

**AGREEMENT FOR THE PURCHASE AND SALE OF
GREENHOUSE GAS EMISSION
REDUCTION CREDITS**

THIS AGREEMENT FOR THE PURCHASE AND SALE OF GREENHOUSE GAS EMISSION REDUCTION CREDITS (“Agreement”), effective the 5th day of December, 2002, is by and between **Summit Power Corporation**, a company located at 2758 West 2nd Avenue, Vancouver, British Columbia (“Seller”), and **International Carbon Bank & Exchange Inc.**, a company located at 6651 NW 23rd Avenue, Gainesville, Florida (“Buyer”), Seller and Buyer being sometimes herein individually referred to as a “Party” or collectively as “Parties”.

WHEREAS, Seller owns and/or operates facilities at which reductions in emissions of Greenhouse Gas may be realized and or derived; and

WHEREAS, these emission reduction, avoidance, and or sequestration activities may give rise to greenhouse gas emission reduction credits (“ERCs”, as hereinafter defined) that would accrue to Seller; and

WHEREAS, Seller is interested in selling a certain number of ERCs that may be associated with emissions reductions achieved at its operations.

WHEREAS, Buyer is interested in acquiring these ERCs from Seller, and

WHEREAS, Seller and Buyer desire to make this agreement for the purchase and sale of ERCs effective upon terms and conditions prescribed herein, prior to the recognition of legal rights in such ERCs;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1.

DEFINITIONS

In addition to the other terms defined herein, the following terms shall have the meanings set forth below:

1.1 “Greenhouse Gas Emission Reduction Credits (“ERCs”) mean authorizations under international treaties or domestic laws to produce or to offset one metric ton of carbon-equivalent Greenhouse Gas Emissions in a vintage year or period that are provided either (1) as a result of reductions in, avoidance of, or sequestration of one metric ton of Greenhouse Gas Emissions attributed to a project or activity.

1.2 “Confidential Information” means all oral and written information exchanged between the Parties with respect to the facilities and/or the payments to be made and ERCs to be assigned under this Agreement. The following exceptions, however, do not constitute Confidential Information for purposes of this Agreement: (a) information that is or becomes generally available to the public other than as a result of a disclosure by either Party in violation of this Agreement; (b) information that was already known by either Party on a non-confidential basis prior to this Agreement; (c) information that becomes available to either Party on a non-confidential basis from a source other than the other Party if such source was not subject to any prohibition against disclosing the information to such Party; and (d) information a Party is required by applicable law to disclose in connection with the conduct of its business.

1.3 “Greenhouse Gas Emissions” means emissions, measured in metric tons of carbon dioxide equivalent, of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

1.4 “Kyoto Protocol” means the Protocol to the United National Framework Convention on Climate Change, adopted at a Conference of the Parties in Kyoto, Japan, December 10, 1997, as amended or implemented by subsequent Conferences of the Parties to the Protocol or otherwise, prior to its coming into force.

- 1.5** “**Vintage Year**” means, respectively with respect to emissions reductions or ERCs, the calendar year in which the Seller’s Facilities operate in such a manner as to make ERCs, as calculated by the defined methodology in Schedule A, available.
- 1.6** “**Facilities**” means the Doran-Taylor and Soo River hydroelectric generating stations located in the Canadian province of British Columbia.

ARTICLE 2.
PURCHASE AND SALE OF GHG EMISSION REDUCTIONS

2.1 Buyer will purchase the 5,000 tonnes of ERC’s available to Seller as set forth in this section 2.1 (the “Contract Quantity”). The Buyer shall pay to Seller, by wire transfer to an account identified by Seller within six (6) business days of execution of this Agreement a payment of US\$4,250.00 (the “Contract Value”). Payment to Seller by Buyer shall be a condition precedent to any obligation of Seller arising under this Agreement. A failure by Buyer to pay the Seller in the time required shall constitute a default under this Agreement, entitling Seller to damages and other remedies as specified in this Agreement.

Buyer will purchase the full amount of the vintaged ERCs set forth in this Section 2.1 (the “Contract Quantity”):

Vintage Year 1998	1,153 ERCs
Vintage Year 1999	3,847 ERCs

The aggregate Contract Quantity is 5,000 ERCs, with Vintage Years as specified herein.

2.2 Seller agrees to sell and deliver and Buyer agrees to purchase and accept delivery of the Contract Quantity at a unit Price of US\$0.85 per ERC, pursuant to the purchase and delivery terms set forth in this Article 2 below:

- a) Real reductions. The emission reductions result from the displacement of electricity that would have otherwise been generated at the system average value,

measured on an output intensity basis, (Tonne GHG / Unit Output), in the Power Pool of Alberta.

- b) Measurable reductions. The amount of the emissions reductions are quantifiable under a transparent and replicable methodology. Both the output intensity of the source generation and the displaced generation are known and agreed upon by both parties.
- c) Surplus reductions. The Seller is not required to take actions that would reduce emission of GHG to the atmosphere. All actions taken are voluntary and surplus to existing regulations.
- d) Ownership of reductions. At the time of transfer, no party has approached Seller to make a claim to ownership to the Contract Quantity

2.3 Seller has prepared a verification report applicable to the Contract Quantity ERCs (Schedule A). Seller shall provide Buyer, or its agents, access to evidence used in the verification report, as may be considered necessary by Buyer, and the right to audit the verification report.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES REGARDING SELLER'S ASSURANCES OF DELIVERY

Seller and Buyer hereby acknowledge and agree that, as of the effective date of this Agreement, Seller has no legally enforceable title or rights in its Contract Quantity ERCs, and that such ERCs may be limited in various respects pursuant to the instruments and laws and regulations that may be adopted.

3.1 Seller and Buyer mutually acknowledge that ERCs are contemplated under the Kyoto Protocol, which is not now in force. ERCs are not now recognized under any international treaty that has come into force or under any enacted and effective sovereign national law or regulation.

3.2 Seller and Buyer acknowledge that no legally binding rules have been adopted in implementation of the Kyoto Protocol governing qualification for, certification of, monitoring and verification of, measurement of, use of, or transferability of ERCs associated with any project or activity. Seller hereby acknowledges and agrees that it shall use reasonable commercial efforts to comply with all such rules in effect at the time of delivery of the Contract Quantity ERCs, with respect to the delivery of the Contract Quantity ERCs and the preparation and submission of the verification report (provided that the cost of complying with same shall be borne by the Buyer). The Buyer acknowledges that the Buyer has satisfied itself as to the extent with which the Contract Quantity ERCs have complied or will comply with the applicable certification and verification requirements imposed at the time of transfer in connection with instruments of the Kyoto Protocol and any other applicable protocols or international agreements.

3.3 Buyer agrees Seller shall not be liable for any devaluation in ERCs, however such devaluation occurs including but not limited to laws and regulation implementing the Kyoto Protocol.

ARTICLE 4.

COSTS, TAXES AND OTHER CHARGES

4.1 Buyer shall bear all costs and expenses incurred in obtaining any required verification or approvals of the ERCs included in the Contract Quantity ERCs delivered to Buyer.

4.2 In the event that any national or international body levies taxes, fees or other charges on the sale, transfer or recordation of the Contract Quantity ERCs at the time of delivery, Buyer shall pay any such taxes, fees, or other charges.

4.3 In the event that any national or international body levies taxes, fees, or other charges upon the creation of the Contract Quantity ERCs at the time of delivery, Buyer shall pay such taxes, fees, or other charges.

4.4 In the event that any national or international body levies taxes, fees, or other charges upon the recordation or use of the Contract Quantity ERCs at the time of delivery, the Buyer shall bear the taxes, fees, or other charges.

ARTICLE 5.
WARRANTIES

5.1 SELLER MAKES NO WARRANTIES OF ANY KIND, OTHER THAN THOSE WARRANTIES CONTAINED IN ARTICLES 2 and 3, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE ERCS SOLD AND DELIVERED TO BUYER, WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER.

5.2 BUYER HAS RELIED ONLY ON ITS OWN ANALYSIS OF THE POTENTIAL VALUE AND RISKS OF THIS PURCHASE OF ERCS, AND HEREBY ASSUMES ALL RISKS AND LOSSES ASSOCIATED THEREWITH AND RELEASES ANY CLAIMS AGAINST SELLER WITH RESPECT THERETO.

5.3 This Article 5 survives expiration of termination of this Agreement.

ARTICLE 6.
LIMITATION OF LIABILITY

7.1 A PARTY'S LIABILITY HEREUNDER FOR BREACH OF ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE VALUE OF THE CONTRACT VALUE AS SPECIFIED IN ARTICLE 2.1. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR LOST PROFITS OR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, MULTIPLE OR INDIRECT DAMAGES, IN TORT, CONTRACT OR OTHERWISE.

6.2 This Article 6 survives expiration or termination of this Agreement.

ARTICLE 7.
NON-DISCLOSURE

7.1 Except as provided in this Article 7, neither Party shall publish, disclose, or otherwise divulge the Confidential Information to any person, at any time during or after the term of this Agreement, without the other Party's prior express written consent. However, each Party may permit knowledge of and access to the Confidential Information only to those of its affiliates, attorneys, accountants, lenders, representatives, agents, and employees who have a need to know and are subject to keeping such information confidential.

7.2 If required by any law, statute, ordinance, decision, order, or regulation passed, adopted, issued or promulgated by a court, any governmental agency or authority having jurisdiction over a Party, such Party may release the Confidential Information, or a portion thereof, to such court, governmental agency or authority, as required by law, statute, ordinance, decision, order or regulation and a Party may disclose Confidential Information to its accountants in connection with audits, provided that such Party has used its reasonable efforts to cause such court, governmental agency or authority or accountants to treat such information in a confidential manner and to prevent such information from being disclosed or otherwise becoming party of the public domain.

7.3 In performing their obligations under this Agreement, the Parties shall employ procedures established to prevent unauthorized disclosure or use of the Confidential Information. Such procedures shall be no less restrictive than the procedures used by each Party to protect its own confidential data.

7.4 This Article 7 survives the expiration or termination of this Agreement for a period of one year.

ARTICLE 8.
MISCELLANEOUS

8.1 This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification or alteration is in writing and signed by both of the Parties to this Agreement or their respective successors and permitted assigns.

8.2 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

8.3 If any article, phrase, provision or portion of this Agreement is, for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision or portion so adjudged will be deemed separate, distinct and independent and the remainder of this Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided the basic purposes of this Agreement and the benefits to the Parties are not substantially impaired.

8.4 This Agreement may be executed in several counterparts, each of which is an original and all of which, when taken together, shall constitute one and the same instrument.

8.5 All notices, certificates, or other communications hereunder shall be in writing. All written notices are deemed sufficiently given when mailed by registered or certified United States mail, return receipt requested, or by recognized overnight courier service, postage prepaid, or hand-delivered, or sent by facsimile transmission addressed as follows:

To: International Carbon Bank and Exchange
Address: 6651 NW 23rd Avenue, Gainesville Florida, 32606-8400, USA
Tel: 352-367-1144
Fax: 352-335-9140
Attn: Mark van Soestbergen

To: Summit Power Corporation
Address: 2758 West 2nd Avenue, Vancouver, B.C, Canada
Tel: 604-683-8271
Fax: 604-683-1270
Attn: Stuart Croft

Offered and agreed to by:

Summit Power Corp.

Signed: _____
 Stuart A.S. Croft, P.Eng.
 Vice-President

Dated: _____

Accepted and agreed to by:

International Carbon Bank and Exchange

Signed: _____
Title: _____

Dated: _____