

TERMS AND CONDITIONS OF SALE

1. Agreement. All of DRIVE ELECTRIC, LLC (DE) sales are subject to these Terms and Conditions. This offer constitutes DE's offer to sell the goods identified in the attached online shopping cart which the Buyer has selected as the items that Buyer agrees to purchase (the "Goods"). The offer to sell and this agreement to purchase is entered into in accordance with these Terms and Conditions, which, when accepted by Buyer below and accepted by DE in accordance with the immediately following sentence, shall constitute a binding agreement between the parties. Acceptance of this offer made by DE shall be deemed to occur upon (a) agreement to these Terms and Conditions by Buyer as indicated by Buyer's agreement below; (b) receipt by DE of Buyer's acceptance in written or electronic form; (c) receipt by DE of payment in full or, if DE separately agrees in writing, in part for the Goods. Any terms and conditions proposed by Buyer in a purchase order or other document from Buyer that are different from, conflict with, or add to this agreement shall be deemed to materially alter this agreement and are objected to and rejected by DE and shall be of no effect on this agreement. As used in this agreement "manufacturer" shall mean the corporation that manufactured the Good, it being understood by Buyer that DE is not an agent of or for manufacturer, that DE and Buyer are the sole parties to this agreement, and that references to the manufacturer herein are for the purpose of explaining generally certain contractual relationships existing between DE and manufacturer with respect to new vehicles.

2. a) Price. Buyer shall pay the price for the Goods as listed on the online shopping cart or if there is a conflict, the price as published at the time of this agreement on DE'S website ("Purchase Price"). Unless revoked prior to acceptance, such price shall be valid only for the Goods purchased and covered by this agreement. DE reserves the right to change its prices at any time without notification; provided, however, the price set forth on an accepted Agreement shall be binding on the parties subject to the immediately following sentence. Prior to shipping Buyer's order, DE retains the right to re-quote an order due to any clerical errors or mutual mistake of fact, at which time Buyer shall have the option of accepting said changes or receiving a refund of any moneys paid. Seller does not warrant tax credits will apply to any particular Buyer and loss of such tax credits shall not be grounds for rescission. For delivery outside the States of Oklahoma and Arizona, DE does not collect any sales or excise taxes. Buyer is responsible for any sales, excise, licensing, tags, permits, if any are required to be paid in Buyers place of residence or in Buyers place of intended use of the Goods.

b) Shipping Cost. All sales are quoted with a shipping cost delivered to Buyer's door. Additional charges may apply for certain shipments with special requirements. Generally no additional charges for shipping will apply if the Goods are being delivered within 10 miles of a metropolitan area of 250,000 people or more. DE shall have the discretion to charge additional reasonable amounts for shipping if DE in its sole discretion determines that the delivery to Buyer does not meet the guidelines as described above.

3. Payment. Buyer agrees to pay all invoices within fifteen (15) days from the date of invoice. A late charge of one and one-half per cent (1.5%) per month on all invoices over thirty (30) days past due will be charged; this is equivalent to an eighteen per cent (18%) per annum interest charge. DE shall have the right in its sole discretion at any time to demand cash payment of some or all of the Purchase Price at the time the Agreement is accepted, before shipment or C.O.D.

4. All Sales Final. Buyer agrees that upon acceptance of this agreement and full or partial payment of funds to DE, ALL SALES ARE FINAL, non-cancelable and, except as provided in Section 8 below, the Goods cannot be returned for a refund or exchange thereafter.

5. Security Interest. DE shall have a purchase money security interest in the Goods in the event Buyer does not pay the full purchase price. This security interest also covers, in addition to the Goods, (i) all personal property installed in or affixed to the Goods, including additions and accessories and (ii) proceeds, including insurance proceeds payable by reason of damage to or loss of the Goods. Buyer's full payment of the Purchase Price shall automatically terminate DE's security interest in the Goods.

6. Shipment Terms. Shipment dates are not controlled by DE. Upon receipt of funds from Buyer, DE shall place the order with the appropriate manufacturer. It is anticipated and Buyer should expect an order placed in any calendar quarter to be delivered within the following two calendar quarters. While DE shall make reasonable efforts to meet any delivery date(s) requested by Buyer, DE will not be liable for its failure to meet any such date(s). Buyer may delay delivery only upon written approval of DE. In the event Buyer refuses shipment or delivery, then Buyer shall be responsible for paying an additional \$500 shipping fee to DE. If Buyer refuses shipment or delivery a second time, then the purchase shall become undeliverable and after a period of 90 days DE shall then have the right to sell the Goods in any manner DE may deem appropriate and elect such other remedies pursuant to Section 16 below, in DE's discretion. DE shall not be liable to Buyer in any way for failure or delay in making delivery on any intended or projected delivery date specified by Seller, where such delay arises from causes beyond the control of DE. Buyer acknowledges and affirms that the sales made by DE in the current year may be delivered in the following year.

7. Risk of Loss and transfer of title. Risk of loss transfers to the Buyer at the time of transfer of title. The Goods shall be insured by Seller, the Manufacturer or the respective freight company while in transit until the Goods are delivered to Buyer. Transfer of title shall occur upon issuance of the MSO as described in paragraph 26 below.

8. Damage or Material Defect. If there is any damage to the Goods, shortage in the Goods shipped, or if the wrong Goods are shipped, Buyer must notify DE in writing within three (3) days of receipt of the product including, without limitation, by facsimile, to the address below to request a remedy. DE shall be given an opportunity to inspect the goods and may decide in its sole discretion Buyer's remedy as set forth in Section 11 below. DE will not be held responsible for any claims made by Buyer after three (3) days of receipt of the goods, nor for returns without proper return pre-authorization. In the case that DE elects to replace the Goods, DE will pay the shipping charges to allow Buyer to return the Goods and the shipping charges to deliver the replacement Goods to the Buyer's location specified on the Quote Form. In all other cases, Buyer is responsible for paying the cost of shipping and for fully insuring the Goods. In the case of minor damage, as determined by DE in its sole discretion, DE shall arrange to have an estimate given for the repairs to the Goods by either a representative of DE or by a third party. If DE determines that DE is responsible for the damage or defect, DE shall have the right, at its sole discretion, to either replace the goods with like product, have a third party repair the goods or pay Buyer the amount of the estimated repairs at which point DE shall have no more obligation to Buyer concerning said damage or repairs.

9. Installation. Buyer agrees to follow any and all installation instructions and maintenance guidelines from DE or the manufacturer of the goods before and after installation. DE disclaims all liability for damages or defects arising from improper installation or improper maintenance.

10. Warranties. PRODUCTS MANUFACTURED BY THIRD PARTIES ARE WARRANTED ONLY BY THOSE THIRD PARTIES TO THE EXTENT OF THE ORIGINAL MANUFACTURER'S WARRANTY, WHICH UPON DELIVERY OF THE GOODS IS DEEMED AUTOMATICALLY ASSIGNED TO BUYER.

The vehicles sold by DE come with manufacturer warranties for the original purchaser. Batteries, motors, tires, chargers and controllers are not warranted by the vehicle manufacturer, but are warranted by the respective manufacturers of those products. It is not the responsibility of the vehicle manufacturers or DE to enforce those warranties. Vehicle manufactured by Zone Electric Car come with a Limited Warranty period of one year on the frame. Other components of the vehicles, as described above may have a greater warranty period. Buyer acknowledges its remedies are limited to these warranties.

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN DE ARE THEIRS, NOT DE'S, AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. DE MAKES NO OTHER WARRANTIES, AND SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES WHETHER EXPRESSED OR IMPLIED, ORAL OR IN WRITING, IN FACT OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE, OR OTHERWISE

FOR ANY OF ITS PRODUCTS, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.

11. Remedies of Buyer. BUYER'S EXCLUSIVE REMEDIES, AND DE'S SOLE LIABILITIES, FOR SHIPMENT OF NONCONFORMING OR DEFECTIVE GOODS OR ANY BREACH OF WARRANTY OR BREACH OF THE AGREEMENT OR ANY CLAIM OF BUYER AGAINST DE RELATED TO THE GOODS OR THE AGREEMENT, DIRECTLY OR INDIRECTLY, IS EXPRESSLY LIMITED TO, AT DE'S OPTION, EITHER REPLACEMENT OF THE NONCONFORMING GOODS OR A REFUND OF THE PURCHASE PRICE PAID BY BUYER, WHICHEVER DE DEEMS APPROPRIATE IN ITS SOLE DISCRETION.

12. Limitation of Liability. DE DISCLAIMS ALL LIABILITY FOR AND IS NOT RESPONSIBLE FOR ANY PROBLEMS OR DEFECTS ARISING FROM IMPROPER INSTALLATION, MAINTENANCE, OR USE OF THE GOODS. DE IS NOT BOUND BY AND DISCLAIMS ALL LIABILITY FROM ANY REPRESENTATIONS OR UNDERTAKINGS MADE BY ANY OF ITS AGENTS OR EMPLOYEES, INCLUDING BUT NOT LIMITED TO THE SPECIFICATIONS, QUALITY, PACKAGING, PRICE, TAX SAVINGS, CONDITIONS, OR DELIVERY OF THE GOODS, EXCEPT AS EXPRESSLY SET FORTH IN THE QUOTE FORM. DE SHALL HAVE NO RESPONSIBILITY FOR BUYER'S LABOR COSTS, DELAY DAMAGES OR SIMILAR CONSEQUENTIAL DAMAGES INCURRED DUE TO THE SHIPMENT OF DEFECTIVE GOODS, OR DELAY IN SHIPMENT OF GOODS. Buyer assumes all risk and liability resulting from the use of the goods, whether used singly or in combination with other goods. DE SHALL NOT IN ANY CASE BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER LEGAL THEORY. Such damages include, but are not limited to, loss of profits or revenue; loss of use of the goods; cost of capital; cost of any substitute goods, facilities or services; cost of any recall; any loss, cost, expense or damage to property due to the use of the products or personal injury; any claim or demand of customers, employees or agents of Buyer for any such damages; or any claim or demand against Buyer by a third party. Buyer further agrees that DE'S liability for any remaining claims not otherwise disclaimed herein, shall not exceed the cost of the goods.

13. Indemnification. Buyer assumes the entire responsibility and liability for and agrees to indemnify, defend and hold harmless DE, its affiliates, its "doing business as" entities, its officers, directors, shareholders, agents, employees, successors and assigns from and against any and all losses, expenses (including without limitation, attorneys' and other professionals' fees and costs), costs, damages (including special, consequential, punitive and incidental damages), demands, liabilities, suits and claims, in connection with or arising out of any actual or alleged personal injury (including death), or damage or destruction to property (including loss of use), or any other claim made by a third party by reason of (a) any act, error or omission, whether negligent or not, of Buyer or its agents, employees, suppliers, contractors, subcontractors or consultants, provided that such injury, death, damage or destruction is not occasioned by the sole gross negligence of DE; (b) Buyer's use or misuse of the goods (including but not limited to faulty installation, alterations or maintenance); or (c) Buyer's breach of this Agreement, or violation of any applicable law or the rights of a third party. The provisions of this paragraph shall continue in effect notwithstanding the fact that Buyer has accepted and paid for the goods. Buyer further understands that DE is relying upon this limitation in determining the cost of the goods and services provided to Buyer.

14. Termination for Convenience. DE shall have the right to terminate the Agreement for convenience, in whole or in part, at any time, upon delivery of written notice to Buyer. In the event of such termination, DE's sole liability shall be limited to (a) delivery of goods completed and available for shipment; and (b) the return of any payments made by Buyer for goods not delivered. In no event shall DE be liable to Buyer for loss of any anticipated profits, indirect damages or overhead expenses.

15. Cancellation. DE shall have the right to cancel this Agreement, in whole or in part, and pursue its damages, at any time, with or without notice to Buyer, upon the occurrence of any of the following event ("Event of Default"): Buyer fails to fully perform or breaches any of its obligations under this Agreement.

16. Rights and Remedies. If an Event of Default occurs, DE shall, in addition to the right of cancellation, be entitled to all remedies for a breach of contract set forth in the Uniform Commercial Code as adopted in Arizona or DE may, at its option:

(a) Make a full or partial delivery of goods and demand immediate cash payment for such Goods;

(b) Demand immediate cash payment for goods already delivered;

(c) Recover goods shipped but not yet paid for;

(d) Resell the goods and charge Buyer for the amount by which the resale price is less than the Purchase Price; or

(e) **ELECT LIQUIDATED DAMAGES**. BUYER UNDERSTANDS THAT DE WILL INCUR EXPENSES IN OBTAINING AND OR PREPARING THE ITEM(S) TO BE DELIVERED UNDER THIS AGREEMENT, THE EXACT AMOUNT OF WHICH ARE UNCERTAIN AT THIS TIME; AND IN RECOGNITION OF THE OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT, EACH TO THE OTHER, AND THE EFFORTS TAKEN TO MARKET AND TO BE TAKEN IN PREPARATION OF THE ITEM(S) FOR DELIVERY, **BUYER AGREES TO PAY DE AS LIQUIDATED DAMAGES, THE SUM OF \$3,500.00 PER VEHICLE ORDERED IN THE EVENT BUYER CANCELS THIS ORDER FOR ANY REASON OTHER THAN A PRICE INCREASE, OR OTHERWISE FAILS TO TAKE DELIVERY OF THE ITEM(S) AS REQUIRED BY THE TERMS OF THIS AGREEMENT.**

(e) The remedies provided in these Terms and Conditions in favor of DE shall not be deemed to be exclusive, but shall be cumulative and in addition to all other remedies in DE'S favor existing at law or in equity. DE may exercise all remedies, whether or not expressed, successively or concurrently, and any such action shall not operate to release Buyer until the full amount of all sums due and to become due under this Agreement have been paid. NONE OF THE REMEDIES AVAILABLE TO DE MAY BE LIMITED EXCEPT TO THE EXTENT AND IN THE MANNER AGREED UPON BY DE IN A SEPARATE WRITTEN AGREEMENT SPECIFICALLY DESIGNATING SUCH LIMITATION AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF DE.

17. Force Majeure. DE will be excused from any delay or failure to perform under this Agreement due, in whole or in part, directly or indirectly, to acts of God, floods, fires, explosions, civil disorder, acts of terrorism, weather or war, casualty or accidents, transportation difficulties, shortage of fuel, strikes, lockouts, or other labor or industrial disturbances; any law rule, order, or action of any court, agency or other instrumentality of the federal, state or local governments; or exhaustion, reduction, manufacturing delays, unavailability or delay in receipt of any parts, product or material necessary in the manufacture of the goods to be sold (regardless of whether or not such exhaustion, reduction, unavailability, or delay is beyond such party's control). If any of the events or contingencies referred to in this Section 17 occur, DE shall have the right to curtail deliveries or allocate its supply of goods for sale among all of its Buyers in any manner which DE deems, in its sole discretion, fair and reasonable in the circumstances, and Buyer shall not hold DE responsible in any manner for losses or damages (including consequential damages) which Buyer may incur as a result of such failure, curtailment or allocation by DE.

18. Waiver. No claim or right arising out of a breach of this Agreement may be discharged in whole or in part by a waiver of the claim or right, unless the waiver is in writing signed by the waiving party. The waiver or acceptance of any breach by either party of any provision of this Agreement shall not constitute a waiver of or an excuse for non-performance as to any other provision of this Agreement, nor as to any prior or subsequent breach of the same provision.

19. Attorneys' Fees. In the event of litigation between the parties with regard to this Agreement or the goods, the losing party shall pay the expenses including, without limitation reasonable attorneys' fees, professionals' fees and costs, of the prevailing party, which includes any appeals and costs of collection, and which may be added to any judgment entered in such litigation. Buyer also agrees to pay DE'S costs of collection, if applicable, including costs for a collection agency or legal counsel to

collect past due payment. Limitation: No party shall be responsible for costs or fees exceeding the price of the goods.

20. Assignment. Buyer agrees that this Agreement may be assigned by DE at any time in its sole discretion. Buyer shall not assign, delegate or subcontract any of its rights or obligations under this Agreement without the prior written approval of DE. Any such assignment, delegation or subcontracting by Buyer without DE'S prior written consent shall be void and shall not release Buyer from any liability or obligation there under.

21. Severability. In case one or more of the provisions of this Agreement shall, for any reason, be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision shall be modified or amended to the extent necessary to remove the invalidity, illegality or unenforceability. Should the amendment or modification of such provision be impossible, this Agreement shall be construed as if it never contained the invalid, illegal or unenforceable provision and such provision shall not affect any other provision of this Agreement.

22. Governing Law. The Agreement shall be construed and enforced in accordance with the substantive and procedural laws of the State of Arizona, excepting conflicts of laws, and without regard to rules of construction or interpretation relating to which party drafted the Agreement.

23. Arbitration. Buyer and DE agree that any and all claims or disputes arising from or relating to this agreement shall be submitted to binding arbitration before the American Arbitration Association in the State of Arizona or, if the parties mutually agree, to private third party private arbitration. This arbitration provision shall be given the broadest possible construction, including claims for product liability, personal injury or death.

24. Changes. No change to this Agreement shall be undertaken except upon written authorization of DE. DE shall make no unreasonable changes and any changes shall be the result of necessity and shall not materially affect Buyer's equitable position. DE may at any time by written notice make changes within the general scope of this Agreement in the specifications of components used in the manufacture of the Goods, designs and packaging of the Goods, methods of shipment, place of delivery, or delivery schedule(s). If any such change causes an increase or decrease in the costs of or the time required for Buyer's performance, an equitable adjustment may be made, agreed upon by Buyer and DE, in the price or delivery schedule, or both, provided that a written request for such an adjustment shall be made to DE within five (5) days from the date of Buyer's receipt of DE'S written notice making the change. This Agreement may then be modified and Buyer's request for an equitable adjustment accepted only by written change order from DE. Nothing contained in this Agreement shall relieve Buyer from proceeding without delay to perform this Agreement, as changed. Buyer is responsible for reading and following the terms set forth and for checking DE'S website for any updates.

25. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when personally delivered, or upon actual receipt by overnight delivery, signature required or certified mail, postage prepaid, return receipt requested, to the respective addresses of the parties listed on the Quote Form, or facsimile number of the parties listed on the Quote Form. Any party may alter the address to which communications or copies are sent by giving notice of such change of address in conformity with the provisions of this paragraph. All such notices to DE shall be made to: Drive Electric, LLC, 705 N. 7th Ave, Tucson, AZ 85705, fax: 520-882-5454.

26. Manufacturer's Statement of Origin (MSO). Upon execution of this agreement and upon receipt of Buyer's funds, the Vehicle manufacturer shall schedule the production of the Vehicle and shall issue the vin# and MSO for the scheduled vehicle. The date of the MSO shall be the purchase date. Following execution of this agreement and receipt of funds by Seller, the Seller shall assign the a Manufacturer's Statement of Origin ("MSO.") to Buyer. Buyer and Seller agree that title to the vehicle shall pass to Buyer upon issuance or assignment of the MSO to Buyer, notwithstanding later productions, assembly or physical shipment of the vehicle to the Buyer. Buyer and Seller

acknowledge and affirm that the MSO for subject vehicle(s) are issued by the Manufacturer at the time of order, in advance of vehicle production.

27. Additional Terms and Conditions. Buyer agrees and affirms that any and all information provided by DE relating to tax credits is for informational purposes only and BUYER HAS BEEN ADVISED TO CONSULT WITH A TAX ADVISOR FOR GUIDANCE REGARDING HIS OR HERS SPECIFIC TAX SITUATION TO DETERMINE TO WHAT EXTENT (IF ANY) BUYER WILL BENEFIT FROM THIS TAX CREDIT. DE makes no representations and provides no assurance that Buyer will receive any tax benefit from this purchase. It is the sole responsibility of Buyer to determine any potential tax benefits from this transaction. DE has not provided any legal or tax advice to Buyer and Buyer affirms that it is Buyer's sole responsibility to determine any risks and benefits to Buyer from entering into this agreement. It is Buyer's responsibility to determine the regulations and restriction relating to the use of the vehicle(s) in Buyer's place of use. DE makes no representations or warranties regarding the regulations or use of the vehicles including but not limited to licensing or registration in Buyer's specific area of use. Prior to purchase, Buyer has been advised to check with his or her respective State or local regulatory powers regarding any requirements for Low Speed Vehicle use. It is expressly understood by Buyer that DE shall not be responsible for any damage, loss or injury to persons or property directly or indirectly, immediately or subsequently, arising from the use or, inability to use, the vehicles or any components or accessories purchased by Buyer from DE. Buyer assumes all present and future risk and liability arising out of use of said vehicle or any components and accessories sold by DE.

28. Entire Agreement. These Terms and Conditions, together with the online shopping cart and or related documents to the extent that those documents document the quantity, price and product specifications of the goods, constitute the entire agreement between the parties with respect to the Goods. The agents, employees, and representatives of DE are not authorized to make modifications to these Terms and Conditions or the Quote Form, or to make additional warranties binding on DE. Any such additional statements, whether oral or written, or made by third parties do not constitute warranties or agreements of DE and should not be relied upon by Buyer.