

STANDARD TERMS AND CONDITIONS

1. INTERPRETATION

(i) In these Conditions:

Buyer means the person whose order for the Products is accepted by the Seller.

Conditions means these standard terms and conditions of sale and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and the Seller.

Contract or **Purchase Order** means the contract for the purchase and sale of the Products. A Customer signed quotation will act as a Contract if no further documentation is produced / exchanged.

Delivery means the actual or deemed delivery of the Products in accordance with Clause 4.

Delivery Address means the place where the Products are to be delivered as specified in the Contract.

Products means the products (including any installment of the products) which the Seller is to supply in accordance with these Conditions.

Specification means any specification set out in the Contract.

Officer means Company Secretary, Treasurer, President or Vice President.

Sales Order means the acceptance in writing by the Seller in response to the Buyer's order, to sell the Products in accordance with the Seller's quotation.

Seller means RED LEAF STONE (a DBA of Red Leaf Architectural Products Inc.)

(ii) Any reference in these Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

(iii) These Terms and Conditions represent the entire agreement between the parties with respect to the sale of the Products to the Buyer and supersede any previous written or oral orders, quotations or other communications or representations by either party related to the Products.

2. PRICE OF THE PRODUCTS

PRICES DO NOT INCLUDE INSTALLATION. Seller does not provide installation services.

(i) The Price of the Products shall be the price quoted by the Seller and confirmed in the Contract. Purchase prices and quotations do not include charges for local shipping and handling from the Seller's premise, unless otherwise specified within the Contract. Prices do not include the applicable federal, provincial and state taxes.

(ii) The Buyer agrees to pay all such shipping and handling charges and taxes, unless otherwise agreed and stated within the Contract.

(iii) The Seller reserves the right, by giving notice to the Buyer at any time before Delivery to increase the Price of the Products to reflect any increase in the cost to the Seller due to any change in delivery dates, quantities or specifications for the Products which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give the Seller adequate information or instructions.

(iv) Except as otherwise stated in Contract all prices shall be ex-Seller's warehouse. Shall the Seller agree to deliver the Products, other than at the Seller's warehouse, dependent of delivery address the Buyer shall be liable to pay the Seller's charges for any transportation, packaging and insurance.

(v) The Price is exclusive of any applicable sales, use or other taxes, or duties, which the Buyer shall be additionally liable to pay or reimburse to the Seller. Applicable taxes and/or duties will be itemized with the Contract.

(vi) Prices do not include the provision of any mechanical fastening systems or embeds of any sort, Stone Sealers or surface treatments unless specifically detailed in the Contract.

3. TERMS OF PAYMENT

(i) The Buyer shall pay a progress payment equal to at least 25% of the Price of the Products at the time of execution of the Sales Order to initiate the order.

(ii) The Buyer shall pay the balance of the Price of the Products before the time of pick-up. Time of payment of the Price shall be of the essence of the Contract, whereby payment is due 15 days from the date of the Seller's invoice irrespective of payment terms between Buyer and General Contractor/Construction Manager or Owner; notwithstanding, that the Seller reserves the right, in its sole discretion, to require full payment in cash before order entry, shipment or delivery.

(iii) If the Buyer fails to make any payment on the due date then, without limitation to any other right or remedy available to the Seller, the Seller shall be entitled to:

(a) cancel the Contract or suspend any further deliveries to the Buyer;

(b) appropriate any payment made by the Buyer to such of the Products (or the Products supplied under any other contract between the Buyer and the Seller) as the Seller may think fit (notwithstanding any purported appropriation by the Buyer); and

(c) charge interest to the Buyer at the lower of the rate of 26½% per annum or highest rate allowed by law, on the unpaid balance (such interest to accrue on a day to day basis from the due date for payment until receipt by the Seller of the full amount whether before or after any judgment);

(d) the Buyer shall indemnify the Seller against all costs and expenses (including any legal costs and expenses on a full indemnity basis) incurred or sustained by the Seller in recovering sums due or in exercising its rights pursuant to this Clause.

(iv) Builder's Lien Holdbacks or any other security retentions do not apply.

(v) All payments shall be made in such means as the Seller may specify, such as by letter-of-credit, certified cheque, bank draft or wire transfer. **Credit cards payments are subject to a 3% Convenience Fee.** Full payment may be required in advance until the Buyer provides assurance of performance reasonably satisfactory to the Seller.

(vi) If Buyer defaults in payment, Buyer will be liable for all collection costs incurred by Seller including, but not limited to, legal and collection agency fees and all related disbursements.

4. DELIVERY (via 3rd Party Carriers)

(i) Seller is not a freight company and does not purport to be, Seller can coordinate pick-up and deliveries on the Buyer's behalf.

(ii) Time is not the essence in this Agreement. Any shipping dates for goods in advance of actual shipment of goods are the Seller's best estimate for informational purposes only.

(iii) Delivery shall occur EXW and when the Seller or the carrier notifies the Buyer, or where physical conditions surrounding the Delivery Address do not allow the carrier to reach its destination delivery shall occur at the place the journey is terminated when notified to the Buyer. Delivery shall also occur on the date the Seller proposes to make delivery where the Seller advises that the Products will be dispatched and the Buyer indicates that he will not take deliveries on such date. Where the Products are picked-up or to be picked-up by the Buyer, delivery occurs when they are made available to the Buyer or it's carrier at the Seller's warehouse or when the Seller notifies the Buyer that the Products are available for pick-up. The Buyer warrants that in cases where Delivery is to be made by road transport by the Seller or by its carrier sufficient and suitable access to the said destination including a road surface capable of withstanding the weight and size of the transport and loads is available. In the

event of any additional costs or expenses being incurred by the Seller directly or indirectly through its carrier the full amount thereof will be payable on demand. Delivery is arranged through 3rd party vendors on behalf of the Buyer. Separate insurance is not included in price and freight is charged as invoiced by 3rd party vendor plus 15% administration fee. Seller does not assume any risk associated with freight unless stone is improperly packed. **Buyer's Initial:** _____

(iii) Interim storage costs for the goods are not included in the price. The Buyer is liable for any storage costs if the products cannot be delivered at dates notified by the Seller.

(iv) The Buyer shall be responsible at his expense for off-loading of the Products except where agreed otherwise in writing. Time permitted to off-load is one (1) hour. Excess lay-over time for off-loading exceeds shall be billed at max. \$195.00 per hour.

(v) Any dates quoted for Delivery of the Products are approximate only and the Seller shall not be liable for any delay in Delivery of the Products howsoever caused.

(vi) The Seller reserves the right to Deliver the Products in installments.

(vii) If the Buyer fails to take Delivery of the Products or fails to give the Seller adequate Delivery instructions when notified that the Products are ready for Delivery then, without limitation to any other right or remedy available to the Seller, the Seller may:

(a) store the Products until actual Delivery and charge the Buyer its storage charges current at the date thereof (including insurance); and

(b) in the event that the Buyer fails to accept Delivery for a period of three months the Seller may dispose of the product via discharge into a Landfill, whereby the associated expenses are subject to claim from the Buyer. The Seller does not have storage facilities. If the Buyer cannot take delivery within 10 days of Notice of Ready for Pick-up, product will be moved off-site to a 3rd party facility. Direct costs plus 15% mark-up will be charged to the Buyer.

5. BASIS OF THE SALE

(i) The Seller shall sell and the Buyer shall purchase the Products in accordance with any written order of the Buyer which is accepted by the Seller by way of the Contract, subject in either case to these Conditions, which shall govern the Contract to the exclusion of any other terms and conditions.

(ii) No variation to these Conditions shall be binding on the Seller unless agreed in writing by an Officer of the Seller.

(iii) The Seller's employees or agents are not authorized to make any representations concerning the Products unless confirmed by an Officer of the Seller in writing. In entering into the Contract the Buyer acknowledges that it does not rely on, and waives any claim for breach of, any such representations which are not so confirmed.

(iv) Any advice or recommendation given by the Seller or its employees or agents to the Buyer or its

employees or agents as to the Products which is not confirmed in writing by the Seller is followed or acted upon entirely at the Buyer's own risk, and accordingly the Seller shall not be liable for any such advice or recommendation which is not so confirmed.

(v) Any typographical or clerical errors or omissions in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

(vi) **Quotations are based on quantities stated within the Contract and may not represent the final quantities required for installation.** If the architectural, shop drawings, site sketches, or engineered assembly drawings deem alternative quantities, then those quantities will prevail and will be considered in addition to the Contract.

(vii) Point of Sale is the Seller's premise or as otherwise agreed within the Contract.

6. ORDERS

Buyer's Initial: _____

(i) No order submitted by the Buyer shall be deemed to be accepted by the Seller unless and until:

(a) the order is confirmed by way of the Sales Order; and

(b) the Seller has received a deposit equal to at least 50% of the Price of the Products.

(ii) The quantity, quality and description of and any Specification for the Products shall be those set out in the Contract or agreed at a later date pending the agreement to any extra costs for such items as hardware, finishes, inserts (including lifting inserts).

(iii) The Seller does not warrant or guarantee that quantities included in any Quotation or Sales Order necessary to complete the project. Any estimates prepared by the Seller are a "best-efforts" analysis of supplied design information. Seller only provides site measurements at an extra cost to the Sales Order unless specified in the Contract. Construction projects undergo many changes as they are built and it is not feasible to have the Seller maintain a sense of the changes. The quantities necessary to complete a project are the sole responsibility of the Buyer. No other understanding can be assumed or contrived.

7. WARRANTIES AND LIABILITY

(i) Subject to the conditions set forth below the Seller warrants that the Products will correspond in all material respects with any Specification for the Products forming part of the Contract at the time of Delivery and at the time will be free from material defects in materials and workmanship.

(ii) Products made of natural stone can only perform to the performance characteristics documented in accredited laboratories. The Seller will make those available upon request. Design professionals can only verify the suitability of the material specifications/characteristics for the functional demands of the intended use. The Seller only warrants the craftsmanship to manufacture the contractually assigned dimensions/geometry. Natural materials will perform as they will related to any observed test criteria.

(iii) The above limited warranty is given by the Seller subject to the following conditions:

(a) the Seller shall be under no liability in respect of any defect in the Products arising from any drawing, design or specification supplied by the Buyer. Production is solely on the basis of approved shop drawings;

(b) the Seller shall be under no liability in respect of any defect arising from reasonable wear and tear, willful damage, negligence, incorrect movement, installation or erection, failure to follow the Seller's instructions (whether oral or writing), misuse or alteration or repair of the Products without the Seller's approval.

(iv) In the event of loss or damage occurring to Products during transit where the Products are transported by the Seller or its carrier the Buyer must give written notice to the Seller within two (2) working days of the date of Delivery and further where such Products are consigned by a carrier of the Seller the Buyer must in addition comply in all respects with that carrier's conditions of carriage for notification for omissions from the Delivery or loss damage in transit. The Buyer must give written notice to the Seller within three (3) working days of receipt of invoice if the Products have not been delivered by the Seller or its carrier to the Delivery Address. Failure to give written notice pursuant to this sub-clause shall mean that the Buyer shall be deemed to have accepted the Products as being in good order and in conformity with the Contract.

(v) Any claim by the Buyer which is based on any defect in the quality or condition of the Products or their failure to correspond with the Specification of the Products shall (whether or not Delivery is refused by the Buyer) be notified in writing to the Seller within 7 days from the date of Delivery or (where the defect or failure was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure. If Delivery is not refused, and the Buyer does not notify the Seller accordingly, the Buyer shall not be entitled to reject the Products and the Seller shall have no liability for such defect or failure, and the Buyer shall be bound to pay the Price as if the Products had been delivered in accordance with the Contract and claims based on warranty will be void.

(vi) Where any valid claim in respect of any the Products that is based on any defect in the quality or condition of the Products or their failure to meet the specification of the Products is notified to the Seller in accordance with these Conditions, the Seller shall be entitled, at the Seller's sole discretion, to replace, repair or supply a repair kit for the products (or the part in question) free of charge or, to refund to the Buyer the Price of the Products (or a proportionate part of the Price), but the Seller shall have no further liability to the Buyer.

(vii) EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THIS CLAUSE 7.(i), THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, AND THE SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(viii) In no event shall the Seller be liable to the Buyer or any third party for any special, incidental or consequential damages (whether for loss of profit or otherwise) costs, expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the Seller, its employees or agents or otherwise) which arise out of or in connection with the supply of the Products or their use or resale by the Buyer.

(ix) In no event shall the Seller's total monetary liability to the Buyer under this Contract for any and all claims or causes of action exceed the cumulative amount of the payments made by the Buyer and actually received by the Seller for the Products under this Contract.

(x) The Seller shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of delay in performing, or any failure to perform, any of the Seller's obligations in relation to the Products, if the delay or failure was due to any cause beyond the Seller's reasonable control. Without limitation to the generality of the foregoing, the following shall be regarded as causes beyond the Seller's reasonable control:

(a) Act of God, weather conditions, explosion, flood, tempest, fire or accident;

(b) war or threat of war, sabotage, insurrection, civil disturbance or requisition;

(c) acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, or local authority;

(d) import or export regulations or embargoes;

(e) strikes, lock-outs or other industrial actions or trade disputes (whether involving employees of the Seller or a third party);

(f) difficulties in obtaining supplies, raw materials, labor, fuel, parts or machinery;

(g) power failure or breakdown in machinery.

(xi) SOME PROVINCES OR STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE EXCLUSION IN CLAUSE 7.(vi), ABOVE, MAY NOT APPLY TO YOU AS THE BUYER. THIS WARRANTY GIVES THE BUYER SPECIFIC LEGAL RIGHTS, AND THE BUYER MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM PROVINCE TO PROVINCE OR STATE TO STATE.

8. RISK AND SECURITY INTEREST

(i) Risk of damage to or loss of the Products shall pass to the Buyer upon pick-up and transfer upon coordinated carrier.

(ii) Notwithstanding Delivery of the Products and the passing of risk damage to or loss of the Products, or any other provision of these Conditions, the Seller shall retain a purchase price security interest in the Products until the Seller has received in cash or immediately available funds payment in full of the Price of the Products and all other Products agreed to be sold by the Seller to the Buyer for which payment is then due.

(iii) The Seller shall be entitled at any time during which it retains a security interest in the Products to require the Buyer to deliver up the Products to the Seller and, if the Buyer fails to do so forthwith, to enter upon any premises of the Buyer or any third party where the Products are situated and repossess the Products in accordance with the provisions of the Personal Property Security Act (Canada) or Uniform Commercial Code (USA) and local law.

(iv) The Seller is entitled to immediate possession of the Product and shall be free to enter the premises where the Product may be located and remove the Product as the Seller's property without prejudice to the Seller's right to recover and further expenses including expenses arising for the removal or disassembly of the Product, or damages suffered by the Seller as a result of such non-payment by the Buyer or his Customer.

9. ERECTION/INSTALLATION

The erection and installation of the Products is the Buyer's sole responsibility. The Buyer shall ensure compliance by the Buyer's employees, agents, contractors, licensees and customers with the Seller's recommendations instructions for installation or erection of the Products.

10. CANCELLATION, CHANGES OR DELAYS

Once accepted by the Seller and confirmed by way of Sales Order, an order is not subject to cancellation or change except on terms acceptable and satisfactory to the Seller which may include, among other things, Seller retaining any and all deposits or progress payments made by Buyer. Direction by the Buyer to cancel an order may be treated as a repudiation making the Buyer immediately liable for full payment of the balance.

11. OWNERSHIP - INTELLECTUAL PROPERTY

The Seller shall have and retain all right, title and interest in and to any and all trade secrets, technical data, sales service and product plans, methodologies, techniques, designs, moulds, tools, samples, systems, know-how, expertise and other proprietary information that it may use pursuant to, or in connections with any products identified within the Contract. The Buyer shall not obtain a license to, or any other property rights in, any such Seller property pursuant to or in connection with this Agreement.

12. GENERAL

(i) No waiver by the Seller of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

(ii) If any provision of these Conditions is held by a competent authority to be invalid or unenforceable in whole or in part validity of the other provisions of these Conditions and the remainder of the provisions in question shall not be affected thereby.

(iii) The purchase order, Seller's Contract and these Conditions shall be governed by the laws of the Province of British Columbia, Canada, and the parties hereto hereby submit themselves to the jurisdiction and venue of the Supreme Courts of British Columbia.

(iv) The remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity.

(v) These Conditions, along with the duly executed Contract (other than any additional or different terms and conditions therein), shall be deemed to contain the entire and only agreement between the parties relating to the subject matter hereof, and any terms or conditions relating hereto not incorporated herein shall not be binding upon either party.

(vi) Any dispute, controversy or claim arising out of or relating to these Conditions, the Contract, including, without limitation, the interpretation or the breach thereof, shall be settled by arbitration in the City of Vancouver.

13. RETURNED PRODUCTS

(i) Orders are generally of a custom nature. No products may be returned to the Seller without the Seller's written authorization which authorization may be refused in the Seller's sole unfettered discretion.

(ii) Product authorized to be returned by the Seller shall be returned at the Buyer's expense.

(iii) Credits for the returned Product shall be an amount determined by the Seller in accordance with the condition of the product.