1. Ownership, Personal Property & Security Interest - Until such times as the purchase price for the Goods (together with interest and costs, if any) have been paid in full by the Buyer to us (a) title to, property in and ownership of the Goods shall remain with us, at which time title to, property in and ownership of the Goods shall pass to the Buyer; (b) the Goods shall remain personal or moveable property even if they are in any manner affixed or attached to real or immovable property; and (c) we will have a purchase money security interest (within the meaning of the Personal Property Security Act, "PPSA", as amended from time to time (the "Act")) in the Goods. We further acknowledge that our agreement is a security agreement within the meaning of the Act. The parties acknowledge that they have not agreed to postpone the time for attachment of such security interest.

2. Payment of Purchase Price - the Buyer's obligation to pay the purchase price for the Goods is absolute and not subject to any set-off, counterclaim or deduction. Interest will accrue from the due date specified in our invoice for Goods sold to the Buyer by 30 days following the invoice date, whichever is longer (the "Due Date"), on all amounts which are not paid on or before the Due Date, at the rate of 18% per annum (1 1/2% per month) and will be payable on demand.

3. Default in Payment - If the Buyer fails to pay the purchase price for the Goods when due, we shall be entitled to all of the rights and remedies of a secured party under the Act, and, in addition (a) shall be entitled to enter upon the premises where the Goods are located and take possession of and remove the Goods, whether affixed to or not affixed or adjoined to any real property or not, without liability to the Buyer for any damages or losses caused by the taking possession and removing the Goods. We shall not be liable or responsible for any damages or losses suffered by the Buyer as a result of our exercising our rights to take possession of and remove the Goods, whether such damages are direct or indirect, special or consequential, and whether or not caused by our negligence; (b) recover from the Buyer such portion of the purchase price as is in arrears, together with interest, and all solicitor and client legal fees and disbursements and other expenses incurred by us in attempting to enforce the provisions of our Agreement or to recover damages for the breach hereof; and (c) sell the Goods.

4. Inspection/Acceptance - The Buyer agrees that it will promptly inspect the Goods on receipt of same. The Buyer shall advise us in writing within 7 days following receipt of the Goods of any deficiencies, defects, discrepancies from specifications or complaints of any kind with respect to the quantity, quality, condition, performance, price or appearance of the Goods. If we do not receive such a written notice within such 7 day period, the Buyer shall be conclusively deemed to have inspected and accepted the Goods unconditionally and to have waived any and all rights and claims in respect of the Goods (other than pursuant to the warranties described below), including without limitation any right to reject the Goods or to claim damages in respect thereof. The Buyer may not return Goods under warranty claim or otherwise without first advising us of the reasons therefore, obtaining from us a returned goods authorization number and obtaining such instructions as we may give in authorizing the return.

5. Delivery - F.O.A. carrier at point of shipment by us. Trade terms will, where appropriate, and where not inconsistent with the provisions of the Sale Terms, be interpreted in accordance with the 1980 version of the International Rules for the Interpretation of Trade Terms of the International Chamber of Commerce (Incoterms 1990).

6. Warranty - (a) We warrant to the Buyer that the Goods will be free from defects in material and workmanship, under conditions of normal use, for a period of 1 year from the date that the Goods are shipped to the Buyer or picked up from the Buyer from our premises, unless otherwise stated in the "Warranty Period" section of the Sale Terms (the "Warranty Period"). Our obligations under the said warranty will be limited to repairing or replacing, at our option, any part of the Goods which proves defective in material or workmanship within the Warranty Period; (b) in the case of PUMPS due to the fact that seal manufacturers only warranty their seals for 50 days the warranty Period for pumps will be 90 days.

7. (c) If any motors forming part of the Goods are to be stored prior to their use, in order for the warranty to apply to such motors, the Buyer must (i) ensure the motor is stored in a suitable area free from the extremes of weather, such as dust, chemicals, vapour, dampness, moisture or flood, extreme heat and vibrations external to the motor that will cause bearing damage; and (ii) rotate the shaft at least once per month (EASA recommendation) in order to maintain the integrity of the grease, prevent seals from adhering to the shaft and prevent bearing damage to the bearings from resting in the same position. In addition, our warranty is conditional upon: (a) proper storage, installation (except where installation is supervised or performed by us), use and maintenance; and (b) the Buyer promptly notifying us in writing of any defect and, if required, promptly making the Goods available for correction.

8. (d) The warranty in this section: (i) shall not apply if in our judgement, the Goods fail due to any of the following circumstances: improper installation of the Goods; Incorrect power supply; overloading; Incorrect electrical connection; single phased winding; water damage; improper application; failure from accident; fire damage; mechanical/electric failure due to external forces or circumstances; bearing failure due to external forces or circumstances; long time storage exceeding the Warranty Period; physical damage or any other contingency that represents misuse leading to mechanical or motor failure; mechanical overload; failure caused by the equipment to which the motor is applied; Incorrect installation by the Buyer or by a contractor hired by the Buyer; misalignment to driven equipment (unless installed and aligned by us); (ii) shall not apply, in the case of air blowers and vacuum pumps, if, in our judgement, such Goods fail due to any of the following circumstances: foreign materials drawn into the fan blades; physical damage to fan blades or damaged housing fouling the rotational parts; installation by Buyer of Incorrect fan type with Incorrect number of blades or blade pitch/blade angle; (iii) shall not apply, in the case of water pumps, if, in our judgement, the pump fails due to any of the following circumstances: seal/imperfections are damaged by foreign materials or by corrosive blade material passing through the pump; seals are damaged by being run dry; physical damage; or, any other contingencies noted in these Sale Terms; (iv) does not apply to on-site service calls for diagnostic purposes to ascertain reasons for failure or to on-site service calls for diagnostic purposes to ascertain operational problems; (v) does not cover on-site damage caused by any person in the employ or under the direction of the Buyer or any other person, in connection with the removal of the Goods from their location; carrier transportation charges to return the Goods to us; costs associated with loss of use, cost of capital, down-time costs, cost of substitute goods, facilities or services and (vi) will be rendered null and void if the Goods have been or show evidence of being tampered with or dismantled.

9. The warranty in this section does not cover new motors and/or equipment. If such equipment fails within the manufacturer's warranty period due to a manufacturer's defect, a claim will be made to the relevant manufacturer on behalf of the Buyer. Mechanical seals have a warranty period of 90 days.

10. (f) Goods returned under a warranty claim that proves to be unfounded will be subject to a minimum inspection charge. Inspection charges will, however, be waived where the customer gives consent to go ahead with the repair at our normal charge. The repair will commence upon our receiving a valid purchase order number.

11. (g) The foregoing warranties will constitute our sole liability and the Buyer's sole remedy and are in lieu of all other warranties and conditions regardless of whether they be written or oral, statutory, express or implied, including the implied conditions of reasonable fitness for purposes, merchantability and correspondence with description.

12. (h) Regardless of the foregoing provisions, our liability on any claim, whether in contract (including, without limitation, a fundamental breach of, or the breach of a fundamental term contained in the Sale Terms), tort (including, without limitation, negligence) or otherwise, for any loss or damage arising out of, connected with or resulting from the manufacture, sale, delivery, resale, repair, replacement or use of any goods will in no case exceed the purchase price of the Goods which give rise to the claim. In no event will we be liable or responsible, whether in contract (including, without limitation, a fundamental breach of, or the breach of a fundamental term contained in the Sale Terms), tort (including, without limitation, negligence) or otherwise, for any: (a) death or injury, whether physical or mental; (b) loss of or damage to real or personal property, external to the goods, and loss arising out of such damages; (c) special, indirect or consequential damages; or (d) loss of profit or revenue, loss of use, cost of capital, down-time costs, cost of substitute goods, facilities or services.

7. No Modification - No amendment, supplement, modification, waiver or termination of the Sale Terms will be binding on the parties unless same is in writing and signed by all of the parties.

8. Exclusion of Vienna Convention - The parties agree that the application of the United Nations Convention on Contracts for the International Sale of Goods to our agreement does not apply and is strictly excluded.

8. Severability - If any provision of the Sale Terms or any part of any provision of the Sale Terms is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision or part will not affect the validity, legality or enforceability of any other provision of the Sale Terms or the balance of any provision of the Sale Terms absent such part, and such invalid, illegal or unenforceable provision or part will be deemed to be severed from the Sale Terms and the Sale Terms will be construed and enforced as if such invalid, illegal or unenforceable provision or part had never been inserted in the Sale Terms.

10. Force Majeure - We will not be in breach of any of our obligations hereunder where failure to perform or delay in performing any obligation is due, wholly or in part, directly or indirectly from: (a) earthquakes; (b) epidemics; (c) an act or omission of any governmental authority, domestic or foreign, including but not limited to war, declared or undeclared, priorities, quarantines, embargoes, licensing controls or production or distribution regulations; (d) acts, events and circumstances including but not limited to fire, explosions, breakdown of essential machinery or equipment, and power shortages, transportation or storage delays, accidents or shortages; (e) failure or delay in our source of supply of raw labour, materials, facilities, energy, fuel or transportation; (f) delay in receipt, or non-receipt of, governmental authorizations, instructions or materials; (g) acts or omissions of the buyer; or (h) any cause beyond our reasonable control whether similar or dissimilar to those above mentioned. The foregoing will apply even though any such causes exist at the time of the order or occurs after our performance of our obligations is delayed by another cause.

11. Governing Law - The Sale Terms will be construed in accordance with the domestic laws of the Province of Ontario (other than Ontario principles of conflicts laws) and the laws of Canada applicable in the Province of Ontario, and will be treated in all respects as an Ontario contract.

12. Acknowledgment - The Buyer hereby acknowledges receipt of a copy of this document.