

## MEMORANDUM OF UNDERSTANDING

Between the City/Corporation of  
(Purchaser)

**A N D**

Practical Organic Waste Energy Recovery System, Inc. and Cinerex Solutions Ltd. (Seller)

**WHEREAS THE** Purchaser is desirous of \_\_\_\_\_ ( ) 250 ton per day MSW plant(s) being supplied and installed in accordance with the attached plans and specifications.

**A N D**

**WHEREAS** the Seller is desirous of supplying and installing these MSW plants, the parties to this memorandum agree as follows:

- Each plant will produce 5MW of saleable power, which will be delivered to the Purchaser's grid (within 500 feet of the MSW plant).
- The plants will be built on a turnkey contract.
- Instruction of Purchaser's personnel will take place during construction and will continue three (3) months after the plant is completed, and an ongoing service contract will be available, if required.
- Parts and service call out will be available from POWER Systems Inc., if required.
- The Purchaser will provide all required permits and licenses, and will provide all required work visas to allow POWER Systems Inc.'s plant to be brought to the Purchaser's site and be installed by POWER Systems Inc.'s employees or sub-contractors.
- The Purchaser will provide a site, suitable for the installation of POWER Systems Inc. unit(s) and verify that suitable conditions exist for the installation of the plant's foundations and structures.
- The Purchaser will provide water service to the site in quantities sufficient to operate the plant.
- The Purchaser will provide a phone line to the site.
- Road service will be provided to the site before construction begins.
- **TOTAL PURCHASE PRICE WILL BE** ..... Million US Dollars per unit, payable in stages as follows:
  - a) deposit of 5% of the Total Purchase Price with order (if not financed by POWER)
  - b) 50% upon shipment of plant
  - c) 35% upon completion of plant
  - d) 10% upon start up
- A formal contract will be prepared and executed upon receipt by POWER Systems, Inc. of a signed and sealed copy of this understanding.
- All taxes, import duties and other fees or permits will be the responsibility of the Purchaser.
- If E.D.C. funding is required, POWER Systems Inc. will provide assistance to the Purchaser in making applications to E.D.C. or other financial facilities for the funding of the project.
- The plants supplied to the Purchaser will meet or exceed all EPA guidelines and requirements for plants of 250 TPD or less.

**IT IS AGREED** by both parties that the foregoing is the only agreement between the Seller and the Purchaser, and that our mutual interest is to enter into a formal contract within thirty (30) days of both parties signing this agreement.

**Signed** at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ of Year 20\_\_.

Signed \_\_\_\_\_ Witness \_\_\_\_\_

**Signed** in Langley, in the Province of British Columbia on the \_\_\_\_\_ day of \_\_\_\_\_ of Year 20\_\_.

Signed \_\_\_\_\_ Witness \_\_\_\_\_  
POWER System Inc.

Signed \_\_\_\_\_ Witness \_\_\_\_\_  
Cinergex Solutions Ltd.

FACSIMILE CONSTITUTES ORIGINAL  
AGREEMENT END