

CDM JEVONS INC.

GENERAL CONDITIONS OF SALE

1. These conditions supersede those contained in all previous quotations, orders and agreements, oral or written, and shall govern future transactions between the Buyer and Seller.
2. Unless otherwise specifically provided for in writing, the prices quoted are based on production of the total quantity specified without interruptions caused or requested by the Buyer and are based on current costs; any changes affecting these will require adjustments in the selling price.
3. Requests to cancel, alter or suspend orders are subject to CDM Jevons approval, and any extra costs associated with order cancellation or order changes shall be paid by the Buyer. Any costs incurred by the Seller in making alterations necessitated by the furnishing by the Buyer of incorrect data, design or equipment will be charged to the Buyer.
4. Pricing
 - a. All sales contracts become effective only when accepted by the Seller's office.
 - b. All transportation and other charges shall be paid by the Buyer, unless specified otherwise.
 - c. The Seller shall have the right to specify the carrier to be used unless instructions accompanying order have been received from the Buyer. The Seller shall have the right to invoice for special crating or shipping charges necessary to accommodate the Buyer's shipper's instructions if instructions are not received timely from the Buyer or do not accompany the order.
 - d. The Buyer agrees to pay all taxes, duties or government levies resulting from any transactions under this agreement. This does not include taxes based on the Seller's net income.
 - e. Payment is due according to the terms stated on the CDM Jevons invoice, strictly net.
 - f. All large and/or long order delivery orders are subject to monthly invoicing and payment as the work progresses. The terms of payment shown are from the date of invoice. In case of Buyer's inability for any reason to take delivery of goods, the Seller's invoice indicating items are ready for shipment shall be treated by the Buyer as waiving his inspection requirements and such invoice shall be payable under the stated terms.
 - g. Prices are quoted in currency as stated on CDM Jevons invoice, standard packaging included, goods uninsured.
 - h. The Seller reserves the right to discontinue deliveries to the Buyer or cancel all or any part of this or other contracts if payment on any shipment is delayed or any amount of credit granted is exceeded. Interest at 12% per annum will be charged on all overdue accounts. The Seller reserves the right even after partial payment on account of contract with the Seller, to require from the Buyer satisfactory security or performance of its obligations. Refusal to furnish such satisfactory security or failure of the Buyer to perform any of its obligations under this or any other existing contract will entitle the Seller, upon notice to the Buyer, to suspend shipments or cancel contracts without prejudice to any claim for damages to which the seller may be entitled.
5. All orders will be made up to the quantities specified. Shipments will be made in accordance with shipping instructions but the Seller shall not be responsible for any loss or damage other than loss or damage arising from the negligence of the Seller. Each shipment will be considered a separate order and the failure to make or delay in making of any shipment will not affect the balance of this contract.
6. Force Majeure

The Seller's obligations under this contract are and shall be subject to war, invasion, insurrection, riot, the order of any civil authority, breakdowns, strikes, lockouts, labour disputes, accidents, fire, delays in transportation or delivery of items or any other cause or causes whether or not similar to any of the foregoing, beyond the Seller's reasonable control and the Seller shall not be liable for any loss or damages of any kind or nature whatsoever, whether direct, indirect or consequential, suffered by any person as a result of any such causes or any delay resulting there from. The Seller reserves the right to terminate this contract should fulfillment hereof in whole or in part be delayed or rendered impossible by any of the foregoing causes. In the event of such termination, the Seller's liability and obligations under or arising out of this contract shall cease, except with respect to any items shipped hereunder prior to such termination and the Buyer shall remain liable to accept and pay for items so shipped.

CDM JEVONS INC. GENERAL CONDITIONS OF SALE cont'd

7. Limitation of Liability

- a. In providing services under this agreement, the Seller makes no warranties whatsoever, either express or implied, oral or written, in fact or by operation of law or otherwise, **except** as expressly stated in this agreement.
- b. The Seller, its officers, directors, agents and servants and its affiliates and their respective officers, directors, agents and servants shall not be liable to the Buyer nor to any other party for any liability, including without limitation strict liability, including liability for loss or damages due directly or indirectly to occurrences or consequences which the manufacturing services are designed to identify, any losses or damages, including without limitation, economic and consequential losses, or direct or indirect, incidental, exemplary and punitive damages, whether in contract, tort or otherwise or any other claims or expenses in any manner resulting, including without limitation liability, losses or damages directly or indirectly from or connected with, the supply of manufacturing services whether or not supplied pursuant to this agreement, or from the discovery or elimination of any and all hazards, or from the failure to so discover or eliminate, or from the failure to provide manufacturing services or by reason of any action, omission, active negligence, passive negligence, including gross negligence or any error or omission in the manufacturing services or any use or application thereof, misrepresentation, misstatement, imprudence, lack of skill or error of judgment of or by the Seller or its officers, directors, agents and servants or its affiliates and their respective offices, directors, agents and servants.
- c. The manufacturing services performed hereunder by the Seller shall not be interpreted as approval of design of function by the Seller. The Seller assumes no liability whatsoever with regard to the Buyer's compliance or fulfillment of its obligations with respect to any statute, regulation or by-law prevailing at any of the surveyed locations, or the Buyer's failure to so comply with or fulfill its obligations.
- d. Any decision or action implemented by the Buyer as a result of the manufacturing services is solely the decision of the Buyer.

8. Warranty

The Seller will replace any items confirmed to be defective but it is understood and agreed that the Seller's liability with respect to the items sold hereunder is restricted to replacement only and does not extend to loss or damage resulting from the use of such defective items. All complaints must be in writing within ten (10) days of receipt of such items. The items complained of must be held by the Buyer for inspection by representatives of the Seller before adjustment can be expected. The Seller does not accept responsibility for breakage or loss after obtaining a clear receipt from the carrier. When items are received in a damaged or defective condition, the Buyer should make a correct notation regarding such damage or defectiveness on the freight bill and obtain a damage report from the carrier's agent. Save as specifically provided in this clause, the Seller shall not be liable for any defects in any items or for failure of any items to conform with specifications or samples, or for breach of any warranty, express or implied, and the Seller shall not be liable for any loss or damage resulting from such defect, failure to conform or breach of warranty, whether such damages are direct, indirect or consequential.

9. Modifications

No modifications of this contract shall be binding unless made in writing and signed by both parties and no waiver by either party of any default shall be deemed a waiver of any subsequent default.

10. Governing Law

This contract shall be interpreted in accordance with the laws of The Province of Ontario - Canada. This place of jurisdiction is The Province of Ontario - Canada, however, the Seller reserves the right to prosecute foreign customers in the jurisdiction of Seller's choice.

11. Arbitration

The Seller reserves the right to refer any controversy which may arise to the Arbitrations Courts of the Canadian Chamber of Commerce and any award or decision shall be given consideration by both the Buyer and the Seller.

12. Intellectual Property

Nothing in this agreement shall be construed as transferring to the Buyer any right, title or interest in or to any patent, trade mark, copyright, design, proprietary information, drawing, process or know-how (the "intellectual property") which is the property of the Seller or its affiliates. The Seller reserves and owns all intellectual property rights to any special designs or development work related to the creation and manufacture of the items as requested by the Buyer.