

1. **PRICES:** Prices are in Canadian Funds, FOB DispenseRite Inc. ("Seller"), Whitby, Ontario, unless otherwise specified. The prices to be paid by Buyer shall be as quoted. Prices so quoted may be revised by Seller any time before acceptance by Buyer. Prices on goods sold by Seller are firm for thirty (30) days from the date of quotation. Prices on auxiliary equipment and accessories of other manufacturers, as set forth in Paragraph 10, are subject to change without notice.

2. **PAYMENT TERMS:** Unless otherwise specified in writing for MACHINES AND SYSTEMS Buyer shall deposit forty percent (40%) of the purchase price with Buyer's purchase order, with forty percent (40%) due upon completion of build and prior to shipping, the final twenty percent (20%) is due thirty (30) days after delivery of the equipment to the Buyer's designated shipping address. For PARTS: Buyer shall pay for parts and valves (unless otherwise specified), net thirty (30) days from the date of invoice, subject to approval of Buyer's credit. Any unpaid amounts shall be assessed a late charge of the lesser of two percent (2%) per month or the maximum rate allowed under law. DispenseRite's accounts payable administrator has the right to terminate or place on hold overdue accounts.

3. **TAXES:** The amount of any present or future sales, revenue, excise, or other taxes applicable to the goods purchased hereunder shall be added to the purchase price and shall be paid by the Buyer, whether included in this quotation or not. Tax exemption certificates must be issued with the credit application to avoid adding them to invoice.

4. **MATERIAL DATA:** Buyer shall provide all material specifications and MSDS safety data sheets for materials to be processed through the equipment upon the issuance of a purchase order to the Seller.

5. **FINANCIAL RESPONSIBILITY:** If Seller shall reasonably doubt Buyer's financial responsibility, or a Petition in Bankruptcy shall be filed by or against Buyer, or if Buyer shall make an assignment for the benefit of its creditors, or shall apply to its creditors to compromise its debts, or for an extension of time in which to pay its debts, or if a receiver or trustee of the Buyer or its property, shall be appointed, the Seller may stop further production hereof, refuse to make further deliveries, and may stop any goods in transit. In such cases, Buyer shall make no deductions (including, without limitation, any alleged damages) from payments due hereunder. Further, the Seller may, without prejudice to any other remedy which it may have, cancel this agreement, or demand and receive all payments and debts owed which are or shall be owed by Buyer for continuing performance thereof.

6. **DELIVERY:** Time of shipment promised is approximate and is not guaranteed. The time quoted hereunder begins from receipt of purchase order and/or deposit, if a deposit is required. Seller will make a reasonable effort to fill orders promptly, and on stated delivery date, but Seller shall not be responsible for damages of any kind, direct or indirect, growing out of, or in consequence of delay in delivery. Seller shall have the right to deliver the goods at one time or in installments from time to time within the quoted time of delivery. When delivery in installments is chosen by Seller, the delivery of non-conforming goods, or a default of any nature, in relation to one or more installments, will not substantially impair the value of this contract as a whole and will not constitute a total breach of the contract. When delivery in installments is chosen by Buyer, Seller shall prepare an invoice showing the price of the goods shipped at the time of each shipment, and Buyer shall pay the amount of the invoice as provided in this contract.

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7. SHIPMENT: All shipments shall be F.O.B. Seller, Whitby, Ontario, freight collect, and are at Buyer's risk thereafter. UPS shipments shall be freight prepaid and added to invoice unless otherwise specified by Buyer. Claims for loss or damage should be made promptly to the carrier at the point of delivery. Unless the carrier is designated in writing by the Buyer, Seller is authorized, as Buyer's agent, at Buyer's risk, to determine means of transportation and to select the carrier.

8. EXCUSABLE DELAY FOR NONPERFORMANCE: Neither Buyer nor Seller shall be liable for a failure to perform hereunder arising from: (a) acts of God or public enemy, (b) acts of the government of the Canada or any provincial, municipal or political subdivision or any department or regulatory agency thereof or entity created thereby, (c) acts of any person engaged in subversive activity or sabotage, (d) fires, floods, explosions, or other catastrophes, (e) epidemics or quarantine restrictions, (f) strikes, slow-downs, lock-outs, or labor stoppages or disputes of any kind, (g) freight embargoes, (h) unusually severe weather, or, without limiting the foregoing, (i) causes or events beyond the reasonable control and without the fault or negligence of Buyer or Seller in failing to perform hereunder. To the extent that, and so long as, the obligations of either party are affected by any such cause or event, such obligations shall be suspended.

9. PERFORMANCE BONDS AND MONIES: Due to events and matters that are often beyond the control of Seller, Seller cannot make quotations or accept orders which should necessitate the posting of a performance bond or monies providing for late delivery. This quotation is made pursuant to the understanding that no such bond or its equivalent is or will be required. If such is required, the Seller has the right to terminate this agreement, and Seller shall have no liability to Buyer, and the agreement between - Buyer and Seller shall be null and void.

10. ACCEPTANCE OF ORDERS: This quotation must be accepted in writing by Buyer. Acceptance of this offer is expressly limited to the exact terms contained herein. If for any reason Buyer should fail to accept in writing, any conduct by Buyer, which recognizes the existence of a contract pertaining to the subject matter hereof, shall constitute acceptance by Buyer of this quotation and all of its terms and conditions. Any terms proposed in Buyer's acceptance of Seller's offer which add to, vary from or conflict with the terms herein or attached hereto, are hereby objected to. Any such proposed terms shall be void and the terms herein and attached hereto shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may the authorized representatives of both parties. If this quotation has been issued by Seller in response to an offer, and if any terms herein are additional to, or different from any terms of such offer, then the issuance of this quotation by Seller shall constitute an acceptance of such offer subject to the express condition that the Buyer assent to such additional and different terms herein, and acknowledge that this quotation constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and the subject matter of such offer; and Buyer shall be deemed to have so assented and acknowledged unless Buyer notifies Seller to the contrary in writing within ten (10) days of receipt of this quotation. Orders are accepted with the understanding that they are not subject to cancellation.

11. CANCELLATIONS: Any order entered on the basis of this agreement shall be subject to changes, specifications or cancellations by Buyer only with Seller's written consent and at a charge which Seller shall determine sufficient to indemnify it against loss.

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12. START-UP: Upon request and unless specifically stated on the proposal otherwise, Seller will provide, at the current rate plus expenses, a technician to supervise the setting up and starting of the goods. Seller accepts no responsibility for material and equipment or the acts of personnel furnished by Buyer. Seller strongly recommends the Buyer engage a technician from Seller to assure proper implementation of equipment furnished. Except to the extent provided in Section 7, Seller shall not be responsible for the performance of goods which are not set up or started by a technician provided by Seller. All labor provided by DispenseRite is non unionized. Buyer is responsible for Pre-Start up and safety review, and all costs associated with, unless otherwise specified on the original quotation. All other approvals and permits (safety or otherwise) in accordance with local, provincial, state or federal laws, is the responsibility of the buyer and must be certified in advance of DispenseRite's Service technician(s) arrival on site.

13. WARRANTY: Unless otherwise specifically stated in writing, warranties are limited to the following: All goods sold by DispenseRite Inc. (referred to as seller) are guaranteed against defective workmanship or components for a period of one (1) year after date of shipment from the factory, provided the goods are properly maintained and operated under the condition for which they were sold. This warranty does not cover seals or components that are out of specification due to normal wear and tear or improper maintenance of the equipment. All claims pursuant to the warranties must be made within such one (1) year period. If Buyer claims the goods are defective within the one (1) year period, Buyer shall notify seller immediately, in writing. Seller will issue shipping instructions for return of the goods to its factory. Seller shall have the option, at its sole discretion, if the goods are found to be defective, to correct the defect or defects by repair or replacement or refund the purchase price. Seller's obligation, with respect to such goods, shall be limited to the replacement or repair F.O.B. Seller's Whitby, Ontario facility, or refund of the purchase price, and in no event shall Seller be liable for consequential or special damages, or for transportation, on site service labour, adjustment or other expenses which may arise in connection with such goods. At buyer's request, a service technician can be provided for "On Site" warranty inspection or repair. Service technician labour and travel costs for "On Site" requests shall be billed at current rates. Warranty claims shall not under any circumstances be approved or reviewed for buyer accounts with balances overdue for more than 30 days. The Seller assumes no liability for warranty claims that are found to be attributable to components or mixers, which are not supplied by Seller. Any services and/or parts provided to correct problems associated with components and mixers not supplied by Seller shall be provided at the Buyer's expense. The liability of Seller arising out of supplying such goods and services, or their use, whether on warranties or otherwise, shall not under any circumstances exceed the cost of the equipment and parts involved, and upon the expiration of the specified and liabilities shall terminate. Seller assumes no liability for damages or expenses of any character, including those arising out of the installation, use or resale of such goods herein, including, but not limited to, verbal or written statements regarding capacity, or suitability for use, or performance of the goods, shall be deemed to be a warranty or representation by Seller for any purpose, nor would they give rise to any liability or obligation of Seller whatsoever. NO WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR ANY PURPOSE, IS MADE, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT. BUYER UNDERSTANDS AND AGREES THAT, TO THE EXTENT SELLER'S WARRANTIES MAY APPLY, THEY ARE MADE FOR THE EXCLUSIVE BENEFIT OF BUYER ONLY AND DO NOT APPLY OR EXTEND, DIRECTLY OR INDIRECTLY, TO ANY THIRD PARTY, INCLUDING (WITHOUT LIMITATION) ANY SUBSEQUENT USER OR PURCHASER OF SELLER'S PRODUCTS.

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14. AUXILIARY EQUIPMENT AND COMPONENTS: To the extent that auxiliary equipment and components of other manufacturers (e.g. logic control hardware, valves, transfer pumps, motors, etc.) are included as part of the machine or system described in the quotation and data sheet attached hereto, it is understood that Seller acts only as an agent of Buyer in making such quotations and these products which are not manufactured by Seller are subject to the original manufacturer's warranty policy. FURTHER, SELLER MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY PURPOSE AND ASSUMES NO LIABILITIES WITH RESPECT TO AUXILIARY EQUIPMENT AND COMPONENTS WHICH ARE MANUFACTURED BY OTHERS.

15. MATERIAL EVALUATION TEST: This proposal is subject to a material evaluation test to be performed at the discretion of Seller. Buyer may be requested to have an authorized representative on hand to witness and approve, or disapprove, the results. This test may be subject to a laboratory fee and if so, a separate purchase order will be requested to cover the cost. In the event that Buyer does not attend, or such test is not performed, Buyer may be required to sign a waiver accepting the equipment. Seller does not manufacture or supply any of the reactive chemical components that are used in this equipment. Seller is not responsible for the effects of such reactive chemical components. Because of the vast number of chemicals that could be used and their varying chemical reactions, Buyer and users of this equipment should determine all facts relating to the materials used, including any of the potential hazards involved. Particular inquiry and investigation should be made into the potential dangers relating to toxic fumes, abrasion, fires, explosions, reaction time, and exposure of human beings to the individual components or their resultant mixtures. Any sample materials required to complete the evaluation will be returned to the buyer, or properly disposed of at the buyers expense.

16. SUBSTITUTIONS: EXTRAS: Substitution of materials or accessories may be made by Seller at any time.

17. COMPLIANCE WITH LAW: Seller certifies that to the best of its knowledge it is in compliance with all laws, Provincial and Federal, and regulations issued there under, which may be applicable to the goods furnished hereunder.

18. DEFAULT: Upon the happening of one or more of the following events, Seller shall forthwith have the unrestricted right to cancel this agreement, in whole or in part, without cost or liability to Seller and/or pursue any further remedies available at law, or in equity: (a) Buyer's insolvency or inability to meet obligations as they come due, (b) the appointment of a trustee or receiver of Buyer, or any substantial part of Buyer's assets by any court, (c) the filing of a voluntary or involuntary petition of bankruptcy under any provision of the federal or provincial bankruptcy codes or insolvency laws, (d) Buyer fails, or appears to be unable, to perform any of its obligations in accordance with the terms and conditions of this agreement. No waiver by Seller of a breach by Buyer of any provision of this agreement shall constitute a waiver of any other breach or of such provision. All of Seller's rights and remedies hereunder shall be cumulative and not exclusive.

19. LIMITATION OF SELLER'S LIABILITY: In no event shall Seller be liable for anticipated profits or incidental or consequential damages. Seller's liability on any claim, of any kind, for any loss or damage arising out of, connected with, or resulting from this agreement, or from the performance or breach thereof, shall in no case exceed the price allocable to the goods or services or unit thereof which gave rise to the claim. Seller shall not be liable for penalties or any description.

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20. CHOICE OF LAW AND MANDATORY JURISDICTION: All accepted orders related to this contract, as well as its interpretation and all other terms and commitments governing the sale of Seller's product shall be governed by the laws of the Province of Ontario.

21. CONTROLLING PROVISIONS: These terms and conditions shall supersede any provisions, terms, and conditions contained on any confirmation order, or other writing, the Buyer may give or receive, and the rights of Buyer and Seller shall be governed exclusively by the provisions, terms, and conditions hereof. The Seller makes no representations or warranties concerning this quotation except such as are expressly contained herein.

22. CONFIDENTIALITY: This proposal and contract, including any accompanying, or subsequent, prototypes, samples, information, specifications, data, drawings, or other materials, related thereto, are confidential between DispenseRite Inc. and the party named in the proposal/contract. Any release to a third party must be with the expressed, prior written consent of DispenseRite Inc. Breach of this provision shall entitle DispenseRite Inc. to obtain immediate injunctive relief.

23. ENTIRE AGREEMENT AND MODIFICATIONS: This proposal and contract contains the entire agreement as to the standard terms and conditions governing the sale of goods. These standard terms and conditions of this proposal and contract may be modified or rescinded only by written agreement signed by an authorized representative of Seller.

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*Dispensing Equipment for Canadian Industry*

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