and submission of Supplier's "Buyer Information Form" and other requested information by Supplier as may be periodically requested. Buyer must submit by facsimile or United States mail written purchase order committing to minimum quantity of 20 units (one case). Buyer shall clearly define Product release dates on purchase order. Only one Purchase Order shall be active at one time. Closure of Purchase Order requires payment in full. Supplier reserves the right to reject all or part of any purchase order or any modification by Buyer.
7. **Product Availability.** Order fulfillment is contingent upon the availability of raw materials required for the manufacture of Product. Supplier shall not be deemed in breach of this agreement for delay in manufacture or delivery where such raw materials are unavailable. In such cases, Supplier may cancel Buyer's purchase order and deliver to Buyer completed portion of order.
8. **Purchase Order Revisions.** Following Supplier's acceptance of Buyer's purchase order, any quantity, delivery date, or other change requested by Buyer shall be in writing and shall be construed as a request to modify Purchase Order. Such request will not be effective unless accepted in writing by Supplier. If the change effects original quoted delivery time and/or costs, Buyer will be invoiced a progress invoice for work completed at the time the change was agreed to.
9. **Order Cancellation by Buyer.** Buyer shall notify Supplier in writing of order cancellation not less than 14 calendar days before Product scheduled ship date. Buyer agrees to pay Supplier for the expenditures for components, labor incurred, handling, and overhead, and for all work completed to date and in progress but not yet delivered to Buyer on orders cancelled 14 calendar days or less before scheduled shipped date. This is without prejudice to such other and additional rights as are available to Supplier under the law.
10. **Product Sold.** Product delivered to Buyer is deemed sold to Buyer. Goods delivered shall not be considered accepted on a "Trial" or "Approval" basis.
11. **Shipping & Handling.** The costs of shipping and handling are the responsibility of the Buyer and are in addition to the wholesale purchase price of Product. Buyer shall coordinate with Supplier utilization of prescribed freight carrier and define method of delivery by freight carrier. Any modification of delivery method shall be communicated by Buyer to Supplier in writing. Supplier is not responsible for Product delivery delays resulting from freight carrier actions or circumstances beyond Supplier's or freight carrier's control.
12. **Invoicing.** Supplier invoices are based on actual shipments. Supplier must approve any requested deviations from actual shipment invoicing.
13. **Payment.** 1) Domestic - The Buyer shall pre-pay for Product prior to pickup by freight carrier unless otherwise agreed upon terms are established between Buyer and Supplier. Credit terms will be extended after submission by Buyer of credit application and approval of credit limit by Supplier. 2) International - The Buyer shall wire transfer the full invoice amount to Supplier's bank upon notification by freight carrier that product is ready for delivery. Costs associated with teletransmission are Buyer's responsibility. If after 10 business days, Buyer has not submitted payment to Supplier, Product shall be returned to Supplier's warehouse. Buyer is responsible for costs associated with freight carrier's additional handling of Product. 3) Payments will be submitted on company check or electronically deposited in Supplier's bank account. All payments will be made in the currency of the United States of America. Buyer agrees to pay the full amount stated on Suppliers invoice. In the event of payment disagreement, Buyer shall identify in writing to Supplier reason for discrepancy and provide corresponding documentation within

Acknowledged, Accepted & Agreed:

Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Wholesale Purchasing Agreement**

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- 30 calendar days of Supplier's invoice receipt. Buyer shall pay non-disputed amount in full.
14. **Invoice Interest and Collections.** Invoice amounts not paid in full within stated time frame will be subject to a monthly interest rate charge of 1.5 percent. Invoices that become 60 calendar days past due will be submitted to a collection service. The Buyer shall be responsible for monthly interest fees and all costs associated with invoice collection including but not limited to costs associated with collection service and/or attorney's fees.
  15. **Deductions and Off Sets.** Sums payable to Buyer if any shall be subject to all claims or defenses of Supplier, whether arising from this order or from any other transaction or occurrence between the parties, and Supplier may off set and deduct against any such sums any indebtedness of Buyer to Supplier. Supplier shall notify Buyer in writing of any debits taken by Supplier against Buyer's account as a result of any such adjustments. Buyer shall be deemed to have accepted such adjustments unless within 30 calendar days following its receipt of Supplier's notification, Buyer provides Supplier with a written protest explaining why adjustment should not be made accompanied by relevant documentation.
  16. **Restocking Fee.** A handling and restocking fee of US\$5 (Five Dollars) per unit will be assessed Buyer for returned merchandise excluding Product that is defective.
  17. **Force Majeure.** Supplier will not be liable for any delay or failure in performance resulting from labor disputes, war, riot, insurrection, fire, flood, accident, storm, act of God, or other cause beyond its control, or from Supplier's good faith compliance with any foreign or domestic government law, rule, order, or regulation, whether or not it later is held invalid.
  18. **Product Non-conformance – Buyer.** Any goods claimed by Buyer to be non-conforming shall be set aside, protected, and held by Buyer without further processing. Buyer shall notify Supplier in writing of any claim of non-conformance within 30 calendar days of Product receipt. In no event shall any goods be returned, reworked, or scrapped by Buyer without the expressed authorization of Supplier. Further processing or assembly of rejected goods, parts, or materials, by Buyer or any other party shall constitute a waiver of any liability or claim for non-conforming goods. Supplier agrees to either repair or replace non-conforming goods at its option.
  19. **Product Non-conformance – End User.** The Buyer shall not resell end user returns as a result of end user dissatisfaction. Product returns shall be set aside, protected, and held by Buyer without further processing. Supplier agrees to either repair or replace non-conforming goods at its option.
  20. **Arbitration – Applicable Law.** This agreement shall be interpreted in accordance with the substantive law of the State of Colorado and the federal laws of the United States applicable therein. In the event of a dispute, that all parties are unable to amicably resolve, the matter shall be submitted to binding arbitration under the auspices and rules of the American Arbitration Association in the City of Denver in the State of Colorado.

For any modification or amendment of these terms and conditions to be valid, it must be in writing and signed by the Supplier.

Supplier Exceptions:

BUYER:

SUPPLIER

Name:

Name: Applied Innovative Technologies, Inc.

By:  
Printed Name:  
Title:

By:  
Printed Name: Todd R. Brown  
Title: President

Address:

Address: PO Box 754  
Fort Lupton, CO 8061

Fax No.:

Fax No.:303-857-8079

Date:

Date:

Acknowledged, Accepted & Agreed:  
Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Wholesale Purchasing Agreement**  
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Section IV. Buyer's Acknowledgement, Acceptance And Agreement:

This signature incorporates pages 1 through 6 by reference.

\_\_\_\_\_  
Name (Person Authorized To Sign)

\_\_\_\_\_  
Title (Person Authorized To Sign)

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
City, State, Zip, Country

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Address

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Address

Acknowledged, Accepted & Agreed:  
Name: \_\_\_\_\_ Date: \_\_\_\_\_