



TERMS AND CONDITIONS OF SALE

EXCLUSIVE CONDITIONS OF SALE: Except for the application of overriding General Terms and Conditions Agreements previously executed between Purchaser and Vendor any purchase order covering the sales of Vendor's equipment of services ("Order") is subject solely to the terms and conditions contained here-in and other written provisions mutually agreed upon. These Terms and Conditions of Sale supersede Purchaser's Specification and/or Purchase Order. Vendor will recognize no modifications or additions to these conditions unless specifically agreed to in writing by Vendor. Failure of Vendor to object to provisions contained in the Purchaser's Order or any other communication from Purchaser shall not be construed as a waiver of these conditions or an acceptance of any such provisions. If Purchaser places an Order with Vendor based on Vendor's Quotation, whether the Order is placed in writing or orally, then the Quotation (including Vendor's Terms and Conditions of Sale) and the Vendor's acceptance of the Order will constitute the entire contract between Purchaser and Vendor with respect to the subject matter thereof notwithstanding any terms and conditions inconsistent with these terms and conditions on any of Purchaser's forms or correspondence. All orders, sales contracts and other documentation between Purchaser and Vendor shall become effective only when approved and accepted by the Vendor. Vendor reserves the right to reject any Order submitted for its acceptance.

PRICES: Prices quoted herein are based upon presently prevailing duties, rates of duties, taxes, special assessments, monetary exchange and freight as applied to materials and/or equipment purchased or imported by us. The Vendor reserves the right to amend the price(s) in this quotation where variations in regulated costs such as rate of duties, taxes, special assessments, monetary exchange and freight between the date of quotation and date of delivery are deemed significant by the Vendor.

TERMS OF PAYMENT: For Purchasers whose credit is acceptable to the Vendor, the standard terms of payment are Net-30 Days from date of invoice, with a service and interest charge of 1-1/2% per month (18% per annum) on past due invoices applying. If Purchaser defaults in any payment when due or refuses to accept delivery or becomes insolvent, the Vendor at its option, without prejudice to other lawful remedies, may defer deliveries or cancel the remainder of the order. Vendor shall issue its invoice upon shipment, or upon notice to Purchaser that Vendor is ready to ship, whichever is earlier. Equipment held for Purchaser shall be at the risk and expense of Purchaser. Depending on the value of the Order, Vendor may at its sole discretion require progress payments. Printed terms on face of our Quotation will take precedence.

If Purchaser's financial condition is or becomes unsatisfactory to Vendor, Vendor reserves the right to: (a) cancel shipment at any time prior to delivery of the Equipment without further obligation or liability on the Vendor's part (b) or require a letter of credit or other acceptable security before shipment.

TITLE: Title to the goods covered by this Quotation and the right to immediate possession thereof shall remain with the Vendor until the purchase price is paid in full and Purchaser hereby grants to Vendor a security interest in the equipment (and all proceeds thereof) to secure the Purchaser's obligation to pay for the equipment.

CERTIFICATIONS: Any certification for special duty or tax rate must be supplied at time of order. A service charge will be applied on any credit notes necessitated by customer not providing proper certification at time of order. Exception from taxes extended to the customer does not prejudice our right to charge the customer with taxes plus any penalties assessed at any subsequent date should the taxing authorities determine that the equipment is taxable.

PENALTIES AND DELAYS: No penalty clause of any kind, in any specification of order will be effective unless specifically approved in writing by Vendor. Vendor shall not be liable for any damage, expenses, special, incidental, penal damages or consequential damages of whatsoever kind caused by delays beyond Vendor's reasonable control including without limiting the generality of the foregoing; fire, labor disputes, strike, act of the Purchaser, war, restriction by civil or military authority, insurrection, riot, boycotts, floods, epidemics, quarantine restrictions, Act of God, freight embargos, transportation shortages, delays and failures or inability to obtain necessary labor, materials or access to manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

CANCELLATION: Orders once accepted are not subject to cancellation unless on terms that will indemnify Vendor against loss and/or expenses incurred.

SHIPMENT: Unless otherwise specified in writing, all shipments are EX-WORKS (Incoterms 2000) Vendor's shop, in which case Vendor is not responsible for damage, apparent or concealed, or loss in transit and all claims on "collect" shipments must be made by Purchaser direct to the carrier. Vendor will assist insofar as practical in securing satisfactory adjustment to reasonable claims. Shipping dates are approximate and are based on prompt receipt of all necessary information at Vendor's shop. Vendor shall not be liable for delay in delivery for any reason.

In the event Purchaser requests a delay in completion and shipment or by Purchaser's actions causes a delay in the completion and shipment of the Equipment or any part thereof for any reason, the parties shall agree upon any cost and/or scheduling impact of such delay, with all such costs to the account of the Purchaser. Any delay period beyond thirty (30) days after the original scheduled shipment date shall require the Purchaser to take title and risk of loss of such Equipment, and thereafter to make arrangements for storage of such Equipment with the Vendor or other party.

ACCEPTANCE: By virtue of Purchaser issuing an Order for equipment in accordance with this Quotation, he also accepts Vendor's Terms and Conditions of Sale as part of the order.

WARRANTY: Equipment manufactured by the Vendor is warranted to be free of defects in material and workmanship under normal use and when properly assembled and installed for a period of 12 months from the date of being placed in service (but not to exceed 18 months from date of shipment). If any defects are claimed by Purchaser during the warranty period, Vendor's sole obligation shall be limited to alteration, repair or replacement at Vendor's expense, EX-WORKS (Incoterms 2000) Vendor's shop, on parts or equipment which upon return to Vendor and upon Vendor's examination proves to be defective. Vendor's warranty obligation for service and repair work shall expire ninety (90) days from the date the initial start-up or six months after completion of the service and repair work, whichever occurs first.

Equipment not manufactured by Vendor is not warranted except insofar as and to the extent it is warranted to Vendor by manufacturer(s). UNLESS OTHERWISE SPECIFIED IN WRITING HEREIN, THERE ARE NO REPRESENTATION, WARRANTIES OR CONDITIONS, EXPRESSED OR IMPLIED STATUTORY OR OTHERWISE, EXCEPT FOR THE FOREGOING AND WITHOUT LIMITING THE GENERALITY OF THE ABOVE, THERE ARE NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CONCERNING THE QUALITY OF THE EQUIPMENT OR THAT ANY SUCH EQUIPMENT WILL BE FIT FOR ANY PARTICULAR PURPOSE OF THE PURCHASER.

Vendor is not obligated to bear the cost of labor or transportation charges in connection with the replacement or repair of defective parts or equipment. No warranty shall apply to any equipment upon which repairs or alterations have been made unless authorized by Vendor, nor to equipment which has been subjected to misuse, negligence or mishandling.

DAMAGES: Subject to the balance of the provisions of this clause, Vendor shall only be liable for the cost of replacement of any defective Equipment provided hereunder. Vendor shall not be liable to the Purchaser in any circumstances for any incidental, special, consequential or indirect damages, including but not limited to loss of profits or revenue, loss of use of equipment and facilities, and claims by or payments to customers, suppliers or other parties who have a relationship with the Purchaser. This disclaimer applies to consequential damages based upon any cause of action whatever asserted against Vendor including

causes of action arising out of any breach of warranty, express or implied, guarantee, product liability, negligence, tort, or any other cause pertaining to the performance or non-performance of this Quotation or contract by Vendor and the Purchaser hereby waives any right to claim punitive, aggravated or exemplary damages with respect to a breach of this Quotation or the performance or non-performance of the Equipment, and whether such claim is founded in contract, tort or otherwise. Vendor shall not be responsible for losses or damages arising out of the negligence of the Purchaser, its' employees, agents or third party contractors. In no event will Vendor's maximum liability to the Purchaser in connection with the Equipment, including without limitation resulting from breach of contract or any other performance or non-performance of this Quotation or contract, exceed the amount of the purchase price paid to Vendor hereunder.

RETURNING EQUIPMENT: No equipment is to be returned without first obtaining from Vendor shipping instructions and a return material identification number and agreement in writing as to terms. Returned equipment, which Vendor elects to accept for credit is subject to reasonable handling and restocking charge commensurate with the policy of the manufacturer plus all charges incurred by Vendor. Vendor is not responsible for equipment that is returned without complying with the foregoing. Equipment is returned at the expense and risk of the Purchaser.

TERMS FOR A MUNICIPALITY: In the event that Purchaser and/or the ultimate owner of the equipment covered by this Quotation is a Municipality, the Purchaser, by accepting this Quotation hereby certifies that the said Municipality has obtained final approval by Provincial authority or their loan by-law for the project for which this equipment is being purchased and that the Municipality has made interim financing arrangements and that the Municipality will have funds available to meet the payment schedule stipulated herein. Purchaser hereby agrees to produce written evidence of the foregoing if so requested by the Vendor.

PRIVILEGE AND LIEN RIGHTS: Vendor retains all lien rights with regard to the equipment in accordance with any Builder's Lien Act, Mechanic's Lien Act, Builder and Works Act or other legislation passed pursuant to or in replacement thereof.

BACK CHARGES: Vendor will accept no back charges for any reason without Vendor's written permission to incur such back charges.

INVALIDITY: If any provision of this contract shall be found to be invalid or illegal by reason of any determination made by a court of competent jurisdiction or any governmental authority having jurisdiction in the circumstances, such provisions shall be severed from this contract to the extent of such invalidity or illegality and the validity, legality or enforceability of the remaining provisions of this contract shall not in way be affected or impaired thereby. Waiver of any default shall not be a waiver of any other or subsequent default.

DOMICILE: Purchaser hereby agrees to effect domicile in the Province in which the order for the goods was placed with the Vendor.

GST NUMBER: National Process Equipment Inc. **GST Number** is 869081042RT.

APPLICABLE LAWS AND FORUM: This contract shall be interpreted in accordance with and shall be governed by the laws of the Province of Alberta, and the parties agree that any disputes hereunder or with respect to this quotation or the resulting contract between the parties shall be determined exclusively by the Courts in the Province of Alberta, and the parties hereby expressly attorn to the exclusive jurisdiction of the Courts in the Province of Alberta.

LANGUAGE: The parties acknowledge that they have required that this contract and all related documents be prepared in English. *Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.* If the Buyer requests, a French version of this agreement will be used.