

TERMS AND CONDITIONS OF SALE

Unless otherwise stipulated, all products manufactured, distributed, or sold by Mainline Backflow Products Inc. (the "Seller") shall be subject to the following terms.

ANY ACCEPTANCE OF SELLER'S OFFER TO SELL OR BUYER'S ORDER IS EXPRESSLY MADE CONDITIONAL ON BUYER'S ACCEPTANCE OF THE PROVISIONS STATED HEREIN. BUYER'S ACCEPTANCE OF EACH SHIPMENT OF GOODS SHALL BE DEEMED TO BE AN ACCEPTANCE OF THE PROVISIONS HEREOF NOTWITHSTANDING ANY ACT OF SELLER, INCLUDING SHIPMENT, ACCEPTANCE OF PAYMENTS, AND NOTWITHSTANDING ANY TERM OR CONDITION CONTAINED IN ANY FORM OF BUYER, ANY PROPOSAL FOR ADDITIONAL OR DIFFERENT TERMS OR ANY ATTEMPT BY BUYER TO VARY ANY OF THE PROVISIONS HEREIN IS HEREBY DEEMED A MATERIAL ALTERATION AND REJECTED. THE PROVISIONS HEREIN MAY NOT BE ADDED TO, MODIFIED, SUPERSEDED, OR ALTERED EXCEPT BY WRITTEN AGREEMENT OR MODIFICATION SIGNED BY AN OFFICER OF SELLER, NOTWITHSTANDING ANY TERMS WHICH MAY NOW OR IN THE FUTURE APPEAR ON BUYER'S FORMS OR COMMUNICATIONS, ALL OF WHICH ARE REJECTED WITHOUT FURTHER ACTION OF SELLER.

NO PERSON (EXCEPT AN OFFICER OF SELLER) IS AUTHORIZED TO BIND SELLER TO ANY ORDER FOR ANY GOODS EXCEPT ACCORDING TO THE PROVISIONS HEREIN.

1. PRICES. All prices for Seller's products are subject to change or withdrawal without notice. Unless otherwise stated by Seller, prices, terms of payment and pricing policies will be those of the Seller in effect at the time of shipment. Seller reserves the right to make price changes within the periods of contracts, including installment contracts, or blanket orders.

The cost of packing and crating other than in accordance with the standards of the "Seller" may constitute an additional charge and may, at "Seller" discretion, be added to the sale price(s). All sales and shipments are subject at all times to credit approval by Seller.

2. SHIPMENT AND DELIVERY. Unless otherwise specifically stated, materials will be shipped freight collect, and all freight is to be paid by the Buyer, but Seller reserves the option to prepay the freight. Buyer agrees to make all complaints for damage in transit or "short count" directly to the carrier; before the contents are unloaded to have carrier agent's acknowledgement of such damage noted on the bill of lading; and to present to the carrier it agent's acknowledgement of such damage material with formal claim covering said damage. Shipping dates are estimates

and time of delivery is not the essence of this sale of the contract therefore, Under no circumstances will the Seller have any responsibility on account of any delays in manufacture, transportation, or otherwise.

- 3. PAYMENT TERMS.** Net 30 days. Interest chargeable at 24 % per annum, 2 % per month on unpaid accounts after net payment has expired.
- 4. TAXES.** Buyer shall pay all sales (G.S.T. # 897720298), consumers or other applicable taxes.
- 5. ACCEPTANCE OF GOODS.** The buyer's failure to notify the Seller within (10) days after the goods have been received by it shall constitute acceptance of the goods, the use of the goods, in whole or in part, shall constitute acceptance by the buyer of the goods bought from the Seller.
- 6. WARRANTY.** The Seller warrants that the goods of its manufacturer are free from all defects and are in accordance with the normal use they are destined for: in the event that any of the goods is defective, defective goods inasmuch as such defect is notified to the Seller within one (1) year from the delivery date of the goods, being understood that any dismantling, installation, transportation and packaging costs will be bore by the buyer.

The foregoing warranty shall constitute each and all of the obligations, which are incumbent upon the Seller when a good manufactured by the Seller is defective and is in lieu of all other undertakings, representations and warranties, written, verbal statutory, express or implied which might be known by the buyer or to which the buyer is entitled.

The buyer expressly agrees that the Seller will not be held liable for any other damage, which might be incurred by the buyer in connection with the obligations of the warranty of which the buyer is the beneficiary.

Seller reserves the right to make changes in design or equipment of any item or product without incurring any obligation on previously sold items, and to discontinue items at any time, without further notice.

- 7. RETURNED GOODS POLICY.** (Returned goods to be returned only with written permission of Seller) All returned goods are subject to a 25 % restocking charge. The buyer must prepay freight charges. Credit allowance will be made in the form of merchandise credit only.
- 8. CANCELLATION OF AN ORDER.** Any order accepted by the Seller may not be cancelled by the buyer, in whole or in part, except if the buyer undertakes to indemnify the Seller all losses which might result from such cancellation.