

TERMS AND CONDITIONS

THE FOLLOWING TERMS AND CONDITIONS SHALL GOVERN AND FORM THE BASIS OF THE AGREEMENT BETWEEN SOURCE HOSE & INDUSTRIAL LTD. ("Source") AND THE PURCHASERS IN CONNECTION WITH THE PURCHASE OF PRODUCTS FROM SOURCE. TO THE EXTENT OF ANY CONFLICT BETWEEN THE TERMS OF THE ORDER AND THE TERMS AND CONDITIONS SET OUT HEREIN, THE TERMS AND CONDITIONS CONTAINED HEREIN SHALL PREVAIL. THE TERMS AND CONDITIONS SHALL BE APPLIED IN CONJUNCTION WITH ANY CREDIT AGREEMENTS ENTERED INTO BY THE PURCHASERS AND SOURCE.

1. Purchases. Any purchases of products supplied by Source (the "**Products**"), whether in store or by way of written, faxed, emailed, phoned in, or order of any kind (the "**Purchase**") to Source by the Purchasers shall form a binding agreement between Source and the Purchasers (the "**Parties**") to which these Terms and Conditions shall govern. The Purchase shall be deemed to include these Terms and Conditions and all Parties are deemed to have acknowledged and accepted the same.
2. Payment. Pricing and payment terms shall be in accordance with the terms set out in the Purchase invoice. The Purchasers acknowledge and accept the interest rate stated on the Purchase invoice of **EIGHTEEN 18% PERCENT PER ANNUM** (the "**Interest Rate**"). The Interest Rate shall be incurred on all outstanding monies that remain unpaid **THIRTY (30) DAYS** following the receipt of the Purchase Invoice by the Purchasers.
3. Possession and Condition of Product. Upon taking of possession of the Products, the Products shall be deemed for all purposes hereof to have been accepted by the Purchasers as in good condition on an 'as-is, where-is' basis.
4. Risk. The Purchasers acknowledge and agree that use and operation of the Products may involve risks, dangers and hazards to both person and property and the **PURCHASERS HEREBY ACCEPT AND ASSUME ALL SUCH RISKS, DANGERS AND HAZARDS, HOWSOEVER CAUSED.** Source shall not be responsible or liable for any losses resulting to the Purchasers, its agents, employees, contractors, subcontractors, directors, officers, assigns or successors or to any third party for any liabilities, obligations, claims, damages, penalties, and causes of actions, costs and expenses ("**Claims**").
5. Indemnity. The Purchasers hereby covenant and agree to indemnify and save harmless Source and its officers, directors, employees, agents and representatives from and against any and all Claims, actions, suits, proceedings, costs, expenses, losses, damages and liabilities, including solicitors' fees and disbursements on a solicitor and own client full-indemnity basis, arising out of, connected with or resulting from the possession, installation, use and operation of the Products, including, without limitation, the following:
 - a. Any injury, disability or death occasioned to or suffered by any person, including damage to any property arising from the transport, use, handling or operation of the Products;
 - b. Any damage of any kind or nature whatsoever or howsoever arising to the Products;
 - c. The failure by the Purchasers, their agents or employees to observe or perform any of its obligations pursuant to these Terms and Conditions; and
 - d. Any Claim or proceeding made by any person with respect to the subject matter of these Terms and Conditions.
6. Limit on Liability. Notwithstanding anything contained herein, the liability of Source for any reason and upon any cause of action shall be limited to an amount equal to the total monies paid to Source for the Products giving rise to such a claim.
7. Cost and Legal Fees. If Source is required to enforce these Terms and Conditions as against the Purchasers and/or a third party, including in relation to collecting on outstanding accounts with the Purchasers, then the Purchasers agree to indemnify Source for its costs and expenses relating to enforcing the Agreement, including accounting fees and legal fees and disbursements on a solicitor and own client basis.
8. Governing Law. These Terms and Conditions shall be governed by and construed in accordance with the laws of Province of Alberta. The Parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the City of Edmonton in the Province of Alberta.
9. Entire Agreement. These Terms and Conditions, along with the quote, packing slip and invoice, constitute the entire agreement between the Parties and there are no statements, representations, warranties, undertakings or agreements, written or oral, express or implied, direct or indirect, collateral or otherwise, between the Parties, with respect to the subject matter of these Terms and Conditions, except as herein set forth.
10. Severability. Any provision of these Terms and Conditions which is or is found to be invalid or unenforceable may be severed from these terms and conditions and such severance shall not affect the validity or enforceability of the remaining terms and conditions.