

**SCHEDULE A – GENERAL TERMS AND CONDITIONS**

**ENTIRE AGREEMENT:** This Agreement made by Terra Energy Management Services Inc. (henceforth "TEMSI") with the customer as identified on the contract documents (henceforth the "Customer") and the quotation and Schedules attached to this Agreement, including these General Terms and Conditions, shall constitute the entire agreement between the parties with respect to the subject matter of the agreement.

1. **DURATION:** Unless modified in the quotation the prices in this quotation are firm for acceptance within 30 days.
2. **CONTRACTORS:** All or part of the services or products specified in the Agreement between TEMSI and Customer may be provided or supplied by one or more Contractors of TEMSI. The term "Contractors" means any contractor or agent of TEMSI and shall include any affiliates or subcontractors of any such Contractor.
3. **ACCESS:** TEMSI and its Contractor shall be entitled to access at all reasonable times to any of the Customer's locations to perform the services as set forth in the Agreement.
4. **WARRANTY:** TEMSI will replace or repair any Material, Equipment or Workmanship found defective within a period of 12 months from the date of Substantial Performance of the Work performed under this Agreement. TEMSI passes through to the Customer any manufacturer's warranty for equipment supplied, but TEMSI provides no warranties, whether statutory or otherwise, of its own to the Customer with respect to any products provided under the Agreement. TEMSI does warrant that services it or its Contractors provide are in accordance with normal and accepted industry practice. The remedies set forth in this Agreement are the customer's only remedies for breach of these warranties.
5. **FORCE MAJEURE:** If TEMSI is unable to perform any of its obligations under this Agreement because of circumstances or events beyond its reasonable control, TEMSI shall be excused from performance of such obligations for the duration of such circumstances or events and TEMSI shall not be liable to the Customer for such failure to perform.
6. **PRICES AND TAXES:** All amounts specified in this Agreement are exclusive of GST taxes; PST is included in the contract price unless specified otherwise. Customer shall pay all GST extra.
7. **PAYMENT:** All amounts due and payable by the Customer under this Agreement shall be paid within thirty (30) days of receipt of a TEMSI invoice therefore and all amounts not received from the Customer when due shall bear interest at 2% per month from the due date to and including the date of payment in full. The Customer shall reimburse TEMSI for all reasonable costs (including legal fees on a solicitor/client basis) incurred by TEMSI in the collection of any payments not made when due. Such remedy shall be in addition to, and not in lieu of, TEMSI right to terminate this Agreement at any time for non-payment. The Customer at the time of acceptance agrees to pay based on the schedule of payments outlined in the quotation.
8. **TITLE:** Title to the equipment remains with TEMSI until the entire purchase price and all other sums due TEMSI under this Agreement have been fully paid in cash. All equipment, whether affixed to the realty or not, shall remain personal property and be deemed severable without injury to the freehold. Customer shall do whatever may be required to maintain TEMSI title. On default of any payment or failure to perform any terms or conditions of this Agreement, or in the event that a proceeding in bankruptcy or insolvency is instituted against Customer or voluntarily by Customer or if in TEMSI judgment, equipment is misused, illegally used or imperilled, then, at TEMSI option, the entire unpaid balance shall become immediately due and payable. In such case, TEMSI may, without notice or demand, enter the premises and retake, remove and hold or resell the equipment or any part thereof at either private or public sale. If the unpaid balance plus interest is not satisfied by the net proceeds of such sale, after deducting expenses of retaking, repairs necessary to place the equipment in saleable condition, storing, taxes, liens, attorneys' and collection agencies' fees, and other necessary expenses in connection therewith, Customer shall pay any deficiency as liquidated damages for breach of this Agreement.  
Until the entire purchase price and all other sums due TEMSI under this Agreement have been fully paid in cash, Customer shall keep said equipment free of all taxes and encumbrances, shall not remove said equipment from the premises without written permission of TEMSI and shall not transfer any interest in said equipment or in this Agreement without written consent of TEMSI.
9. **RISK OF LOSS:** TEMSI shall have the right to deliver any portion of the materials included under this Agreement when ready for shipment. On delivery of equipment, Customer shall assume risk of loss or damage to such equipment, and shall cause same to be insured in all respects against loss or damage in a manner and an amount sufficient to protect the interest of TEMSI. Cost of such insurance is to be paid by Customer. Insurance certificates shall be delivered to TEMSI on request.
10. **EXISTING CONDITIONS:** TEMSI is not responsible for the removal of hazardous materials that prevent the completion of the work outlined in the Agreement or for the correction of existing code deficiencies. Asbestos removal, for any reason, is not included unless otherwise specified.
11. **OPERATION:** The Customer agrees to operate any equipment provided under this Agreement in accordance with the operating and service instructions provided by the manufacturer. Any unusual operating conditions must be reported to TEMSI or the assigned service provider promptly.
12. **LIMITATION OF LIABILITY:** Neither TEMSI nor any Contractor nor any of their respective employees, agents, officers, directors, or other representatives ("Representatives") shall be (i) responsible for the acts or omissions of the employees, contractors, subcontractors or agents

of the Customer; or (ii) liable for any loss, injury or damage to persons or property caused by the failure or malfunctioning of any tools, equipment, facilities or devices not furnished by the Contractor or by the negligence or fault of the Customer, its employees, contractors, agents, or their representatives. Under no circumstances shall TEMSI or its Contractors or their respective Representatives be liable to the Customer for any indirect, special or consequential damages or damages for loss of use or profits or other economic benefits, arising directly or indirectly from any breach of this agreement, or from any tortious acts, including the negligence or omissions of TEMSI or its Contractors or their respective Representatives. The aggregate liability of TEMSI or its Contractors or their respective Representatives to the Customer under this Agreement shall not exceed the sum of the Agreement value. No action arising out of this Agreement, regardless of the form thereof, may be brought by either party more than one (1) year following the date the cause of action arose, provided however that TEMSI may bring an action for non-payment of amounts required to be paid by the Customer under this Agreement at any time.

13. **NOTICE:** Any notice required to be delivered under this Agreement shall be directed to Terra Energy Management Services Inc., 383 Morrison Road, Oakville, ON L6J 4K3. Attention: Glen Thompson. Phone (905-339-3011) Facsimile (905-339-0985) and to the Customer as identified on the accompanying contract document. Any notice to be given under this Agreement shall be deemed received on the date of receipt by the receiving party. Either party may change its address for notice by providing written notice of that change to the other party.
14. **CONFIDENTIALITY:** Customer and TEMSI agree to hold the terms and conditions of this Agreement and any information received pursuant thereto ("Confidential Information") confidential and not disclose any such Confidential Information to any person, other than Representatives who require the Confidential Information for the purpose of administering this Agreement and who have agreed to be bound by the terms of this provision. Confidential Information shall not include information that is public knowledge, or known to the recipient, at the time of disclosure or that becomes public knowledge through no fault of the recipient. The Parties agree that a disclosing Party would be irreparably injured by a breach of this provision by the other Party, or by any person to whom it discloses any Confidential Information, and that monetary damages would not be a sufficient remedy. Therefore, in such event, a disclosing Party shall be entitled to all available equitable relief, including injunctive relief without proof of actual damages, as well as specific performance. Such remedies shall not be deemed to be exclusive remedies for a breach of this provision but shall be in addition to all other remedies available at law or equity. The obligations of confidentiality under this Agreement shall survive termination of this Agreement for a period of five (5) years.
15. **DISPUTE RESOLUTION:** In the event of any dispute arising out of this Agreement, TEMSI and Customer agree as follows:
  - a. To attempt, in good faith, to negotiate a settlement of the dispute between themselves within ten (10) days from the date the dispute arose; and;
  - b. In the event that the Parties cannot settle the dispute between themselves within ten (10) days from the date the dispute arose, the Parties agree to submit the dispute for resolution by arbitration by an agreed-upon arbitrator or, if the Parties cannot agree, by an arbitrator appointed by the court in accordance with the provisions of *Arbitration Act* of Ontario, and the decision of the arbitrator shall be final and binding with no right of appeal.
16. **GOVERNING LAW:** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the Federal Laws of Canada applicable therein.
17. **SEVERABILITY:** If any provision of this Agreement is for any reason determined to be invalid, illegal, or unenforceable to the extent permitted by law the other provisions shall remain valid and binding.
18. **NO AGENCY OR PARTNERSHIP:** Nothing in this Agreement should be construed to create an agency, or partnership, or other similar or special relationship between the Parties.
19. **NO WAIVER:** No provision of this Agreement shall be deemed to be waived by any act, delay, omission or acquiescence on the part of either Party or their respective Representatives, nor shall any waiver by either Party of a breach or default of a provision by the other Party, constitute a change of terms in this Agreement.
20. **SURVIVAL:** The provisions intended to survive the expiration or termination of this Agreement shall so survive for the period stated herein and, if not stated, then for five (5) years after expiration or termination, irrespective of any statute of limitations to the contrary.
21. **ASSIGNMENT:** This Agreement and the rights and obligations hereunder may not be assigned, in whole or in part by either Party, without the express written consent of the other Party (such consent not to be unreasonably withheld) provided however that such assignee agree in writing to be bound by the same terms and conditions of this Agreement and further provided that TEMSI may, upon notice to Customer, assign this Agreement, in whole or in part, to an affiliate corporation (as that term is defined in the *Business Corporations Act* of Ontario).
22. **AMENDMENTS:** A written instrument duly executed by authorized representatives of TEMSI can only modify this Agreement.