

CANUSA STANDARD TERMS AND CONDITIONS OF SALE

The terms and conditions below are part of the contract (this "Agreement") between Canusa Wood Products Limited ("Canusa", which includes any affiliated or subsidiary entity of Canusa acting as seller to the Customer) and the customer named ("Customer") on the Sales Order Acknowledgement issued by Canusa (the "Order") for goods listed in the Order (the "goods"). These terms supersede any terms issued by Customer in any purchase order or other document pertaining to the goods. The terms below together with the Order are the entire Agreement between Canusa and Customer with respect to the goods.

GENERAL PROVISION:

This Agreement may be modified only in writing signed by both parties. Any notice required under this Agreement shall be in writing and shall be effective when personally delivered or sent by email or regular mail. Customer may not assign any rights hereunder without Canusa's prior written consent.

Failure by Canusa to enforce any provision hereof shall not be a waiver of the right thereafter to enforce such provision. No waiver or course of dealing between Canusa and Customer shall affect the right of Canusa to require performance by Customer strictly in accordance with this Agreement.

PURCHASE:

Customer shall purchase and Canusa shall sell and to ship to Customer the goods listed on the Order (the "goods") on the terms herein. Except where indicated otherwise, all monetary amounts are in US funds and do not include taxes. The price of the goods is the amount stated in the Order (the "Price"). In addition to the Price, Customer must pay: all existing, new or increased applicable taxes and similar costs applicable on the sale and delivery of the goods; any additional freight charges associated with the delivery of the goods to the Customer; and interest on any amount not paid when due at the rate of 1.5% per month (18% per annum) until paid in full, both before and after demand or judgement. Canusa may change the shipping date as required by circumstances then in effect and may make partial shipments.

PAYMENT TERMS:

Payment for all goods is due within 15 days after invoice is issued by Canusa to Customer. Canusa may at any time in its sole discretion revoke credit or require full payment in advance of delivery of goods.

TITLE:

Title to the goods remains with Canusa until Customer has paid to Canusa all amounts owed under this Agreement. Customer acknowledges that Canusa has a purchase money security interest in the goods as security for performance of Customer's obligations, and that Canusa may elect at any time and at Customer's expense to register such interest in the appropriate personal property registry or to take possession of the goods as Canusa consider necessary to perfect its interest.

INSURANCE:

Customer shall pay all costs of insuring the goods from the point of pick-up by Customer or the point of delivery to Customer. Customer shall keep all goods insured for their full replacement value until all amounts owed to Canusa hereunder have been paid in full, naming Canusa as first loss payee, and shall provide evidence of such insurance to Canusa upon request. Customer assigns to Canusa Customer's right to any proceeds of insurance, to the extent of the value of the goods less any amount paid by Customer to Canusa.

STORAGE:

Canusa may store, at Customer's expense and risk, any goods for which packing or shipment is delayed by causes within Customer's control, or which affect Customer's ability to receive the goods, and Customer shall pay reasonable storage charges in addition to the purchase price for such goods.

DEFAULT AND REMEDIES:

Customer will be in default under this Agreement if:

- Customer fails to pay when due any amount owed to Canusa, or is in default of any other covenant or obligation under this or any other agreement;
- Customer commits any act of insolvency or is subject to any proceeding in bankruptcy or receivership or makes any arrangement with creditors;
- any of the goods, or any assets of Customer, are subject to any seizure;
- any of the goods are lost, stolen, damaged or destroyed; or
- Canusa believes the goods are endangered or Customer's ability to make payment is in jeopardy.

If Customer is in default, Canusa may at its option take possession of any or all of the goods, require immediate payment of any amount then remaining unpaid under this or any other agreement with Customer, claim against Customer for damages, and take any other step as Canusa considers advisable. If Canusa elects to take possession of the goods, Customer shall at its sole expense provide all assistance reasonably requested by Canusa, including without limitation providing access for Canusa to all premises where any of the goods are located.

If Canusa takes possession of any or all of the goods, Canusa may sell the same with or without advertisement, at public or private sale, without prejudice to Canusa's right to recover from Customer any amount payable hereunder and then remaining unpaid including the full amount of the Price and interest at the rate set out herein. Customer shall pay all costs and expenses, including without limitation legal fees and disbursements as between a solicitor and his own client, incurred by the Company in locating, taking, holding, repairing or selling the goods or asserting or pursuing any of its remedies.

FORCE MAJEURE:

If Canusa suffers delay in performance due to any cause beyond its control, including but not limited to act of God, war, epidemic, act or failure of government, act or omission of Customer, fire, flood, strike, labour trouble, sabotage or delay in obtaining from others suitable services, materials, equipment or transportation, the time for performance by Canusa shall be extended equal to the period of the delay and its consequences. Canusa will give Customer notice in writing within reasonable time after Canusa becomes aware of such delay.

DEFERRAL OR CANCELLATION:

Customer may not defer or cancel any part of an order without Canusa's prior written consent. If deferral or cancellation is permitted, Customer shall pay to Canusa all costs incurred by Canusa to the date of deferral or cancellation, plus Canusa's then-current deferral or cancellation charge. Canusa may cancel this Agreement on notice to Customer or without notice in the event of default.

LIMITED WARRANTY:

If within 10 days after the date of shipment of any goods to Customer, Customer finds that such goods fail to meet any specification set out in the Order, then as Customer's sole and exclusive remedy for breach of warranty, provided Customer gives prompt written notice of same to Canusa, Canusa will at its sole option repair or replace such goods. PROVIDED THAT:

- a) Such goods must be delivered to Canusa at Customer's expense.
- b) This warranty does not apply to products manufactured by others and sold by Canusa, which are sold solely upon and subject to the terms warranted by their respective manufacturers.
- c) Warranty does not apply to goods subjected to wear and tear.
- d) This warranty shall be void if Customer fails to make any payment when due to Canusa, or if the goods are used, stored, or handled other than in accordance with good industry practice.
- e) Customer may not assign this warranty.
- f) Canusa gives no warranty, express or implied, except as expressly set out herein and any warranties implied by statute or law are, to the extent legally possible, excluded. Without limiting the foregoing, Canusa makes no representation or warranty as to the quality, functionality, durability, condition, merchantability, or fitness for any purpose of the goods. No agent or employee of Canusa is authorized to extend or expand this warranty, verbally or in writing.
- g) Customer may not make any claim after sixty days from the date on which the right to do so arose.

LIMITATION AND EXCLUSIONS OF LIABILITY:

Notwithstanding any other provision hereof, Canusa's aggregate liability to Customer arising from the manufacture, sale, delivery, use or resale of the goods whether based on warranty, contract, negligence or otherwise, shall not exceed the lesser of the cost to Canusa of correcting defects in the goods or the amount paid by Customer for the purchase of the particular item which gives rise to the liability. Upon expiration of one year from the date of shipment of the goods to Customer, all such liability shall terminate. Without limiting the generality of any other provision hereof:

- a) Canusa shall not be responsible for any loss, damage, or expense arising from any work by others;
- b) Canusa shall not be liable to Customer or any other person for any economic loss, including without limitation any loss of anticipated profit; loss from plant shut-down, non-operation or increased expense of operation of equipment; consequential loss; or other loss or damage of any nature arising from any cause whatsoever.

INDEMNITY:

Customer shall indemnify and save harmless Canusa from and against any and all claims, actions, demands, losses, costs (including all legal fees and disbursements as between a solicitor and his own client), damages, expenses and liabilities arising in whole or in part out of any default by Customer, any use or handling of goods by Customer or any other person after shipment of same, or any act or omission of the Customer or its agent, employee or contractor.

LEGAL:

This Agreement shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable in British Columbia. All disputes relating hereto shall be within the exclusive jurisdiction of the Courts of BC, provided Canusa may at its option take action in any other jurisdiction to collect amounts owed by Customer or take possession of goods sold.