

TERMS AND CONDITIONS FOR PURCHASE OF GOODS

TERMS AND CONDITIONS - Acceptance by Vendor of this order, in whatever form, will be according to these terms and conditions only. None of these terms or conditions may be modified unless by instrument in writing signed by both parties. Without limitation, any term or condition of any of Vendor's own form of acknowledgment, confirmation of sale or invoice which modifies, conflicts with or adds to any term or condition hereof is hereby deemed to be waived by Vendor unless expressly accepted in writing by the City.

REPRESENTATIONS AND WARRANTIES - It is a condition of this agreement, and Vendor represents and warrants, that all goods and services (as applicable) to be furnished hereunder will be: (a) free from defects in material and workmanship; (b) of merchantable quality; (c) fit for purpose; (d) of a grade and performance strictly conforming with all specifications, designs, drawings, approved samples, models, descriptions, instructions and other items referred to in this order; (e) processed, manufactured, packaged, labelled, advertised, stored, transported, installed, repaired, maintained and otherwise performed, as the case may be, in compliance with all applicable laws, regulations and orders; and (f) free of infringement of any property rights of third persons, including without limitation any patent, trade-mark, copyright, industrial design, integrated circuit topography right, right of privacy or trade secret. Vendor's warranties and guarantees will survive acceptance and payment and will apply to and be for the benefit of the City, its successors, assigns and customers.

PRICES & INVOICING – Invoices together with a copy of the packing slip must be mailed on the date of shipment. A separate invoice for each shipment, including partial shipments, must be rendered. The City will pay net thirty days from receipt of good (and services) or invoice, whichever is later. Price increases will not be binding unless approved by the City in advance, in writing. All unit and total prices in this order and in all of Vendor's invoices will be in Canadian currency, unless otherwise specifically agreed to by the City in writing.

PACKAGING AND LABELLING – All items must be individually labelled and include the manufacturer's name, date of manufacture, manufacturer part number, a description, and the purchase order number (if applicable). Invoices, packing slips and cases must be marked with the purchase order number and the number of cases included in the shipment.

DELIVERY - Time is of the essence of this order and if delivery of goods or rendering of service is not completed by the time promised, the City will have the right to cancel this order effective on the City's written notice thereof. Vendor will notify the City promptly whenever it appears to Vendor that it will not be able to make deliveries on any date(s) specified. The City's acceptance of deliveries on

dates other than as specified will not constitute a waiver of the City's rights to damages. Delivery will not be deemed to be complete until the goods have been received and accepted by the City.

HAZARDOUS GOODS (if applicable) - Items must be packaged in accordance with the latest IAW standards and a copy of the MSDS must be included in the shipment and forwarded by separate cover to the City.

INSPECTION - All goods purchased are subject to inspection and approval at the City's destination prior to, during and for a reasonable period of time after delivery, notwithstanding any prior payment. The City reserves the right to audit products listed on this order prior to shipment. If goods purchased hereunder in whole or in part fail to comply with any conditions, representations or warranties herein ("Defective Goods"), the City will have the option, at its sole discretion, to: (a) reject all goods and recover from Vendor all amounts paid therefor or in connection therewith; (b) reject the Defective Goods only and recover from Vendor all amounts paid therefor or in connection therewith; (c) reject the Defective Goods and require Vendor to correct, repair or replace the Defective Goods at Vendor's cost and expense; or (d) correct and repair the Defective Goods and charge the cost and expense to Vendor. The right of rejection is exercisable notwithstanding any inspection or any dealing with the goods by the City or its customers. Upon the City's notifying Vendor of its intention to reject the goods or Defective Goods, risk of loss for all goods rejected will pass to Vendor. Without limiting the City's rights and remedies, Vendor will bear the cost to Buyer of unpacking, inspecting, examining, repacking, storing and reshipping rejected goods. Rejected goods will not be replaced without the City's consent. Vendor will be responsible for freight and transportation charges, duties and taxes, and the City's processing and handling costs for replacement shipments.

PROPERTY PROVIDED BY THE CITY TO VENDOR - Unless otherwise agreed in writing, all raw materials, components, work in progress, designs, patterns or molds and any other property provided at any time by the City to Vendor, or specifically paid for by the City, for use in the performance of this order, will be and remain the property of the City, will be subject to removal upon the City's instruction, will be used only in filling orders from the City and will be held at Vendor's risk. Vendor agrees that the features of any components, work in progress, designs, patterns or molds or any other technical or proprietary information furnished by the City are confidential and proprietary to the City. Such information will only be provided by Vendor to those of its employees, agents and representatives with a "need to know". Vendor will not disclose, and will ensure that none of its agents, employees or representatives disclose, any such information to any third person. Vendor will use such items only for the purposes of this order or other orders and not otherwise without the City's prior written consent. On completion or termination of this order or sooner if so

requested by the City, Vendor will return all such items to the City or dispose of such items as may be directed or approved by the City. In the event that the City supplies any materials to Vendor for use by Vendor in the fulfillment of Vendor's obligations hereunder, and the goods produced by Vendor are defective, Vendor will reimburse the City for the total cost of all such materials supplied by the City to Vendor.

FREIGHT AND TAXES - Unless otherwise specifically provided for in this order, Vendor will pay all freight and other transportation charges and insurance covering the goods until they are delivered to the destination indicated herein, and all federal, state, provincial and local sales, use, excise, value-added and other taxes and duties which may be imposed on the goods ordered hereunder or by reason of their sale or delivery. Any freight, transportation or insurance costs, taxes or duties for which the City has agreed in writing to reimburse Vendor will be separately listed on Vendor's invoice.

RISK OF LOSS - Unless otherwise specified in this order, and notwithstanding any agreement to pay freight or other transportation charges, risk of loss or damages and title to the goods will not pass to the City until the goods have been received and accepted by the City at the destination specified in this order.

SET-OFFS - The City will be entitled at all times to set off any amount owing at any time from Vendor to the City against any amount payable at any time by the City to Vendor in connection with this order. Disputes between the City and Vendor in connection with the City's claims for set-off will not excuse Vendor from further deliveries in accordance with the dates and other terms and conditions specified herein.

CANCELLATION - The City will have the option to cancel this order in whole or in part by notice to Vendor in writing at any time and to return at Vendor's cost any goods previously delivered pursuant to this order so canceled if: (a) Vendor defaults in performance hereunder in a material respect; (b) in the City's opinion there has been a failure of Vendor to make sufficient progress in the work so as to endanger substantially Vendor's performance hereunder; (c) Vendor ceases to conduct its operations in the normal course of business; or (d) Vendor becomes insolvent or makes an assignment for the benefit of creditors, or if proceedings are taken by or against Vendor under any bankruptcy, insolvency or reorganization laws, or if a trustee, receiver or administrator is appointed with respect to Vendor or its business or property.

ASSIGNMENT AND SUBCONTRACTING - Vendor will not: (i) sell, transfer or assign to any third party, or otherwise dispose of, any raw materials, components, work in progress or finished goods obtained, used or produced hereunder; or (ii) assign any of its rights or delegate or sub-contract any of its duties hereunder, without the City's prior written authorization. Any transaction, which would result in the vesting of the rights and duties of Vendor hereunder in any third party, whether or not by the operation of law, will be deemed to be an assignment subject to the City's authorization as

aforesaid. Any unauthorized assignment or delegation in contravention of this provision will be void and the City will have all rights and remedies herein and under applicable law.

INDEMNITY - Vendor will defend, protect, indemnify and hold harmless the City, its affiliates, successors, assigns and customers from all liability, loss, damage, cost or expense, including legal fees, paid or incurred by reason of the breach or the claim of breach of any of the conditions, representations or warranties of this order, including without limitation all claims relating to product liability or injury or damage to people or property. The City's rights and remedies set forth in this order are cumulative and in addition to all other rights and remedies under applicable law.

ENTIRE AGREEMENT / NO WAIVER - The terms and conditions of this order constitute the entire agreement and understanding between the parties pertaining to the subject matter hereof. No amendment of or addition to any of the terms and conditions hereof will be binding on either party unless in writing signed by both parties. No waiver by the City of any term or condition of this order or any remedy it may have pursuant hereto will affect any of the City's rights to enforce or to exercise any right or remedy in the event of any other breach of any other or the same term or condition.

GOVERNING LAW - This Agreement will be governed by the laws of Ontario and those of Canada applicable therein.