Terms and Conditions of Sale

The following terms and conditions of sale shall apply to any sale of goods and services by Allied Industrial Dynamics (hereinafter called "AID"). Purchaser shall be deemed to have full knowledge of the terms and conditions herein and such terms and conditions shall be binding if either the goods and services referred to herein are delivered to and accepted by Purchaser, or if Purchaser does not within five days from the date hereof deliver to AID written objection to said terms and conditions or any part thereof.

GENERAL

In the event of any conflict or inconsistency between the terms and conditions of sale herein and the terms and conditions contained in Purchaser's order or in any other form issued by the Purchaser, whether or not any such form has been acknowledged or accepted by AID, AID' terms and conditions herein shall prevail. No waiver, alteration or modification of these terms and conditions shall be binding upon AID unless made in writing and signed by a duly authorized representative of AID and the Purchaser.

1. INTELLECTUAL PROPERTY

All drawings, designs, reports, data analyses, research and specifications supplied by AID that have been prepared or assembled by AID and is the sole property of AID. Such drawings, designs, research and data specifications have been furnished in order to provide full documentation and on the condition that they shall not be reproduced or copied in any manner whatsoever, in whole or in part, except for the internal use by the purchaser as necessary, and upon further condition that, as AID sole property, they shall not be used, in whole or in part, for furnishing information to others or for any purpose not specifically authorized in writing signed by one of AID's corporate officers. These ownership provisions shall not be superseded by any printed form used in connection with or arising out of a sale induced by a proposal or otherwise. Any and all custom fabrication, applications or unique specification to a single or multi-line manufactured product(s) outlined in the purchaser's order, designed and engineered by the purchaser, shall remain the rights and ownership of the purchaser. Any custom application and design modification designed by purchaser, implemented on new units or prototypes produced by AID requires the written consent of the purchaser.

2. QUOTATIONS

Unless otherwise stated, AID' quotation shall be null and void unless accepted by Purchaser within thirty (30) days from the date of quotation.

3. PRICES / COST OF TRANSPORTATION

All quoted prices are based on the current exchange rates, tariffs and costs of manufacture. Unless otherwise stated in the quotation, quoted prices are subject to change by AID with written notice and Purchaser's acceptance. Prices are subject to correction for error. Unless otherwise stated, all prices are f.o.b. factory and include domestic packing. Customary methods of transportation shall be selected by AID and such transportation will be at the purchaser's expense. Any specific shipping cost that are to be covered by AID will be outlined in the purchase agreement and supersede the "terms and conditions of sale". Special methods of transportation will be used upon Purchaser's request and at Purchaser's additional expense provided reasonable notice of Purchaser's transportation requirements are given by Purchaser to AID prior to shipment.

4. TAXES

Prices do not include Goods & Services Tax, Provincial or Municipal sales, use, value-added or similar tax. Accordingly, in addition to the price specified herein, the amount of any present or future sales, use, value-added or similar tax applicable to the sale of the goods hereunder to or the use of such goods by Purchaser shall be paid by Purchaser to the entire exoneration of AID.

5. DELIVERY

Delivery schedules are approximate and are based on prevailing market conditions applicable respectively at the time of AID' quotation and AID' acceptance of Purchaser's order. Delivery shall also depend on the prompt receipt by AID of the necessary information to allow maintenance of the manufacturer's engineering and manufacturing schedules. AID may extend delivery schedules given written notice or may, at its option, cancel Purchaser's order in full or in part without liability other than to return any deposit or prepayment which is unearned by reason of the cancellation with written notice to Purchaser.

6. FORCE MAJEURE

AID shall not be responsible or liable for any loss or damage incurred by Purchaser herein resulting from causes beyond the reasonable control of AID including, but without limitation, acts of God, war, invasion, insurrection, riot , the order of any civil or military authority, fire, flood, weather, acts of the elements, delays in transportation, unavailability of equipment or materials, breakdown, sabotage, lock-outs, strikes or labor disputes, faulty castings or forgings, or the failure of AID' suppliers to meet their delivery promises. The acceptance of delivery of the equipment by Purchaser shall constitute a waiver of all claims for loss or damage due to any delay whatsoever.

7. SHIPMENT/DAMAGES OR SHORTAGES IN TRANSPORT/RISK

Except for obligations stated under "Warranty" herein, AID' responsibility for goods ceases upon delivery to the carrier. In the event of loss or damage during shipment, Purchaser's claim shall be against the carrier only. AID will, however, give Purchaser any reasonable assistance to secure adjustment of Purchaser's claim against the carrier provided immediate notice of such claim is given by Purchaser to AID. Claims for shortages must be made in writing within ten (10) days after receipt of goods by Purchaser. If AID does not receive written notification of such shortages within such ten (10) days, it shall be conclusively presumed that the goods were delivered in their entirety. Unless agreed upon otherwise in writing, AID reserves the right to make partial shipments and to submit invoices for partial shipments.

8. DEFFERED SHIPMENT

In case of deferred shipment at purchaser's request, storage and other reasonable expenses attributable to such delay shall be payable by the purchaser.

9. TITLE

Title to the goods or any part thereof shall not pass from AID to Purchaser until all payments due hereunder have been duly made in cash, except as otherwise expressly stipulated herein. The goods shall be and remain personal or moveable property, notwithstanding their mode of attachment to realty or other property. If default is made in any of the payments herein, Purchaser agrees that AID may retain all payments which have been made on account of the purchase price as liquidated damages, and AID shall be free to enter the premises where the goods may be located and remove them as AID property, without prejudice to AID right to recover any further expenses or damages AID may suffer by reason of such nonpayment.

10. LIABILITY

AID shall not be liable for and shall be held harmless by Purchaser from any damage, losses or claims of whatever kind, contractual, consequential or incidental, direct or indirect, arising out of, in connection with or resulting from the sale governed hereby or the goods, including, but without limitation, the manufacture, repair, handling, installation, possession, use, operation or dismantling of the goods and any and all claims, actions, suits, and proceedings which may be instituted in respect to the foregoing.

11. WARRANTY

Goods sold hereunder are covered by a warranty against defects in material and workmanship provided the goods and services are subjected to normal use and service. The applicable warranty period is twelve (12) months from the date of commissioning or eighteen (18) months from shipping date to Purchaser of any item of the goods, whichever occurs first, or any other warranty period otherwise stipulated in writing by AID under this sale. For components not supplied by AID, the original manufacturer's warranty shall apply to the extent assignable by AID. The obligation under this warranty is limited to the repair or replacement, at AID' option, of defective parts f.o.b. point of shipment provided that prompt notice of any defect is given by Purchaser to AID in writing within the applicable warranty period and that upon the Purchaser's return of the defective parts to AID or, if designated by AID, to the location where the works are made, properly packed and with transportation charges prepaid by Purchaser, an inspection thereof shall reveal to AID' satisfaction that Purchaser's claim is valid under the terms of this warranty. Purchaser shall assume all responsibility and expense for dismantling, removal, re-installation and freight in connection with the foregoing. The same obligations and conditions extend to replacement parts furnished by AID here- under.
AID does not assume liability for installation, labour or consequential damages. AID makes no warranty other than the one set forth herein. All other warranties, legal, expressed or implied, including but not limited to any expressed or implied warranty of merchantability, of fitness for the intended use thereof or against infringement are hereby expressly excluded. The applicable warranty ceases to be effective if the goods are altered or repaired other than by persons authorized or approved by AID to perform such work. Repairs or replacement deliveries do not interrupt or prolong the term of the warranty. The warranty ceases to be effective if the Purchaser fails to operate and use the goods sold hereunder in a safe and reasonable manner and in accordance with any written instructions from the manufacturers.

12. INSTALLATION

Unless otherwise expressly stipulated, the goods shall be installed by and at the risk and expense of Purchaser. In the event that AID is requested to supervise such installation, AID responsibility shall be limited to exercising that degree of skill customary in the trade in supervising installations of the same type. Purchaser shall remain responsible for all other aspects of the work including compliance with the local regulations.

13. RETURNED GOODS

No goods may be returned to AID without AID' prior written permission. AID reserves the right to decline all returns or to accept them subject to a handling/restocking charge. Even after AID has authorized the return of goods for credit, AID reserves the right to adjust the amount of any credit given to Purchaser on return of the goods based on the conditions of the goods on arrival in AID' warehouse. Credit for returned goods will be issued to Purchaser only where such goods are returned by Purchaser and not by any subsequent owner of the goods. Goods will be considered for return only if they are in their original condition and packaging.

14. SAFETY AND HEALTH STANDARDS

The equipment described herein (or on specifications provided herewith) complies with applicable safety and health standards issued pursuant to the Occupational Safety and Health Act of 1970 (the Act) and in effect on this date as such standards are interpreted and understood by AID. These standards may be amended and/or their meaning may be clarified prior to shipment or performance, and if such changes or clarification requires changes in the equipment described herein, AID shall make the

necessary changes available to the purchaser. The purchaser shall pay for any and all changes to prices therefore in effect at time of shipment or performance, as the case may be. Because actual compliance by employers with the Act is beyond AID's control, AID cannot and do not represent that the use of the equipment described herein, nor the location, installation or maintenance thereof, will comply with the Act or regulations and standards issued pursuant thereto. AID make no representation of compliance with safety and health standards contained in any statute, regulations or ordinance of any state or political subdivision thereof applicable to the equipment described herein unless the purchaser has notified AID of the existence and contents of such standards and AID has agreed in writing to the incorporation of such standards in the specifications relating to such equipment. Nothing in this provision shall operate to modify or affect in any manner whatsoever AID's disclaimer of any liability for consequential damages contained elsewhere in these terms and conditions of sale.

15. INSPECTION

Upon prior written notice, you may make reasonable inspections of equipment at our facility. We reserve the right to determine the reasonableness of the request and to select an appropriate time and location for such inspection. You agree to execute appropriate confidentiality provisions upon our request prior to visiting our facility. All costs of inspection shall be solely determined by us and shall be payable by you. No inspection or expediting by you at the facilities of our suppliers is authorized.

16. SOFTWARE PROVISIONS:

If software is provided hereunder, the purchaser will be granted a nonexclusive, royalty free license only for your use of the software provided with AID's equipment. Under this license the purchaser may: (i) use AID software in machine readable code only and only with the equipment provided, (ii) copies of AID software into any machine readable object code form for backup purposes in support of the purchasers' use of AID software on the equipment provided, and (iii) create one additional copy of the software for archival purposes.
This license may not be assigned, sublicensed or otherwise transferred by the purchaser with AID's prior written consent. The purchaser hereby recognizes and acknowledges that the software provided to the purchaser hereunder comprises valuable trade secret and/or copyright property of AID (or its licensor) and the purchaser will take adequate precautions against access to the software by, or disclosure of the software to, anyone not authorized hereunder to use or have access to the software.

17. TERMS OF PAYMENT

Unless otherwise stated, invoices on "open account" shipment are payable within thirty (30) days of invoice date. Unless specifically provided, no cash discount shall be available to Purchaser. When cash discount is offered, the discount price is computed from the date of invoice. AID does not offer cash discount on C.O.D. shipments. Should payment not be made to AID when due, AID reserves the right, until the price has been fully paid, to charge Purchaser with interest on such overdue payments at the rate of eighteen percent (18%) per annum. The charging of such interest shall not be construed as obligating AID to grant any extension of time in the terms of payment.

18. SOLVENTCY & FRAUD

In the event that one party becomes insolvent or bankrupt, permanently ceases doing business, makes an assignment for the benefit of its creditors, commits an act of bankruptcy, commences any bankruptcy proceedings or other proceedings in the nature of bankruptcy proceedings, or has commenced against it any bankruptcy proceedings or other proceedings in the nature of bankruptcy proceedings that are not dismissed within sixty (60) days, then the other party shall have the right to terminate the purchase agreement and purchasers' order. Any reasonable suspicion by both AID and the purchasers' that could cause serious violation of applicable law, fraudulent activities or breach of the terms or conditions will result in termination of the purchaser's order and agreement with no refunds regarding down payments.

19. THIRD PARTY SUPPLIERS

AID shall be responsible for all the closure on all orders that require payment to third parties regarding the purchase of materials, sub- contracts, or additional parts outlined in the agreed design, quotation, purchase agreement and or purchaser's order. No material or supplies that are specific to the purchaser's order will commissioned until the purchaser's order has been submitted, approved and sign along with corresponding down payments.

20. CHANGES AND CANCELLATION

Orders accepted by AID are not subject to changes or cancellation by Purchaser, except with AID' written consent. In such cases where AID authorizes changes or cancellation, AID reserves the right to charge Purchaser with reasonable costs based upon expenses already incurred and commitments made by AID, including, without limitation, any labour done, material purchased and also including Supplier's usual overhead and reasonable profit and cancellation charges from AID' suppliers.

21. THE AGREEMENT

An acceptance and official confirmation of Purchaser's order by AID shall constitute the complete agreement, subject to the terms and conditions of sale herein set forth, and shall supersede all previous quotations, orders or agreements. The law of the Province of Alberta shall govern the validity, interpretation and enforcement of these terms and conditions of sale and of any contract of which these terms and conditions are a part.