

THE COMPANY'S WARRANTY PROGRAM

1. The Company warrants each Product manufactured, installed or repaired by it to be free from defective materials or workmanship for a period of eighteen months from the date of shipping of such Product to the customer of the Company or one year after sea trials, whatever comes first, and, if any Product is proven to be defective in materials or workmanship, the Company will, at its sole option and as the sole remedy of the customer, repair or replace such Product without charge to the customer, provided the customer:
 - (a) gives immediate notice of any alleged defects upon discovery by the customer;
 - (b) maintains and uses the product strictly in accordance with its intended use, the Company's recommendations, if any, and all applicable federal, provincial and municipal government laws, rules and regulation; and
 - (c) does not alter or repair the Product without the written approval of the Company.
2. Unless otherwise agreed all Products are sold, repaired or replaced F.O.B. the Company's facility at 135 Riverside Drive, North Vancouver, British Columbia, V7H 1T6, Canada.
3. No Products may be returned to the Company without its prior written approval. All Products returned must be shipped 'freight prepaid'.
4. The Company accepts no liability for any Products resold, leased, rented, or used in any manner by persons other than the original purchaser of the Products unless, at the time the Products were purchased, the Company agrees in writing to extend the warranties herein contained to such third parties.
5. The warranties contained herein will not apply to any Products which have not been properly maintained or have been repaired by anyone other than the Company or an authorized representative thereof, were used for purposes other than those for which they were designed, were subject to obvious neglect, abuse, or misuse, or stress at angles other than reasonably contemplated in the normal use of the Products.

6. Except as herein provided for the repair or replacement of defective Products, the Company shall have no liability for any loss, personal injury, damage, expense (including removal, installation or re-installation of Product), loss of revenue, loss of profit, loss of use, damages consequential upon loss of use, or any other consequential damage, directly or indirectly caused by or resulting from any negligence of the Company, or accident, or the use of failure of any Products, or from improper or inadequate manufacture of assembly, maintenance or inspection.

7. Unless the Company acknowledges in writing any statements, specifications, desired qualities or characteristics of Products, or potential for loss by a customer, the Company will be deemed to have no notice of any such statement, specification, desired qualities or characteristics of Products, or potential for loss.