

GENERAL TERMS OF ENGAGEMENT

General

D&D Automation Inc. shall render the services (as specified) to the Client for this project in accordance with the following terms of engagement. D&D Automation Inc. may, at its discretion and at any stage, engage consultants to perform all or any part of the services.

Representatives

Each party shall designate a representative who is authorized to act on behalf of that party and receive notices under this Agreement. The Client shall designate in writing a person or firm to act as Client's representative with respect to Engineer's services to be performed under this Agreement; such person or firm shall have complete authority to transmit instructions, receive information and data, interpret and define Client's policies and decisions with respect to the Project and to order, at Client's expense, such technical services as may be requested by Engineer.

Responsibilities of the Client

The Client shall:

- a) make available to D&D Automation Inc. all relevant information required by D&D Automation Inc., and shall instruct D&D Automation Inc. fully as to the Client's requirements including design objectives, constraints and criteria, special equipment and systems, site requirements and construction budget. D&D Automation Inc. shall be entitled to rely upon the accuracy and completeness of all such information and data furnished through the Client or Client's consultants whether such consultants are engaged at the request of D&D Automation Inc. or not;
- b) when so required by D&D Automation Inc., engage consultants directly to perform services necessary to enable D&D Automation Inc. to fully carry out his or her duties, which such services may include a survey prepared by an Ontario Land Surveyor of the site, site services data, geotechnical reports and appropriate testing;
- c) give D&D Automation Inc. authority to act as the Client's agent in all matters falling within the scope of D&D Automation Inc.'s services;
- d) promptly review all documentation submitted by D&D Automation Inc., and inform D&D Automation Inc. of decisions in time for the orderly progress of D&D Automation Inc.'s services and of the Work;
- e) obtain all required consents, approvals and licenses and permits from authorities having jurisdiction;
- f) immediately notify D&D Automation Inc. whenever the Client or the Client's representative becomes aware of a defect of deficiency in the Work or the contract documents.

Compensation

Charges for the services rendered will be made in accordance with D&D Automation Inc.'s Schedule of Fees and Disbursements, which may be revised from time to time. All time expended on the Project whether in D&D Automation Inc.'s office, at the Client's premises, or elsewhere, and including travel time, shall be chargeable. This includes, but is not limited to, clerical staff engaged in the preparation of documents such as reports and specifications. Invoices will be due and payable by the Client within thirty (30) days of the date of the invoice without holdback.

Engineer shall be paid in full for all services under the Agreement, including any extension of services authorized by the Client and any unforeseen need to exceed any prior estimates of cost. Engineer agrees to advise the Client in advance if any prior estimates of cost are to be exceeded. Payment for such services shall be made irrespective of any claim by any other party for compensation for additional work conducted. Any such claim shall in no respect delay payment of fees for services performed by Engineer.

After giving notice to D&D Automation Inc. in writing, the Client may, at any time after the execution of the agreement or the commencement of the services, delete, extend, increase, vary or otherwise alter the services forming the subject of the agreement, and if such action by the Client necessitates additional staff or services, D&D Automation Inc. shall be paid for such additional staff employed directly thereon together with such expenses and disbursements as incurred. In the case of a reduction in the requirement for services, any reduction in D&D Automation Inc.'s fees will be the subject of negotiation. Any such change shall require the execution of a formal amendment to this Agreement.

In addition to the fee, D&D Automation Inc. shall be reimbursed at cost plus an administrative charge of 5%, plus the cost of the additional insurance incurred by D&D Automation Inc. and as requested by the Client, for all reasonable expenses properly incurred by D&D Automation Inc. in connection with the Project, including but not limited to vehicle use charges, traveling and living expenses, long distance telephone charges, teletype and telegraph charges, printing and reproductions, progress photography, advertising for tenders, special delivery and express charges, overtime premium costs, and the cost of providing and maintaining site office, supplies and equipment and chemical and physical tests.

Any estimate provided is based upon pricing in effect on date of signing this contract. Estimates may be re-evaluated if the project duration is longer than 3 months to cover changes in pricing and reorientation of staff.

D&D Automation Inc. shall be entitled to compensation equal to \$25,000.00 in the event that our client's solicit them for employment as a head hunter placement fee.

Arbitration

All matters in dispute under this Agreement shall be referred to arbitration. The award of the arbitrator shall be final and binding upon the parties. The provisions of the Ontario Arbitration Act shall apply.

No person shall be appointed to act as arbitrator who is in any way interested, financially or otherwise, in the conduct of the Work on the Project or in the business or other affairs of either the Client or D&D Automation Inc..

Limitations of Liability Provisions

The Client expressly agrees that it has entered into this Agreement with D&D Automation Inc., both on its own behalf and as agent on behalf of its principals.

The Client expressly agrees that D&D Automation Inc.'s employees and principals shall have no personal liability to the Client in respect of a claim, whether in contract, tort and/or any other cause of action in law. Accordingly, the Client expressly agrees that it will bring no proceedings and take no action in any court of law against any of D&D Automation Inc.'s employees or principals in their personal capacity.

Allocation of Liability

D&D Automation Inc. shall not be responsible for:

- a) any project decisions made by the Client if the decisions were made without the advice of D&D Automation Inc. or contrary to or inconsistent with D&D Automation Inc.'s advice;
- b) any damage to subsurface structures and utilities;
- c) the design of or defects in equipment supplied or provided by the Client for incorporation into the Project;
- d) the unauthorized distribution of any conditional document or report prepared by or on behalf of D&D Automation Inc. for the exclusive use of the Client;
- e) acts or omissions of the Client or his consultant involved in the design of the project or the failure of the Client, Client's employees, any contractor or subcontractor to construct any aspect of the Project in accordance with recommendations contained in any correspondence or the verbal recommendation issued by D&D Automation Inc.;

the total amount of all claims the Client may have against D&D Automation Inc. under this engagement, including but not limited to claims for negligence, negligent misrepresentation and breach of contract. The liability shall be strictly limited to the amount of any fees paid. Furthermore in no event shall D&D Automation Inc. be liable to the Client in contract or in tort, including negligence or otherwise, for any indirect or consequential damages, including but not limited to loss of use, business interruption, loss of profit and liability to other persons for breach of contract. No claim may be brought against D&D Automation Inc. in contract or tort more than two (2) years after the services were completed or terminated under this engagement.

Professional Responsibility

In performing the services, D&D Automation Inc. will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices and procedures normally provided in the performance of the services contemplated in this engagement at the time when the services were provided and the location in which the services were performed.

Documents

All of the documents prepared by D&D Automation Inc. or on behalf of D&D Automation Inc. in connection with the Project are instruments of service for the execution of the Project. D&D Automation Inc. retains the property and copyright in these documents, whether the Project is executed or not. Upon payment of the portion of the fee that is applicable to the cost of producing the documents, the Client shall have a royalty-free license to use such drawings and other documents for the purpose of performing the Work. Save as aforesaid, the Client shall not make copies of such drawings or other documents. These documents may not be used on any other project without the prior written agreement of D&D Automation Inc..

Field Services

Where applicable, field services recommended for the Project are the minimum necessary, in the sole discretion of D&D Automation Inc., to observe whether the work of a contractor retained by the Client is being carried out in general conformity with the intent of the approved documents. Site visits are limited to spot checking and general observation; D&D Automation Inc. does not guarantee the work of the contractor. Field-inspection by D&D Automation Inc. is not to be considered as in any way limiting the contractor's or sub-contractor's responsibility for damages resulting from operations or for furnishing work and materials to the Project.

If the design professional's services do not include construction phase services, the Client shall be solely responsible for interpreting the contract documents and observing the work of the contractor to discover, correct or mitigate errors, inconsistencies or omissions and that, if the Client authorizes deviations, recorded or unrecorded, from the documents prepared by the design professional, the Client shall not bring any claim against the design professional and shall indemnify and hold the design professional, its agents and employees harmless from and against claims, losses, damages and expenses including but not limited to defense costs and the time of the design professional, to the extent such claim, loss, damage or expense arises out of or results in whole or in part from such deviations, regardless of whether or not such claim, loss, damage or expense is caused in part by a party indemnified under this provision.

Environmental

D&D Automation Inc.'s field investigation, laboratory testing and engineering recommendations will not address or evaluate pollution of soil or pollution of groundwater. D&D Automation Inc. will co-operate with the Client's environmental consultant during the field work phase of the investigation. D&D Automation Inc. is not responsible for outcomes due to existence of pollutants on the site, whether known or unforeseeable or for any cross-contamination resulting from subsurface investigations.

Approval by Other Authorities

Unless otherwise provided in this Agreement, where the work of D&D Automation Inc. is subject to the approval or review of an authority, department of government, or agency other than the Client, preparation of applications for approval or review shall be the responsibility of D&D Automation Inc., but shall be submitted through the offices of the Client and, unless authorized by the Client in writing, such applications for approval or review shall not be obtained by direct contact by D&D Automation Inc. with such other authority, department of government or agency.

Successors and Assignments

This Agreement shall endure to the benefit of and be binding upon the parties hereto and, except as otherwise provided herein, upon their executors, administrators, successors and assigns. If a party to this Agreement is a partnership, and a partner thereof either dies or retires, the remaining parties therein shall form a new successor partnership to share the benefits and obligations of the agreement. Except as aforesaid, neither party shall assign this Agreement without the prior consent in writing of the other.

Termination

Either party may terminate this engagement without cause upon thirty (30) days' notice in writing. On termination by either party under this paragraph, the Client shall forthwith pay to D&D Automation Inc. its charges for the services performed, including all expenses and other charges incurred by D&D Automation Inc. for this Project. If either party breaches this engagement, the non-defaulting party may terminate this engagement after giving seven (7) days' notice to remedy the breach. On termination by D&D Automation Inc. under this paragraph, the Client shall forthwith pay to D&D Automation Inc. its charges for the services performed to the date of termination including all fees and charges for this Project.

Construction Emergencies

D&D Automation Inc. reserves the right to take immediate emergency action in the Client's interest, during construction if D&D Automation Inc., acting reasonably, feels circumstances warrant.