



Energy Services Inc.

#4 – 6160 – 40th Street S.E. Calgary, Alberta, Canada T2C 1Z3

Phone: (403) 279-8367 Facsimile: (403) 279-8368 WWW.STES.CA

GENERAL TERMS AND CONDITIONS OF SALE

WIRING

Wire markers, if required by spec, are roll on sticker-type and applied to customer wiring points only.

APPLICABLE SPECIFICATIONS

Any specifications that are not specifically included as part of this proposal are excluded from this offering.

COMMENTS & CLARIFICATIONS

Stellar Tech is acting as an equipment supplier only, not as a contractor or sub - contractor. The applicable specifications listed above are applicable only to the extent of the Stellar Tech "EQUIPMENT SUPPLIER" scope of supply as described.

FREIGHT

Price is quoted FOB Stellar Tech with means of transport selected by Stellar Tech. Special means of transport directed by customer purchase order might incur additional freight charges.

Workmanship and Materials WARRANTY

Workmanship and materials only Warranty is for one year from date of startup, not to exceed 18 months after date of shipment, and covers defects. Warranty is limited to the value of the Stellar Tech supplied equipment. The standard Stellar Tech terms and conditions of sale are attached herewith and will apply to any purchase order resulting from this proposal unless other terms and conditions are specifically negotiated in written form and signed as acceptable by Stellar Tech. Uncontrolled external effects such as lightning strikes, etc. would not be covered. Should a Stellar Tech product require service, it can be sent in for repair or we would supply the necessary component that can be shipped out and replaced by your qualified field electrician for quick turnaround. If Stellar Tech's service personnel are required in the field, our standard service rates, travel & subsistence rates would apply.

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PDL VFD Warranty

To assure product SAFETY and RELIABILITY, repairs, maintenance and adjustment should be performed by authorized service personnel or other qualified service organizations. All Stellar Tech PDL variable frequency drive inverters are replacement warranted against any defects for 3 years from date of purchase. The inverter warranty is based on:

- The unit is installed and wired to electrical code standards.
- The VFD system is operated within 150 feet from the motor or the correct size line/load reactor is installed.
- Operation within the product's specifications.
- Proper sizing, by the customer, for the intended application.
- No physical abuse.

Uncontrolled external effects such as lightening strikes, etc. would not be covered. Should an inverter require service, it can be sent in for repair or we would supply the necessary component that can be shipped out and replaced by your qualified field electrician for quick turnaround. If Stellar Tech's service personnel are required in the field, our standard service rates, travel & subsistence rates would apply.

PRICE IS FIRM

Pricing does not include any state, provincial, sales, use or other taxes as may be applicable to this project.

RIGHT TO INVOICE

Purchaser will be notified when Stellar Tech is ready to ship. Stellar Tech reserves the right, upon stated notification, to issue invoice for goods ready to ship notwithstanding purchaser's ability to accept shipment.

CHARGE BACKS

Absolutely no charge backs will be accepted without the seller's written approval, and only then to an amount no greater than that as authorized by the manufacturer of the equipment at fault.

TERMS OF PAYMENT

Payment shall be made in Canadian funds, thirty (30) days from the date of seller's invoice unless otherwise specifically stated in writing. A charge of two and one half percent per month, or portion thereof, will be applied to past due accounts. If purchaser delays shipments, payments shall become due and payable as though shipment has been made on dates agreed upon. Net 30 Days.

GENERAL

- a) The attached quotation is our interpretation of the plans and specifications and/or information provided. We do not guarantee this interpretation to constitute the actual requirement of quantity or of materials. In all cases, the suitability of materials offered is subject to the approval of the buyer. This offer and its acceptance or any orders placed by the buyer as a result of this offer shall be governed by the General Terms and Conditions contained herein and shall constitute the entire agreements between the parties. Any modifications or changes to these General Terms and Conditions shall not be binding unless stated in the present offer or otherwise authorized in writing by the Seller.
- b) This quotation is offered to the buyer as indicated on the front covering page and is not valid or binding to any others.
- c) We reserve the right to correct any clerical, stenographic or other errors that may appear in this quotation.

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1. This Agreement is expressly conditional on Buyer's agreement to the terms and conditions contained herein. Seller hereby objects to any terms that are different or additional. Buyer's acceptance of the goods or services shall manifest Buyer's assent to Seller's terms and conditions.
2. PRICE POLICY - Prices are firm for orders meeting Seller's normal shipping schedules. If shipments are held or postponed for any reason other than Seller's fault, and a price increase becomes effective during other than Seller's fault, and a price increase becomes effective during the period of such hold or postponement, the increase will apply to all shipments which are held or postponed thirty (30) days or more from the effective date of the increase.
3. TAXES - Prices do not include, and Buyer is responsible for, all taxes, tariffs and any similar charges imposed upon or in connection with products, or upon any document relating to the sale of products.
4. PAYMENTS - Seller may reject any order from Buyer for any reason including Buyer's credit worthiness. Seller may require payment to be made through an irrevocable letter of credit established by Buyer at its expense. Seller may revoke its acceptance of any order without liability to Buyer if credit approval is denied prior to shipment or a letter of credit required by Seller is not received at least thirty (30) days prior to shipment.
5. TITLE AND RISK OF LOSS - All products shall remain the personal property of Seller until fully paid for in cash, and Buyer agrees to perform all acts which may be necessary to perfect and assure the retention of title to such property by Seller. Risk of loss to products, or any part of same, shall pass to the Buyer upon delivery to Carrier at Seller's plant, or such other point of shipment as may be specified in Seller's acknowledgment.
6. CLAIMS - Buyer agrees to check material against shipping papers immediately upon unloading at destination. Claims for shortage must be made to Seller immediately and confirmed in writing within seven (7) days. Any claims not so made are waived by Buyer. Claims for loss or damage in transit must be made by Buyer to the carrier, although Seller may assist buyer with such claims, and any and all adjustments to be made must be between the Buyer and the carrier. Seller accepts no responsibility for loss or damage to product in transit.
7. DELIVERY – FOB, Stellar Tech - P.S. - Frt/PPA or Coll. Products are delivered Free on Board, Point of Shipment, Freight is Collect when using a Carrier suggested by Buyer. Otherwise, Prepaid shipments will be added to the Invoice of Collect at Seller's option. Any quotation given by Seller is based upon freight charges now in effect. Buyer will be invoiced at the freight charges prevailing at the date of shipment.
8. FORCE MAJEURE - Seller shall not be liable for any delay in delivery or failure to deliver due to fire, explosion, strike or other difference with workmen, shortage of utility, acts of God, flood, sabotage, facility, material or labor, delays in transportation, accident, war, civil commotion, compliance with or other action taken to carry out the intent or purpose of any law or regulation, or national defense requirements, or any other cause beyond Seller's reasonable control, whether or not similar to the above. In the event of shortage, Seller shall have the right to apportion its production among its customers in such manner as it may consider to be equitable.
9. MATERIAL FURNISHED BY BUYER - All material furnished by buyer must be shipped prepaid to seller's plant and must be suitable for the product to be manufactured. If Seller discovers defects in material furnished by Buyer, Seller will notify Buyer and charge for all expenses incurred as a result of the defect. Should Seller spoil any material furnished by Buyer, Seller will assume only the loss of Seller's work, and replacement of the material is for Buyer's account. Seller assumes no liability for loss of Buyer's material by fire, storm, flood, strike or any other causes beyond Seller's control.
10. CANCELLATION OR ALTERATION - Subject to any provisions of Buyer's local law to the contrary, once production has commenced, Buyer cannot alter or cancel any order without Seller's written consent and for any order altered or canceled with Seller's consent, Buyer must pay for all expenses incurred and work executed up to the time Seller has consented to such alteration and cancellation. Any order deferred by Buyer will be subject to price escalation, cost of storage, increased cost of production, and any other expenses caused by the delay. Material on such orders will be stored at Buyer's risk. Seller reserves the right to invoice for work done on any delayed or deferred order.
11. SEPARATE SALES - Each delivery shall constitute a separate sale with the same effect as though made under a contract covering only the amount thereof. If Buyer is in default with respect to any of the terms or conditions of this or any contract with Seller, Seller may, at Seller's option, defer further shipments hereunder until such defaults are remedied or, without prejudice to any other legal remedy, Seller may decline performance hereunder. If shipments are so deferred, the contract period, at Seller's option, may be extended by a period equal to that during which deliveries are deferred.
12. PATENT OR TRADEMARK INFRINGEMENT - If the goods sold hereunder are to be prepared for manufacture according to Buyer's specifications, Buyer shall indemnify Seller against any claims or liability for patent, trademark, or copyright infringement on account of preparation, manufacture and/or sale.
13. RETURNING PRODUCT - Authorization and shipping instructions for the return of any products must be obtained by the Buyer from the Seller before returning the product. Products must be returned with complete identification in accordance with Seller's instructions, or it will not be accepted. Where a Buyer requests Authorization to return product for reasons of its own, and Seller is agreeable to same, Buyer will be charged for placing the goods in saleable condition (restocking charge) and for any outgoing and incoming transportation paid by Seller. In no event will Seller be responsible for any product returned without prior written authorization and identification.
14. WARRANTY - Standard cataloged products manufactured by Seller are warranted for eighteen (18) months from the date of shipment, or one (1) year after start-up, whichever date occurs first. All other items and components of products manufactured by Seller are warranted to be free from defects in material and workmanship for a period of eighteen (18) months from the date of shipment, or one (1) year after start-up, whichever date occurs first. For items and components incorporated in the products and not manufactured by Seller, the only warranty extended is that of the manufacturer. Items and components not manufactured and warranted by Seller include, but are not limited to, motors and transformers.

Proudly Canadian ~ Employee Owned and Operated ~ Technology you can count on

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15. **LIMITATION OF LIABILITY** - Seller makes no warranty or representation, express or implied, by operation of law or otherwise, as to the merchantability or fitness for a particular purpose of any of the goods or services sold hereunder. Buyer acknowledges that Buyer alone has determined that the goods and services will meet the requirements of their intended use. The Buyer warrants that the products will be used properly in accordance with Seller's warning and instructions and indemnified Seller for any breach of the warranty.

Should Seller breach its warranty, Buyer's exclusive remedy and Seller's only obligation shall be, at Seller's option, the replacement or repair by Seller of such non-conforming items or services, F.O.B. Seller's facility, or the refund of that portion of the original purchase price paid for such non-conforming goods or services, upon their return to Seller. **IN NO EVENT WILL SELLER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING LOSS OF USE OR LOSS OF PROFIT, OR ANY DAMAGES OTHER THAN REPAIR, REPLACEMENT OR REFUND OF THE PURCHASE PRICE PAID FOR SUCH DEFECTIVE GOODS OR SERVICES, AT SELLER'S OPTION, WHETHER ARISING OUT OF EXPRESS WARRANTY OR ANY OTHER TERMS OF THIS AGREEMENT.** Seller shall not be liable for any failure of devices or equipment into which goods may be installed, or failure of surrounding or connected devices or equipment. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence or strict liability in tort.

Every claim from any cause shall be deemed waived unless made in writing to Seller within thirty (30) days of the receipt of the goods or services by Buyer, provided, however, that claims for shortage must be made within seven (7) days of receipt. No legal proceedings shall be brought for any breach of this contract more than one year after the accrual of the cause of actions therefore.

16. **RESALE OF GOODS** - Seller's warranties are made only to Buyer. Seller makes no warranties to Buyer's customers or any other person. In the event of the resale or transfer of any of the goods sold hereunder, in whatever form, Buyer shall have no authority to make, nor will Buyer make, any warranty or representation to Buyer's customer or any other person on behalf of Seller.

17. **GOVERNMENTAL AUTHORIZATIONS** - If the destination of any shipment made by Seller hereunder is outside of the United States, Seller will be responsible for the application, in its own name, for any required U.S.A. export license. Buyer will be responsible for timely obtaining and maintaining any required import license, exchange permit or any other governmental authorization required for the import of the product's provision of services by Buyer and the remittance of payments to Buyer. Seller and Buyer will assist each other when such help is reasonable possible. Seller will not be liable if authorization of any government is delayed, revoked, restricted or not renewed, and Buyer will not be relieved thereby of its obligations to pay Seller for the products or any other charges.

18. **EXPORT CONTROLS** - Buyer warrants that it is and will remain in compliance with all export and reexport requirements, including, but not limited to the government of the United States Export Administration Act and regulations, the Arms Export Control Act and regulation, and any orders and licenses issued thereunder (collectively the "Export Laws"). Buyer additionally warrants that it has not been, and is not currently, debarred or suspended, prohibited or impaired from exporting, reexporting, receiving, purchasing, procuring or otherwise obtaining any products, commodity, or technical data regulation by any agency of the government of the United States, in particular, Buyer hereby gives assurance that unless notice is given to and prior authorization is obtained as required by the Export Laws, Buyer will not knowingly reexport, directly or indirectly, the products or any technical data shipped by Seller to Buyer, or the direct product thereof, to County Groups Q, S, W, Y or Z (as defined in the Export Laws) or Afghanistan, the Peoples Republic of China, South Africa or Iraq.

19. **AUTHORITY OF AGENTS** - None of Seller's agents, employees, representatives, or sales people has any authority whatsoever to make or bind Seller to any warranty or representations concerning the goods sold hereunder, or to modify the contractual terms, except an officer of the Seller's company or someone delegated by an officer of that company.

20. **APPLICABLE LAW** - All disputes arising in connection with this Agreement will be construed and governed under the laws of the Province of Alberta without regard to its conflict of laws provisions and excluding the United Nations Convention for the International Sale of Goods. All disputes will be resolved in a court of competent jurisdiction in Calgary, Alberta, and Buyer hereby irrevocably consents to the jurisdiction and exclusive venue of the provincial and federal courts in Calgary, Alberta, and agrees to appear in any action upon written notice thereof sent by certified mail, express overnight delivery or telecopy to the address of Buyer shown on the front hereof.