

## STONE EAGLE ELECTRICAL SUPPLY LP - TERMS AND CONDITIONS OF SALE - 010107

### **1. STONE EAGLE'S Terms and Conditions Control the Agreement.**

A. These terms and conditions are incorporated into and made a part of the agreement or proposal ("Agreement") by STONE EAGLE ELECTRICAL SUPPLY LIMITED PARTNERSHIP ("Seller") to sell to the named Buyer the goods referenced on the face of this document ("Goods") and services (including, without limitation, any material management, assembly and kitting services, and engineering and design services (whether performed by Seller or a subcontractor)) referenced on the face of this document ("Services"). The Agreement expressly limits Buyer's acceptance to these terms and conditions. Buyer may reject the Agreement by not ordering or receiving any Goods or Services. The Agreement does not constitute an acceptance by Seller of any offer or counteroffer of Buyer, and Seller hereby rejects any additional, different, or inconsistent terms, conditions or limitations contained in or incorporated by reference in any forms, purchase orders or other documents of Buyer that already have been or hereafter may be presented to Seller with respect to the Agreement.

B. If Buyer has submitted or will submit additional and/or different terms and conditions to Seller, or submit a counteroffer to Seller, Seller's subsequent performance will not be construed as either acceptance of Buyer's additional and/or different terms and conditions or Buyer's counteroffer, nor will Seller's subsequent performance be viewed as a willingness to accept any statutory provision that is contrary or in addition to any of the terms and conditions hereof.

### **2. Prices.**

A. Unless otherwise agreed to by Seller in writing, Seller's prices for the Goods and Services will be the prices stated at the face of this document or Seller's standard prices for such Goods and Services as of the date hereof, provided that, where standard prices for Goods in the quantities ordered as calculated by Seller extend beyond two decimal places, Seller shall round such prices for Goods to the nearest two decimal places for purposes of determining Buyer's payment obligation with respect to such Goods; Provided, however, that Seller may change the price for the Goods and Services in accordance with any change to its standard pricing for such Goods and Services prior to the date of shipment of Goods or performance of Services, as the case may be.

B. The prices of any and all Goods and Services shall be confidential, and Buyer shall not disclose such prices to any unrelated third party. Seller and Buyer acknowledge and agree that money damages for any and all breaches of Buyer's obligation not to disclose the price of any Goods or Services is both incalculable and insufficient and that any such breach would irreparably harm Seller. Therefore, in the event of an actual or prospective breach of the obligation of Buyer not to disclose the prices of any Goods and Services, Seller shall be entitled to a permanent and/or a preliminary injunction to prevent or remedy such breach and shall have the right to specific enforcement of this Agreement against Buyer in addition to any other remedies to which Seller may be entitled at law or in equity.

**3. Specifications.** Unless Seller has expressly agreed otherwise in writing, it is Buyer's responsibility to ensure that the Goods and Services are the ones that it has requested and that all specifications and quantities are correct. Seller HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES THAT GOODS AND SERVICES CONFORM TO ANY SPECIFICATIONS, DRAWINGS, DESIGNS, OR SAMPLES.

### **4. Shipment of Goods; Performance of Services.**

A. Shipment of all Goods shall be made FCA point of shipment Incoterms 2010 (Ex Works Seller's facility per INCOTERMS (2010) for international shipments). Buyer shall bear the risk of loss and damage to Goods after delivery to the point of shipment.

B. Time shall not be of the essence in this Agreement. Any shipping dates for Goods or performance dates for Services given in advance of actual shipment of Goods or performance of Services are Seller's best estimates for informational purposes only, and deliveries of Goods and performance of Services will be made subject to prior orders on file with Seller. Unless otherwise agreed to by Seller in writing, Seller may, in its sole discretion, use any commercial carriers for shipment of the Goods. Seller will use its reasonable efforts to comply with Buyer's requests as to method and route of transportation, but Seller reserves the right to use an alternate method or route of transportation, whether or not at a higher rate.

C. Unless otherwise agreed to by Seller in writing, Buyer will pay all insurance costs in connection with delivery of the Goods, if any, and be responsible for filing and pursuing claims with carriers for loss of, or damage to, Goods in transit.

D. Buyer is responsible for obtaining at its sole cost and expense any and all necessary licenses and permits for the Goods and Services, including, without limitation, any licenses and permits for transportation.

E. If Buyer is unable to receive the Goods and/or Services when they are tendered, Buyer will be liable to Seller for any losses, damages, or additional expenses incurred or suffered by Seller as a result of Buyer's inability to receive the Goods and/or Services.

F. Buyer immediately will inspect all Goods upon its receipt of them and will be deemed to accept the Goods upon receipt. Any claims for shortages or discrepancies will be waived by Buyer unless made in writing to Seller within five days of receipt of the Goods.

G. Seller may cancel in whole or in part any order for Goods or Services under the Agreement at any time.

H. Until Buyer has fully and finally paid all amounts owed to Seller for any Goods, Buyer shall hold such Goods in trust for Seller, and Seller may retake possession if Buyer fails to pay for them in a timely fashion.

## **5. Payment.**

A. All payments for Goods and Services must be made in Canadian currency or in its equivalent as specified in writing by Seller. Payments for Goods and Services will be made by such means as Seller may specify, such as by cheque or wire transfer, provided that Seller may refuse, in its sole discretion, payment by any means, including, without limitation, credit cards.

B. Payment for Goods and Services is due within 30 days from the date of Seller's invoice; provided, however, that Seller reserves the right, in its sole discretion, to require full payment in cash before order entry, shipment, or delivery.

C. Seller shall have the right to offset any and all amounts due and owing from Seller to Buyer under this Agreement, including, without limitation, any chargebacks or rebates, against any amounts due and owing from Buyer to Seller under this Agreement.

D. If Buyer defaults in payment, Buyer will be liable for all collection costs incurred by Seller including, but not limited to, legal and collection agency fees, and all related disbursements.

E. If Buyer does not pay when payment is due, past due amounts are subject to service charges of two percent (2%) per month or the maximum percentage rate permitted by law, whichever is less.

**6. Taxes.** The purchase price of the Goods and Services does not include transportation taxes and sales, goods and services, use, excise, import or any similar tax or other governmental charge arising pursuant to or in connection with the sale, purchase, processing, delivery, storage, use, consumption, performance or transportation of the Goods and Services. Buyer is responsible for payment of any transportation taxes, and any present or future sales, goods and services, use, excise, import or any similar tax or other governmental charge applicable to the Agreement and to the sale and/or furnishing of the Goods and Services.

**7. Cancellation.** Buyer may cancel its order for Goods and/or Services, but only if Seller agrees to such cancellation in writing and only after Buyer pays reasonable charges for expenses already incurred and commitments made by Seller in connection with the placement of such order(s).

**8. Disclaimer of Warranties.** Seller HEREBY EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN OR ORAL, WHETHER EXPRESS OR IMPLIED, WHETHER ARISING BY CONTRACT, AT LAW, IN EQUITY, BY STRICT LIABILITY OR OTHERWISE, WITH RESPECT TO THE GOODS AND SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, ANY WARRANTY AGAINST DEFECTS IN DESIGN, MATERIALS AND WORKMANSHIP, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY AGAINST REDHIBITORY DEFECTS, ANY WARRANTY OF GOOD TITLE, AND ANY WARRANTY AGAINST INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY PATENTS, TRADEMARKS, OR COPYRIGHTS. Seller shall, however, if given prompt written notice by Buyer of any claim of alleged patent, trademark or copyright infringement with respect to any Goods use its reasonable efforts to secure for Buyer such indemnity rights as the manufacturer may offer with respect to such Goods.

**9. Exclusive Remedy.** Buyer's EXCLUSIVE remedy against Seller for any claim for, or arising out of, any Good tendered to Buyer is the repair or replacement of the Good, or alternatively, at Seller's sole election, a credit of the purchase price of the Good. Buyer's EXCLUSIVE remedy against Seller arising out of any defect in, or in connection with, any Service provided hereunder is the re-performance of that Service or, at Seller's sole election, a credit of the purchase price of the Service. These remedies only will only be available to Buyer for one year after the Good is tendered or Service is provided to Buyer, and Seller's obligations under this Section 9 will be void unless Buyer provides Seller with notice of the defect in the Good or Service within 30 days of discovery of the defect. Any Good returned to Seller for repair, replacement or refund under this Section 9 will be returned by Buyer in accordance with Seller's return material authorization procedures then in effect.

**10. Limitation of Liability.** NOTWITHSTANDING ANYTHING ELSE CONTAINED HEREIN TO THE CONTRARY, IN NO EVENT WILL: (A) Seller BE LIABLE TO BUYER FOR ANY CIRCUMSTANTIAL, CONSEQUENTIAL, CONTINGENT, EXEMPLARY, INCIDENTAL, INDIRECT, LIQUIDATED, MATERIAL, PUNITIVE, SPECIAL, SPECULATIVE OR OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, SALES OR REVENUES, COST OF REPLACEMENT GOODS, LOST BUSINESS OR BUSINESS INTERRUPTIONS, OR ATTORNEYS FEES OR COURT COSTS ARISING IN ANY MANNER PURSUANT TO OR IN CONNECTION WITH THE AGREEMENT, THE GOODS OR THE SERVICES (EVEN IF Seller IS MADE AWARE OF THE POTENTIAL FOR SUCH DAMAGES); AND (B) Seller'S TOTAL LIABILITY RELATED TO ANY GOOD OR SERVICE EXCEED THE PURCHASE PRICE OF SUCH GOOD OR SERVICE.

## **11. Indemnification.**

A. Upon prompt notice by Buyer of any claim of patent, copyright, industrial design or trademark infringement with respect to any Goods or Services, Seller will use its reasonable efforts to secure for Buyer such indemnity rights as the manufacturer may customarily give with respect to such Goods. This Section 11 sets forth Buyer's

sole and exclusive remedy against Seller regarding the infringement by any Goods or Services of any third party intellectual property rights, including, without limitation, any patents, industrial designs or trademarks.

B. Buyer will indemnify, defend and hold harmless Seller, its shareholders, officers, directors, employees, agents and representatives from and against all losses, damages, liabilities, costs, and expenses including, but not limited to, property damage, loss of profits or revenue, loss of use of any property, cost of capital, cost of purchased or replacement power or temporary equipment, personal or bodily injury, or death ("Losses"), that may arise pursuant to or in connection with the Agreement, the Goods, or the Services (including, without limitation, Losses arising in connection with the performance of Services on Buyer's premises by Seller's employees, representatives, agents, or subcontractors), regardless of whether such Losses are suffered directly by Buyer or arise pursuant to or in connection with a third-party suit, claim, counterclaim, demand, judgment or other action (each a "Claim") and regardless of whether or not Seller or any third-party is proportionately negligent with respect to such Losses and/or Claim, provided that Buyer need not indemnify Seller for Seller's obligation, if any, to Buyer under Section 9 above. For the avoidance of doubt and without limitation, this indemnification obligation requires Buyer to pay any judgments against Seller or any other indemnified party resulting from any Claim, any court costs of Seller or any other indemnified party in connection with any Claim, and any reasonable attorneys' fees and disbursements incurred by Seller or any other indemnified party in Seller's defense of any Claim. Seller will have the sole and exclusive right to conduct the defense of any Claim at Buyer's sole and exclusive cost and expense. Buyer's indemnification obligation does not depend on the truth or accuracy of any allegations made against Seller, Buyer or any third party.

**12. Product Suitability.** Goods sold by Seller are designed to meet stated safety standards and regulations. Because local safety standards and regulations may vary significantly, Seller cannot guarantee that the Goods meet all applicable requirements in each locality. Buyer assumes responsibility for compliance with such safety standards and regulations in the localities in which the Goods will be shipped, sold and used. Before purchase and use of any Goods, Buyer should review the product application, and provincial and local codes and regulations, and verify that the use and installation of the Goods will comply with them.

**13. Ownership.** Seller shall have and retain all right, title, and interest in and to any and all trade secrets, technical data, sales service and product plans, methodologies, techniques, designs, molds, tools, samples, systems, know-how, expertise and other proprietary information that it may use pursuant to or in connection with any Goods or Services, and Buyer shall not obtain a license to, or any other property rights in, any such Seller property pursuant to or in connection with this Agreement.

**14. Export Controls; Availability; Laws.**

A. Certain Goods may be subject to export controls under the laws, regulations and/or directives of Canada, the United States and various other countries. Buyer must comply with such laws and regulations and not export, re-export or transfer these Goods to any country to which such export, re-export, or transfer is forbidden or without first obtaining all required authorizations or licenses.

B. Due to government regulations and product availability, not all Goods sold by Seller may be available in every area.

C. Buyer hereby warrants and represents that it will comply with any and all Laws with respect to the purchase, use, and operation of any and all Goods and Services. For purposes hereof, "Laws" means any international, multinational, national, foreign, provincial, federal, state, municipal, local (or other political subdivision) or administrative laws, constitutions, statutes, codes, ordinances, rules, regulations, requirements, standards, policies or guidance having the force of law, treaties, judgments or orders of any kind or nature whatsoever, including, without limitation, any judgment or principle of common law.

**15. Interpretation of the Agreement.** None of Seller's or Buyer's shareholders, directors, officers, partners, managers, employees, agents or representatives have any authority to orally modify or alter in any way the terms and conditions of the Agreement. The terms, conditions, and limitations set forth in the Agreement can be modified, altered, or added to only by a subsequent written instrument signed by an authorized representative of Seller or by language included on the face hereof. Regardless of how many times Buyer purchases, or has purchased, goods and services from Seller by whatever means, each time Buyer accepts the Agreement, Buyer and Seller enter into a separate agreement that will be interpreted without reference to any other agreement between Buyer and Seller, or what Buyer may claim to be a course of dealing or course of performance that has arisen between Buyer and Seller. No inconsistent usage of trade or industry custom, if any, prior to, contemporaneous with or subsequent to the making of the Agreement will waive, vary, serve to explain or serve to interpret any of the terms, conditions and limitations of the Agreement. The Agreement is the sole and exclusive agreement with respect to the matters discussed herein and the provision of Goods and Services hereunder, (except for any contemporaneous writing agreed to in writing by Seller expressly modifying the terms and conditions hereof, which is hereby incorporated herein by reference and made a part hereof) and supersedes all prior and contemporaneous agreements and understandings, negotiations, inducements, representations or conditions, whether oral or written, whether express or implied, with respect to such matters. Failure by Seller to enforce any of the terms, conditions and limitations of the Agreement will not constitute a waiver of those terms, conditions and limitations or a waiver of any other terms, conditions or limitations of the Agreement, and the failure of Seller to exercise any right (whether provided by the Agreement, law, equity, or otherwise) arising from Buyer's default under the Agreement will not constitute a waiver of that right or any other rights.

**16. Force Majeure.** Seller will not be liable for its failure to perform under the Agreement (including, without limitation, the failure to deliver any Goods or perform any Services) due to circumstances beyond its control, including, without limitation, fire, flood, earthquake, pestilence or similar catastrophe; war, act of terrorism, or strike; lack or failure of transportation facilities, shortage of suitable parts, materials or labor; any existing or future law, rule, regulation, decree, treaty, proclamation, or order of any governmental agency; inability to secure fuel, materials, supplies, equipment or power at reasonable prices or in sufficient amounts; act of God or the public enemy; or any other event or cause beyond Seller's reasonable control, including, without limitation, any delay caused by Buyer (each, a "Force Majeure Event"). If any Force Majeure Event prevents Seller's performance of any of its obligations under the Agreement, Seller will have the right to (a) change, terminate or cancel the Agreement, or (b) omit, during the period of the Force Majeure Event, performance of all or any portion of the Services, and/or all or any portion of the quantity of the Goods deliverable during that period, whereupon the total quantity deliverable under the Agreement will be reduced by the quantity omitted. If Seller is unable to supply the total demands for any Goods to be delivered under the Agreement due to a Force Majeure Event, Seller will have the right to allocate its available supply among its customers in whatever manner Seller deems to be fair and equitable. In no event will Seller be obligated to purchase materials from other than its regular sources of supply in order to enable it to supply Goods to Buyer under the Agreement. No change, cancellation or proration by Seller will be deemed to be a breach of any clause, provision, term, condition, or covenant of the Agreement.

**17. Governing Law.** The negotiation, execution, performance, termination, interpretation and construction of the Agreement will be governed by the law of the Province where Seller's office issuing the quotation is located and the Courts of such province shall have exclusive jurisdiction, except for such jurisdiction's choice of law rules. You consent to extra-territorial service of process on you. Any provision of the Agreement held to be invalid, illegal or unenforceable will be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof.

**18. Binding Authority.** Any director, officer, employee, representative, or agent of Buyer signing or otherwise entering into this Agreement hereby represents and warrants that he or she is duly authorized to execute and enter into this Agreement on behalf of Buyer.