

**MURRAY LATTA PROGRESSIVE MACHINE INC (The “Seller”)  
TERMS AND CONDITIONS**

These terms and conditions are attached to and form part of a quotation (the “Quotation”) which contains particulars of certain Goods and Services to be provided or performed by the Seller, and the cost and payment terms of such Goods and Services. Unless otherwise agreed to in writing by the Seller, these terms and conditions negate and override any previous agreement between the parties. Further details and revision to the Goods and Services set out in this Agreement may be provided in work orders agreed to in writing by the parties (“Work Orders”). The Quotation, these Terms and Conditions, and any subsequent Work Orders agreed to by the parties are herein collectively referred to as the “Agreement”

**In these Terms and Conditions:**

“**Goods**” shall mean machinery, equipment, accessories, parts, and materials to be provided by the Seller to the buyer named in the Quotation (the “Buyer”) pursuant to the Quotation and any Work Order.

“**Services**” shall mean any services provided by the Seller to the Buyer pursuant to the Quotation and any Work Order, whether or not such services are related to any Goods and whether or not the Seller is selling any Goods to the Buyer. Services shall include, but not be limited to, installation of Goods or of any items belonging to buyer, repair of equipment and machinery, storage services, shipping services, moving services, dismantling, and preventative maintenance.

**THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY OR OTHERWISE EXCEPT AS HEREIN EXPRESSLY SET FORTH.**

**A. PRICING:**

1. Unless otherwise stated, all prices quoted by Seller are in Canadian funds, including Canadian customs duties where applicable, but excluding Federal or Provincial sales or consumption taxes or any similar taxes, levies, or duties.
2. The price of any Goods sold but not manufactured by the Seller will be in accordance with the Seller’s printed catalogue or the catalogues of the Seller’s suppliers (subject to any modifications made by the Seller’s suppliers since publication).
3. The price of any Services are subject to the Buyer providing Seller with access, ample room and suitable ground conditions to perform the work as outlined in this Agreement.
4. The price set out in this Agreement includes standard boxing, crating, and packaging which the Seller, in its sole discretion, deems suitable for auto freight shipment. Costs of special packaging for rail, water, air or export shipment, unless specifically set out in the quotation, are extra.

**B. DESIGN AND SPECIFICATIONS**

5. If this Agreement specifies that the Seller will be manufacturing certain Goods for purchase by the Buyer, the Goods shall be manufactured in accordance with specifications provided by the Buyer, or provided by the Seller and approved by the Buyer (the “Specifications”), as the case may be. In the regular course of manufacturing Goods, the Seller may need to implement minor rework to correct deficiencies. These will be completed utilizing Seller’s best available knowledge. It is not required that the Seller communicate this rework to the Buyer.
6. If the Buyer requests changes to the Specifications after the date of this Agreement, the Seller may increase the price of the Goods.
7. The Seller is not responsible for ensuring that any Goods or Services are suitable for the premises or location in which the Goods will be installed (whether or not such installation is performed by the Seller) or in which the Services will be provided. Without limiting the generality of the foregoing, it is the Buyer’s responsibility to ensure that all grounds, roads, floors and structures (together with any vehicles and equipment used by the Seller or its agents to transport and install the Goods) are sufficient to support the weight of the Goods and that the Goods will fit through entryways into the Buyer’s premises. Unless otherwise stated in the Quotation or a Work Order, structural changes required to be made to Buyer’s premises are not included.
8. Goods incorporate only the electrical components referred to in the Specifications unless otherwise specified in the Quotation or a Work Order. Buyer will be responsible for the cost of all electric wiring and fittings. Charges arising from any local, provincial, or other governmental laws and regulations necessitating changes to electrical equipment are at extra cost unless equipment has been specifically quoted to comply with such laws or regulations. Mainline disconnects for multi-monitored machines are not included in the Quotation or Work Order unless specified therein. Seller will not be liable for any damage, loss or expense caused by voltage drop or change or insufficiency of power supply.

### **C. SHIPPING AND DELIVERY**

9. Any time or date named in any quotation for delivery is an estimate only. The Seller will not be liable for any damages or loss of the Buyer arising directly or indirectly out of delay in delivery.
10. The Seller shall notify the Buyer of its readiness to deliver the Goods and delivery shall be taken by the Buyer within the period specified in such notification.
11. If the Buyer does not accept delivery of the Goods during the specified delivery period, the Seller may, in its sole and unfettered discretion, store the Goods at the Seller's facility or other premises. During such storage, and notwithstanding anything to the contrary in this agreement, the Goods will be at the sole risk of the Buyer and the Seller shall not be responsible to insure, maintain or protect the Goods. The Buyer's obligation to pay the Seller for the Goods shall remain in full force and effect notwithstanding any damage or destruction to or theft of the Goods while they are being stored by the Seller pursuant to this section.
12. The Seller may charge the Buyer rent during such period of storage, in addition to, not in substitution for, any other payment or damages for which the Buyer may become liable to the Seller. Additional terms and conditions governing the terms of storage shall be governed by the Seller's form of Warehouse Receipt, available to the Buyer upon request.
13. Unless the Seller has specified in the Quotation that it will arrange for shipment to a destination specified by the Buyer, the Buyer shall take delivery of the Goods at the Seller's premises and shall make proper provision for the transport or collection of the Goods from the Seller's premises. If the Seller has agreed to arrange shipment or if the method of shipment has not been specified by the Buyer, the Seller may in its sole and unfettered discretion select a shipping method and carrier, and the Seller shall not be liable for damage or loss of the Goods even if the Seller was negligent in making such selection.
14. The Seller's responsibility for the Goods ends upon release of the Goods to Buyer or to a carrier selected by Seller or Buyer, as the case may be. Buyer shall bear all risk of damage to or loss of the Goods from the time the Seller releases the Goods to the Buyer or a carrier at Seller's premises.
15. Buyer shall examine the Goods upon receipt, and within five business days shall notify Seller in writing of any discrepancy between the type, number and quality of the Goods contracted for and those received. If such notice is not given, the Goods shall be deemed to be accepted by Buyer, and Buyer shall accept and pay for them in accordance to the payment terms agreed to by the parties.
16. If default is made by the Buyer in paying any sum due to Seller under this Agreement or any other agreement which the Buyer may have with the Seller, the Seller may, without notice and without prejudice to any other remedies, either suspend all further deliveries until payment is made or cancel the order and retain any Goods not yet delivered to Buyer for its own use absolutely.

### **D. MOVING AND RIGGING**

17. All transportation and warehousing of Goods and Services performed by Seller shall be governed by the terms and conditions by Seller's standard form Bill of Lading and Warehouse Receipt, respectively, copies of which are available from Seller upon request.
18. The quality, condition, contents and value of items stored, shipped, moved or rigged are not known to the Seller except as declared and described by the Buyer in writing.

### **E. SERVICES**

19. This section shall apply to Services performed by the Seller for the Buyer, as expressly set out in the Quotation or a Work Order. Unless otherwise expressly stated in the Quotation, all wiring and piping shall be performed by the Buyer's mechanics or contractors at the Buyer's expense. Services shall be provided by the Seller as and when instructed, verbally or in writing by the Buyer or its representatives. Where the Buyer has provided plans or drawings to assist or instruct Seller in performing Services, Seller may rely upon such plans or drawings. Any loss, damage or additional cost incurred due to such plans or drawings being erroneous or inadequate shall be solely at the expense and liability of the Buyer.
20. Without limiting the generality of the foregoing, where the Buyer has provided the Seller with weights of certain items and weight-bearing capacity of certain structures and surfaces, the Seller may rely upon such weights without independently verifying them, and the Buyer shall indemnify and hold harmless the Seller from any loss or damage resulting from inaccuracies in stated weights and capacities.
21. Amounts quoted for Services are based on the Seller's previous experience with similar installations. If, due to circumstances outside Seller's control, such Services require more labour or materials than Seller reasonably expects, Seller may increase the price accordingly.
22. Except where stated otherwise in the Quotation or a Work Order, the Seller shall have no responsibility for ensuring that any Goods or Services meet with seismic safety requirements required by any applicable authority, and the Buyer shall be solely responsible for ensuring seismic safety and shall instruct the Seller accordingly.

## F. WARRANTY

23. Unless otherwise stated, all warranties provided by Seller pursuant to this agreement have a term of the lesser of:
  - a) one year from the date of delivery of the Goods; and
  - b) the date on which the Goods have been used for a total of 2000 operating hours, as determined by the Seller
  - c) (the "Warranty Period").
24. If the Seller has not been notified of a defect within the Warranty Period, then the defect shall be deemed to have arisen after the Warranty Period has expired.
25. Seller will repair or replace at its own cost all Goods of its own manufacture or manufactured by third parties exclusively for Seller and provided new to Buyer, which on examination by Seller are found by Seller to be defective in materials or workmanship. Goods not manufactured by or exclusively for Seller carry only the original manufacturer's warranty.
26. All warranty service repairs will be performed on weekdays, between 8:00 am to 5:00 pm local time. Warranty service repairs performed outside of the aforementioned hours by the Seller shall be subject to an hourly fee. If, in the reasonable opinion of the Seller, it would be impractical or uneconomical for the Seller to perform warranty service repairs at the Buyer's premises, the Seller shall arrange to have the Goods removed from the Buyer's premises and shipped to a location designated by the Seller for warranty service repairs. All costs of removal and reinstallation of the Goods and shipping of the Goods to and from the Seller's location shall be borne by the Buyer.
27. Where Seller has provided performance or production figures to the Buyer, such figures are based on experience obtained during tests by the Seller at the Seller's premises. Seller will not be liable to Buyer for failure to obtain equivalent results on any specific installation. If Goods fail to meet Seller's performance figures due to a defect in materials or workmanship, and Seller is notified of such failure during the Warranty Period, then the Seller shall repair or replace as reasonably necessary in order to ensure that such figures are met, provided however that if, in Seller's sole and unfettered discretion, it would be impractical or uneconomical for Seller to make such repairs or replacements, Seller may at its option remove and keep any such defective Goods and refund all payments made by the Buyer, and this Agreement shall be terminated.
28. Any and all warranties set out herein shall immediately be void and unenforceable if:
  - a) Buyer shall not have paid in full all invoices for Goods supplied or contract work performed by Seller when due, as set out in the terms of credit agreed to by the parties in this Agreement;
  - b) Buyer shall have permitted a person other than Seller, or a person approved or authorized by Seller, to effect any replacement or parts, maintenance adjustments or repairs to the Goods;
  - c) Buyer shall not have properly operated or maintained the Goods in accordance with instructions given or issued by Seller from time to time; or
  - d) Buyer shall have used any spare or replacement part not manufactured by or on behalf of Seller and supplied by Seller.

## G. PURCHASE MONEY SECURITY AGREEMENT

29. This section shall apply where the terms of payment state that the Buyer shall take delivery of any Goods before full and final payment for such goods is made, or where, for any reason, Buyer has taken delivery of any Goods without making full payment.
  - a) In consideration for the Seller providing the Goods to the Buyer, the Buyer hereby grants to the Seller a purchase money security interest in the any Goods provided pursuant to this Agreement as security for payment of all monies owing to the Seller by the Buyer and performance of all obligations of the Buyer under this Agreement.
  - b) The Buyer agrees to pay interest at a rate of 18% per annum on any amount outstanding and remaining payable to the Seller from the period commencing 30 days from the date of receipt of the Goods by the Buyer.
  - c) It will be a default if the Buyer fails to make any payment due under this Agreement or any other agreement between the Buyer and the Seller when due or on demand by the Seller, whichever is earlier.
  - d) All proceeds from the sale or other disposition of the Goods by the Buyer shall be held by the Buyer in trust for the Seller. Until the Seller has been paid in full for the Goods in accordance with this Agreement or any invoice relating to same, title to the Goods shall remain exclusively in the Seller. The Buyer shall insure the Goods for their full replacement value, which insurance, and any payments thereunder, shall be held for the benefit of the Seller.
  - e) The Buyer acknowledges receipt of a copy of this Agreement and waives all rights to receive from the Seller a copy of any financing statement, financing charge statement, or verification statement filed at any time in the Personal Property Registry in respect of this security agreement.
  - f) In the event of default of this Agreement or in the payment of any sums due to the Seller as aforesaid, the Seller may exercise any and all remedies afforded to secured parties by Part 5 of the Personal Property Security Act, including the seizure of the Goods.

## H. GENERAL

30. The Buyer shall indemnify the Seller for all loss, damage, and injury to Seller equipment and other property while such equipment is left on or near the Buyer's premises after hours of operation.
31. In addition to any other limitations of liability in this Agreement, Seller shall not be liable for:
  - a) Operational delays or consequential damages suffered by the Buyer (including any dismantling, re-installation or down-time) resulting from any defect in workmanship or material, or for labor costs incurred in replacing defective parts except where covered by the warranty set out herein;
  - b) Damages resulting from unauthorized use of substitute parts, modifications to equipment or machinery included in the Goods, or utilization of equipment or machinery for other than specified applications;
  - c) Damage, injury or loss of any kind to any property or person howsoever caused arising in connection with installation or use of the Goods supplied;
  - d) the consequences of any opinions, representations or technical advice given by the Seller, its agents, or its representatives in connection with the design, installation, or use of the Goods, unless given in writing;
  - e) Any risks which Buyer's insurance company considers to have been undertaken by Buyer by reason of the delivery, installation or use of the Goods supplied or the contract work; Buyer, in order to safeguard its own interests, should at once notify its insurance company of this order; or
  - f) Damage, injury, or loss to any property or persons due to improper use or malfunction of Goods supplied to Buyer through Seller by a third party supplier or manufacturer; proper use is that defined from time to time by the manufacturer's operation and maintenance manuals.
32. Damage, injury or loss caused directly or indirectly by the inadequacy or unfit condition of the Buyer's premises, including but not limited to:
  - a) losses incurred by the Seller due to unavailability of equipment and crew for work on other jobs;
  - b) damage to Seller's equipment and property on the job site;
  - c) injuries to any person; or
  - d) Damage or loss to any items owned by the Buyer that are in the possession of the Seller for storage, repair or any other purpose.
33. Without limiting anything else in this Agreement, the Buyer is also responsible for:
  - a) Supplying a balanced three-phase power supply at voltage set out in the Specifications, if so required;
  - b) All manufacturer-specified lubricants which may be required during installations
  - c) All rigging and handling of machinery at Buyer's premises, unless this Agreement says otherwise;
  - d) Providing a suitable foundation to manufacturer's specification to ensure accuracy of the Goods;
  - e) All travel expenses (air or other transportation, meals, hotel) reasonably incurred by Seller's personnel (whether employees, agents or contractors) on all service (including service required under warranty herein) to be performed outside the metropolitan areas of Vancouver, Edmonton, and Calgary; and
  - f) Providing commercially reasonable insurance coverage over all items owned by the Buyer that are in the possession of the Seller for storage, repair, or any other purpose.
34. If the Buyer cancels any order, the following charges shall apply:
  - a) If cancellation is prior to commencement of engineering, production or the assumption of any obligations by Seller for any materials or component parts, an amount equal to the down payment, if any, paid by Buyer to Seller in connection with the order cancelled; and
  - b) If cancellation is after commencement of engineering, production, performance of service or the assumption of any obligations by Seller for any materials or component parts, an amount equal to the total costs and expenses incurred by Seller to the date of cancellation for labor, materials and any charges made to Seller by its suppliers for cancellation, plus an amount equal to the down payment, if any, paid by Buyer to Seller in connection with the order cancelled.

35. All charges and expenses shall be determined by Seller and may be set off by Seller against any down payment made by Buyer to Seller in connection with any order placed by Buyer with Seller other than the order set out in this Agreement.
36. If Buyer shall have made default in or committed any breach of any of its obligations to Seller, or if any distress or execution shall have been levied against Buyer, its property or assets, or if Buyer shall have made or offered to make, any arrangement or composition with creditors or shall have committed any act of bankruptcy, or if any petition of receiving order in bankruptcy shall have been presented than for reconstruction or amalgamation, or if a receiver or a receiver-manager of such company's undertaking, property, assets, or business or any part thereof shall have been appointed, then Seller may terminate this Agreement without prejudice to any claim or right Seller might otherwise make or exercise.
37. Buyer shall indemnify Seller against all damages, penalties, costs and expenses to which Seller may become liable if any work done in accordance with designs, drawings and specifications created or provided by Buyer, or provided by Seller and approved by Buyer, involves any infringement or a registered or unregistered design, patent, trademark, or any other form of intellectual property.
38. The Buyer shall indemnify and hold the Seller harmless from and against all claims, actions and demands of whatsoever nature that may arise out of the Seller's use of drawings, plans and Specifications provided by or approved by the Buyer. Seller shall not be responsible for the consequences of any errors in Specifications once approved or provided by Buyer, even if such errors are due to Seller's negligence.
39. Seller will be relieved of all liabilities wherever and to the extent to which fulfillment of the obligations of Seller are prevented, frustrated or impeded as a consequence of occurrence of any event beyond Seller's control, including war; act of terrorism; natural disaster; any statute, rule, order or requisition issued by any government ministry, department, agency, municipality or other duly constituted authority; or any strike, lockout, slowdown, dispute or disturbance, or any breakdown of plant or any other events or causes (whether or not of a like nature).
40. Seller reserves the right to subcontract the fulfillment of any order (including any installation) or any part thereof to a third party subcontractor chosen by Seller in its sole discretion.
41. These conditions and the Contract shall be subject to and construed in accordance with the laws of the province of British Columbia.
42. Headings in this Agreement are for reference only and do not form part of the terms of this Agreement.
43. This Agreement and each of the terms and provisions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.
44. Should there be a disagreement or a dispute between the parties hereto with respect to this Agreement or the interpretation hereof or the form or content of any documentation referred to herein, the same shall be referred to a single arbitrator pursuant to the provisions of the Commercial Arbitration Act (British Columbia) as may be amended from time to time and the determination of such arbitrator shall be final and binding upon the parties hereto.
45. If any provision of this Agreement is unenforceable or invalid for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining provisions of this Agreement and such provision shall be severable from the remainder of this Agreement.