

DEALER AGREEMENT

THIS DEALER AGREEMENT ("Agreement") is made and entered into as of the ___ day of _____, 2008 ("Effective Date"), by and between:

RENEWABILITY ENERGY INC. ("Manufacturer") with a principal place of business at 60 Baffin Place – Unit #2, Waterloo, Ontario, Canada N2V 1Z7,

and

("Dealer")

WHEREAS Manufacturer is engaged in the manufacture, distribution and sale of "Residential Series" Power-Pipe® Drain Water Heat Recovery units ("Products");

AND WHEREAS Dealer has experience marketing and selling heat recovery products and/or other products to residential customers in the Territory, as hereinafter defined, and desires to act as an independent non-exclusive Dealer of Products to residential customers ("Customers") in the Territory, subject to the terms and conditions set out in this Agreement;

NOW THEREFORE in consideration of the representations, warranties, covenants, and agreements hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby by the parties acknowledged), it is agreed by and between Dealer and Manufacturer as follows:

APPOINTMENT AND PRODUCTS

1.1 **Appointment.** For and during the term of this Agreement, Manufacturer hereby appoints Dealer as an independent Dealer with the non-exclusive right to promote, sell, distribute, market, buy and resell (collectively referred to herein as to "distribute") the Products only to Customers in the Territory (with the understanding that Dealer has no right to distribute the Products outside of the Territory), and Dealer hereby accepts such appointment, subject to the terms and conditions hereof. Dealer covenants and warrants that its entering into this Agreement and performing its duties hereunder is not and will not be in violation of any agreement or other obligation to which Dealer is subject or by which Dealer is bound. Dealer acknowledges that Manufacturer retains the right to promote, sell, distribute and market Products in the Territory in its own right and through other distributors, dealers and agents.

1.2 **Territory.** The appointment of Dealer hereunder is strictly limited to the distribution of the Products to Customers in Canada and the United States of America only ("Territory"). Dealer covenants and agrees that it will not directly or indirectly distribute, ship, sell for trans-shipment, solicit the sale of, take orders (whether by telephone or otherwise) for, establish a branch, maintain any distribution depot for, sell, lease or otherwise distribute the Products from or to any customers or locations outside the Territory. In the event Dealer receives an inquiry, an offer to purchase, or a request for quotation regarding the Products from outside the Territory, Dealer agrees to promptly, and without compensation of any kind, forward all information regarding such matter to the Manufacturer.

1.3 **Products.** Dealer shall not manufacture, duplicate, modify, add to, or alter the Products or the Product warranties (or obliterate, alter, modify, change, or add to any packaging, promotional material or

labels accompanying same or affixed thereto), except as may be authorized in writing by Manufacturer from time to time. Manufacturer reserves the immediate right, without prior notice and without liability, to modify, alter, improve, or change the design and/or specifications of, or discontinue the sale of and/or the manufacture of any particular model of any Product. If any such alteration, improvement, modification, or change is made, there will be no obligation on the part of Manufacturer to: (a) repurchase or replace any such Products previously sold to Dealer; (b) make such modification, alteration, improvement, or change on any Products to be shipped or sold to Dealer; (c) make or offer a similar modification, alteration, improvement, or change on any Product or parts previously shipped to Dealer; or (d) install or furnish any other or different parts than were on Products when shipment was made.

RELATIONSHIP OF PARTIES

2.1 General Nature of Relationship. Dealer represents and warrants that it has experience selling goods similar to the Products in the Territory and knowledge regarding the market for such goods in all or part of the Territory. Dealer further represents and warrants that it has the necessary business and financial resources to fulfill its obligations hereunder. Dealer further agrees to exert its best efforts to distribute the Products in accordance with the provisions hereof. Based in part on the foregoing representations and warranties of Dealer, Manufacturer is entering into this Agreement. It is expressly agreed between the parties hereto that the relationship hereby established is solely one of independent seller and buyer. Dealer shall have sole control over the manner and means of conducting its business subject always to Dealer's compliance herewith. No fiduciary, special, trust or family relationship is established hereby, nor is any such relationship intended by the parties to result from operation hereof, it being intended and agreed that the relationship created hereby is and shall at all times continue to be one of independent contractors whose relationship is governed solely by this Agreement. Nothing in this Agreement shall be construed as constituting Dealer as a franchisee, attorney-in-fact, or legal representative of the Manufacturer for any reason whatsoever. Neither Dealer nor any director, officer, agent, or employee of Dealer shall be, or be considered, an agent or employee of Manufacturer. Neither Dealer, nor any director, officer, agent, or employee of Dealer shall be entitled to any of the benefits provided to employees of Manufacturer. Dealer shall have the sole right to hire and fire its own employees and agents and, further, Dealer shall be solely responsible for its acts and failures to act and the acts and failures to act of its employees and agents.

2.2 No Agency, Joint Venture or Partnership. Neither the making of this Agreement nor the performance of any part of this Agreement shall be construed in any circumstance to constitute Dealer as an agent of Manufacturer for any purpose, nor shall this Agreement be deemed to establish a joint venture or partnership between the parties hereto.

2.3 Investment and Expenses. The parties acknowledge that the operation of Dealer's business, whether related hereto or otherwise, is subject to the sole control and management of Dealer. Dealer agrees that it has been and shall continue to be solely responsible for all expenditures and expenses connected with or related to Dealer's investment in and operation of its business in the Territory, all of which shall be made at the sole discretion of Dealer. Such expenditures include, but are not limited to, those amounts expended in connection with: hiring, training and maintenance of sales, management, technical, repair, delivery, administrative, or other personnel; equipment or facilities; salaries; commissions; insurance; rent; inventory; advertising and promotional costs; and taxes. Dealer agrees that any and all amounts that may be expended or invested by Dealer that in any way relate to the performance of this Agreement, shall be incurred and spent voluntarily by Dealer based on its best business judgment. All decisions with respect to investment in and operation of Dealer's business shall be made solely and exclusively by Dealer and any suggestions that may be made by Manufacturer's personnel shall not be prescriptive or requirements of this Agreement, but shall be construed as advisory opinion only. The sole compensation of Dealer in relation to this Agreement, its formation, performance and termination, shall be its proceeds on the resale of the Products to Customers within the Territory.

2.4 No Authority to Commit. Dealer is not authorized to, and shall not, create, enter into, or execute any contract, obligation, order, or other commitment, whether express or implied, which in any way obligates Manufacturer in any manner to any third party, nor shall Dealer take any action that has the effect of creating the appearance of Dealer having such authority.

PURCHASE AND RESALE OF PRODUCTS

3.1 Order Acceptance or Rejection. Dealer shall, from time to time, submit to Manufacturer purchase orders in accordance herewith for the Products. All orders placed by Dealer shall be subject to acceptance or rejection by Manufacturer. Notwithstanding any terms and conditions that may be a part of Dealer's purchase order to Manufacturer, all sales of Products made by Manufacturer to Dealer shall be governed solely and exclusively by the terms of this Agreement and Manufacturer's standard terms and conditions, including those terms and conditions set out in Schedule "A" hereto. The parties agree that all terms and conditions set forth in any Dealer purchase order issued after the date hereof are hereby rejected and shall be null and void and of no effect on any purchase of Products made hereafter by Dealer from Manufacturer. Nothing contained in any Dealer purchase order issued after the date hereof shall be construed as an amendment hereto or a waiver hereof.

3.2 Pricing. The current Dealer's price list sets out the prices for the Products covered by this Agreement, FOB Manufacturer's facility in Waterloo, Ontario, Canada. Manufacturer reserves the right to and may change its prices, discounts, or terms of sale at any time and from time to time upon thirty (30) days' prior written notice to the Dealer. Products that are sold to Dealer by Manufacturer under the terms of this Agreement shall be sold to Dealer at the prices that shall be established by Manufacturer and in effect at the time of the order. All deliveries of Products covered by this Agreement will be on the credit of Dealer and will constitute sales made directly to Dealer. The Manufacturer reserves the right to offer volume or other discounts to the Dealer, other distributors, dealers or agents, or to end user customers. The Manufacturer, in its sole and absolute discretion, may from time to time advance credit or cash repayments to the Dealer based on large orders and/or annual volumes of sales of Products.

3.3 Payment and Shipping. Payment for the Products ordered by Dealer shall be made as follows:

(a) For all orders less than \$3,000 (excluding taxes, shipping and other similar costs), 100% of the invoice amount shall be paid by Dealer to Manufacturer with the Purchase Order by cheque, prepaid wire transfer, Visa or Mastercard,; and

(b) For all orders more than \$3,000 (excluding taxes, shipping and other similar costs), 30% of the invoice amount shall be paid by Dealer to Manufacturer with the Purchase Order by cheque, prepaid wire transfer, Visa or Mastercard, and the remaining 70% of the invoice amount shall be paid by Dealer to Manufacturer within thirty (30) calendar days of the date of shipment of such Products to Dealer.

(c) Dealer shall be responsible for arranging and paying for all shipping, insurance, brokerage and other similar costs relating to the delivery of Products from the Manufacturer to the Dealer. At the Dealer's request, the Manufacturer will arrange for shipping, insurance and brokerage on behalf of the Dealer and add all related charges to the Dealer's invoice.

(d) The Manufacturer will use its best efforts to ship all accepted orders within fifteen (15) business days of the receipt of the applicable payment specified in Section 3.3(a) or the applicable first payment specified in Section 3.3(b) above, subject to the volume of orders and production schedules of the Manufacturer at any particular time, which may delay such timing. Standard models often ship out the next business day.

3.4 Initial Order. Upon the execution of this Agreement, Dealer must place an initial order with Manufacturer of four (4) or more Products. One of these Products must be a Power-Pipe R3-60 or R3-48 display unit, which will be polished and lacquered and will include a stand, brochure holder and one hundred (100) brochures, priced at the current Dealer's price as set out in the current Dealer's Price List. At the Dealer's request upon each additional fifty (50) Products purchased, the Manufacturer will provide another Display Unit (plus additional accompanying items) at the Dealer's price for that unit.

3.5 Annual Minimum Purchases. The Dealer is expected to purchase a minimum of twelve (12) Products in each contract year of this Agreement, failing which Manufacturer may terminate this Agreement after the first contract year.

3.6 Re-sales. Nothing contained herein shall be deemed in any way to limit the right of Dealer to determine the prices or terms (except the Manufacturer's warranty terms) at which Products may be resold by Dealer. Dealer will resell Products at prices determined solely by Dealer, whether greater or lesser than any prices listed, suggested, or charged by Manufacturer. It is understood that Dealer shall buy and sell the Products in its own name, for its own account, at prices and on conditions determined by it, in compliance with this Agreement.

3.7 Warranties; Exclusive Remedy. Manufacturer warrants that Products are *code approved for potable water pursuant to the national standards in each country in the Territory*. Each and every purchase of Products by Dealer from Manufacturer shall be subject solely to the foregoing and Manufacturer's standard warranty and the exclusive remedies. Manufacturer reserves the right to change the terms of the warranty. Dealer agrees to either include the warranty or include the language of the warranty in any sales contract, invoice, or other acknowledgement for the sale of Products made by Dealer. Dealer further agrees that it will not make any statement to any Customer, purchaser or user of any Product that could be construed as altering, extending, or expanding Manufacturer's warranty or limitation of liability covering the Products, provided however that Dealer may extend the Product warranty at its own cost and provided that such warranty extension results in no liability to the Manufacturer. Dealer may not extend Manufacturer's warranty in connection with the sale of Products if such Products have in any way been altered or modified by Dealer or if such Products are not to be used in strict conformity with Manufacturer's specifications. Dealer shall not in any way alter or modify Products (or the parts or components thereof) without the prior written authorization of Manufacturer. Any warranty given by Dealer with respect to Products that have been altered or modified by Dealer or on behalf of Dealer or any such additional warranty or representation made by Dealer shall be void with respect to Manufacturer and shall be the sole responsibility of Dealer.

3.8 Exclusion of Consequential Damages; Limitation of Liability. IN NO EVENT SHALL MANUFACTURER BE LIABLE FOR ANY PENALTIES (INCLUDING, WITHOUT LIMITATION, ADMINISTRATIVE PENALTIES), SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, HOWEVER OCCURRING, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR ECONOMIC LOSS, LOSS OF GOOD WILL, LABOUR COSTS, LOSS OF PROFITS OR REVENUES, OR CLAIMS RESULTING FROM CONTRACTS BETWEEN DEALER, ITS CUSTOMERS, END-USERS AND/OR SUPPLIERS, REGARDLESS OF WHETHER ANY OF THE FOREGOING ARISES FROM THIS DOCUMENT OR MANUFACTURER'S PERFORMANCE HEREUNDER OR IN CONNECTION WITH THE USE OF, OR INABILITY TO USE, THE PRODUCTS FOR ANY PURPOSE WHATSOEVER. Subject always to the foregoing sentence, the total liability of Manufacturer for any other kind of damages arising from any cause of action or claim whatsoever, whether: (a) in contract; (b) in tort (including negligence, whether sole, joint, contributory, concurrent, or otherwise, but not including intentional, reckless, or wanton tort); (c) under strict liability; (d) arising out of any representation or instruction, or under any warranty; or (e) otherwise arising out of, connected with, or resulting from the design, manufacture, sale, resale, delivery, repair, replacement, use

or misuse of any Products or the furnishing of any service shall in no event exceed the price allocable to and paid to Manufacturer for the individual unit of Products or service or part thereof which gives rise to the cause of action or claim. Manufacturer and Dealer acknowledge and agree that the exclusions of remedies and limitations of liability and damages herein reflect a bargained-for allocation and limitation of risk, liability, and damages. This Section shall apply notwithstanding any other provision of this Agreement.

3.9 All Sales Final. All sales to the Dealer are final No Products may be returned without prior written authorization from Manufacturer.

DUTIES AND OBLIGATIONS OF THE DEALER

4.1 Sales Promotion; Actions by Dealer. Dealer agrees that it will use its best efforts to sell and actively promote, in all lawful ways, the sale and distribution of the Products in the Territory. Dealer shall not make any representation or statement to prospective purchasers, Customers or end-users of Products in connection with the manufacture, installation, repair, replacement, use, selection of materials, or operation of the Products or other terms or conditions of the sale thereof, except as specifically authorized by Manufacturer. Dealer agrees not to recommend Products for unsuitable applications or any application not recommended by Manufacturer. Dealer agrees to not publish and to not permit to be published, any testimonials, photographs, or statements of any person concerning Manufacturer or the Products without first obtaining the written consent of Manufacturer. Dealer shall not engage in any activity that would in any way diminish or detract from the sales potential of the Products or their attractiveness to potential buyers or users thereof. Dealer agrees to promptly advise Manufacturer of any complaints with respect to Products. Dealer shall make clear with customers and prospective customers, that it is acting as a Dealer of the Products and not as agent of the Manufacturer. Accordingly, the Dealer shall: (a) be responsible for all customer account receivables; and (b) not pledge the credit of Manufacturer or give any condition or warranty or make any representation on behalf of the Manufacturer or commit the Manufacturer to any contracts nor, without the prior written consent of Manufacturer, make any promises or guarantees with reference to the Products beyond those contained in the promotional material supplied by Manufacturer or otherwise incur any liability on behalf of the Manufacturer.

4.2 Dealer's Business. Dealer warrants and represents to Manufacturer that Dealer has, and agrees that it will maintain during the term of this Agreement, all resources (may include equipment, facilities, materials, and knowledgeable personnel) necessary to actively promote the Products. Dealer shall inform Manufacturer immediately of any changes which might affect the performance of its obligations hereunder.

4.3 Insurance. Dealer shall maintain, at Dealer's own expense, general public liability and property damage insurance with policy limits no less than **One Million Dollars (\$1,000,000)** protecting Dealer against loss by reason of liability arising from the performance of this Agreement and/or Products. Dealer will provide written proof of this insurance to the Manufacturer.

4.4 Indemnity by Dealer. Dealer hereby agrees to and shall indemnify, defend, and hold harmless Manufacturer, its directors, officers, agents, employees, shareholders, debtholders and debentureholders from and against each and every cause of action, claim, lawsuit, loss, cost, damage, tax, expense (including reasonable legal fees) or liability, arising out of or related to: (i) loss of or damage to the property, or death of, or personal injury to Dealer, its Customers and/or any third party; and/or (ii) any lawsuit or claim against, or damage to, Manufacturer resulting from or in connection with any breach hereof, non-compliance herewith, or the actions or failure to act of Dealer, its directors, officers, agents, or employees, including but not limited to: (a) breach of any of the provision of this Agreement by Dealer; (b) negligence or other tortious conduct by Dealer or its authorized agents; (c) representations or

statements not specifically authorized by Manufacturer herein or otherwise in writing; (d) violation by Dealer of any law, regulation, or order now or hereafter in effect in the Territory; or (e) death or injury to persons who use the Products, due to inaccurate or incomplete information provided to Customers and/or end-users using the Products.

DUTIES OF MANUFACTURER

5.1 Sale of Products. Manufacturer will sell Products to Dealer in accordance with the terms of this Agreement.

5.2 Consultation. Manufacturer agrees, at reasonable times during business hours, to make itself available for technical advice and consultation in connection with the sale of the Products. Such assistance shall be without charge to Dealer, except as may be otherwise mutually agreed.

INTELLECTUAL PROPERTY RIGHTS

6.1 Intellectual Property Ownership. Dealer recognizes and agrees that all intellectual property rights relating to the Products, Manufacturer, and/or to this Agreement, including but not limited to all trademarks, service marks, copyrights, patents, trade names, trade secrets, logotypes, advertising and other commercial symbols, and goodwill (collectively, "Intellectual Property"), whether registered or not, used on or related to the Products or Manufacturer, are and shall remain the sole property of Manufacturer. Nothing in this Agreement shall be deemed to confer upon or transfer to Dealer any right, title, interest, or license, whether express or implied, in or to any of Manufacturer's Intellectual Property. Dealer further agrees to immediately report to Manufacturer any illegal use or infringement of Manufacturer's Intellectual Property.

6.2 Use of Marks and Names. Dealer covenants and agrees that it will not during the term hereof or at any time thereafter, adopt or use Manufacturer's Intellectual Property, without prior written approval of Manufacturer. Dealer covenants and agrees not to remove, alter, deface, conceal, or add to any trademark, trade name, service mark, label, marking, logo, decal, type, or serial number that may be affixed to or marked on the Products, and Dealer shall take all reasonable steps to ensure that any trademark, trade name, service mark, label, marking, logo, decal, type, or serial number affixed to or marked on the Products is not removed, altered, or defaced by others. Dealer will not use the corporate name of Manufacturer or any trademark, service mark, trade name or other Intellectual Property of Manufacturer, in or on any of its telephone directory listings, letterheads, business cards, or other office or business supplies in a manner or form without the prior written approval of Manufacturer. Dealer shall not use the Intellectual Property in any way which would tend to allow any of it to become generic, lose its respective distinctiveness, become liable to mislead the public or be materially detrimental to, or inconsistent with, the good name, goodwill, reputation and image of Manufacturer. The Dealer shall immediately report to Manufacturer any potential infringement in the Territory of Manufacturer's Intellectual Property and shall assist Manufacturer in protecting its right, title and interest therein. The Dealer shall immediately report any imitation of the Products to Manufacturer.

6.3 Confidentiality. Dealer agrees that all know-how, drawings, blueprints, manuals, letters, notes, notebooks, reports, sketches, formulae, memoranda, dealer pricing, sales and technical bulletins, service manuals, customer lists, and all other material and specifications furnished by Manufacturer to Dealer pursuant to or in connection with this Agreement that in any way relate to the Products and/or Manufacturer's business (collectively, "Confidential Information") shall be and remain the sole and exclusive property of Manufacturer. Dealer acknowledges and agrees that Confidential Information is and will be comprised of valuable trade secrets of, and is proprietary to, Manufacturer, and shall be used only as directed by Manufacturer in writing and then only to the extent necessary to acquaint potential

purchasers of Products with the use thereof. Dealer covenants and agrees that it will not at any time during the term hereof or at any time thereafter use such Confidential Information for its own benefit or disclose or allow to be disclosed any such Confidential Information to any third party, including prospective purchasers, except in accordance herewith. The foregoing obligations shall not extend to information that is or becomes public through no fault of Dealer, its agents, owners, officers, directors, or principals. Manufacturer may notify anyone doing business with Dealer or evidencing an intention to do business with Dealer as to the existence and provisions of this Section.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

7.1 Dealer's Compliance. Dealer shall at all times hereafter, at its expense, comply with any and all laws, rules, regulations, and orders that may be applicable to Dealer and/or this Agreement, and any and all laws, rules, regulations, and orders that govern or affect the ordering, shipment, import, sale, delivery, or redelivery of Products in the Territory including without limitation, obtaining any necessary import licenses, certificates of origin or other requisite documents and collecting, remitting and paying all or any applicable taxes, charges, levies, customs duties, assessments and other fees of whatsoever kind in respect of the purchase and importation of the Products into and the distribution of Products within the Territory. Dealer agrees it will not engage in any course of conduct that, in Manufacturer's reasonable belief, would cause Manufacturer and/or Dealer to be in violation of any applicable laws, rules, regulations, and/or orders.

7.2 Indemnification. Dealer shall indemnify and hold harmless Manufacturer from and against all losses, taxes, costs, damages, or other penalties, including reasonable lawyer's fees incurred, assessed, or imposed, as a result of the violation by Dealer of any such law, rule, regulation and/or order. All payments by Dealer to Manufacturer shall be made without prior demand, abatement, set-off or deduction.

TERM AND TERMINATION

8.1 Term. The term of this Agreement shall commence on the Execution Date, subject to later termination by either party pursuant to the provisions herein.

8.2 Amendment and Renewal. This Agreement may be amended and renewed at any time by the mutual agreement of the parties, upon such terms and conditions as they may agree in writing.

8.3 Termination without Cause. Notwithstanding anything contained herein, but subject to earlier termination pursuant to Section 8.4, this Agreement may be terminated at any time after the Effective Date, without cause, by Dealer giving the Manufacturer ninety (90) days prior written notice of termination, which termination shall operate without prejudice to the parties' rights and obligations that may have accrued in accordance herewith prior to the effective date of such termination.

8.4 Termination by Manufacturer. For greater certainty and in addition to any other rights herein, the parties hereto agree that Manufacturer may immediately terminate this Agreement upon written notice given to Dealer, upon the occurrence of one or more of the following events, which occurrence shall for all purposes be deemed to be, and shall be treated as, non-performance of an essential obligation of this Agreement:

- (a) any assignment or attempted assignment (whether by contract, operation of law, or otherwise) by Dealer of any interest in this Agreement without Manufacturer's written consent, which consent may be unreasonably withheld or delayed;
- (b) indictment or conviction in any court of competent jurisdiction of Dealer, or a manager, partner, principal, officer, major stockholder or director thereof for any violation of law tending, in Manufacturer's

- sole opinion, to adversely affect the operation or business of Dealer or the good name, goodwill, or reputation of Manufacturer, the Products, or Dealer;
- (c) submission by Dealer to Manufacturer of any incorrect, false, or fraudulent reports or statements, including without limitation claims for any refund, credit, rebate, incentive, allowance, discount, reimbursement, or other payment by Dealer;
 - (d) the institution of any bankruptcy, winding up, or liquidation proceedings on behalf of, or against, Dealer;
 - (e) Dealer makes any arrangements with its creditors or has a receiver, manager or administrator appointed in respect of all or any part of its assets;
 - (f) execution should be enforced upon the property of Dealer and not stayed within a period of thirty (30) days;
 - (g) non-compliance with, or breach by, Dealer of any of the representations, warranties, covenants, agreements, provisions, terms, or conditions hereof; and/or
 - (h) Dealer's failure to meet its financial obligations to Manufacturer in a timely manner.

Dealer covenants and agrees to immediately advise Manufacturer in writing of the occurrence of any event specified in this Section.

8.5 Rights of Parties on Termination. In the event of any termination pursuant to Section 8.3 or Section 8.4, the following shall apply:

(a) **No Claim or Damage On Termination.** The right to terminate this Agreement as set forth herein is absolute, and neither Manufacturer nor Dealer will be liable to the other by reason of termination (whether with or without cause) of this Agreement for any claims, causes of action, demands, damages, penalties, or indemnities of any kind or nature, including without limitation claims or damages on account of: loss of goodwill; loss of present or prospective profits on sales or anticipated sales; expenditures, investments, loans, or leases related to Dealer's business or in reliance on the existence of this Agreement; statutory or other indemnities; commitments in connection with the establishment, development, or maintenance of Dealer's business or goodwill related thereto; injury to Dealer's reputation as a result of termination; or any other reason whatsoever. The claims, causes of action, rights, and remedies (whether arising out of any statute, rule, or regulation of any governmental body) of either party hereto arising as a result of, or connected with, termination of this Agreement shall be solely and exclusively as set forth in this Agreement. In the event of termination of this Agreement as set forth herein for any reason or for no reason, Manufacturer will thereafter and hereafter stand wholly freed and discharged, and Dealer hereby expressly releases and discharges Manufacturer of and from any and all obligations, causes of action, claims, demands, damages, penalties, or liabilities whatsoever, whether arising hereunder, or related to this Agreement or the subject matter hereof.

(b) **No Compensation.** Dealer shall have no claim for money or compensation of any kind with respect to the sale of Products at any time after the effective date of termination, regardless of prior efforts of Dealer with respect to any customer or the Products. Dealer shall not be entitled to any separation compensation, restitution, quantum meruit, indemnity, or damages of any kind or nature. Dealer, for itself and all who may claim under it, hereby renounces and waives the benefit of, and covenants that it will not any time hereafter insist upon, plead, claim, or take the benefit or advantage of, any law, statute, or regulation providing separation or termination compensation, or indemnity of any kind to Dealer as a result of termination of this Agreement.

(c) **Cancellation of Orders.** Any orders placed by the Dealer as of the date of giving the notice of termination will be automatically cancelled without charge unless otherwise agreed.

(d) No Right to Continue. Manufacturer shall have no right to require Dealer to continue to act as a Dealer of Products, or any of them, and Dealer shall have no right to require Manufacturer to continue to supply Products, or any of them, to Dealer or any other person. Each of Manufacturer and Dealer covenants and agrees that at no time will it commence any action or proceeding wherein it alleges that it has or had any such rights.

(e) Allocation of Rights and Remedies. The parties hereto have freely negotiated, obtained, and given consideration for the termination rights, obligations, and remedies set forth in this Agreement. The limitation of remedies, claims, liabilities, and damages for termination of this Agreement reflect a bargained-for allocation and limitation of such remedies, claims, liabilities, and damages. It is the intention and desire of the parties to this Agreement that the rights, obligations, and limitation of remedies of the parties hereto on termination hereof be set forth solely and exclusively herein and be enforceable and enforced as written and agreed herein.

8.6 Duties of Dealer Related To and After Termination. In addition to obligations imposed elsewhere herein, on termination of this Agreement, with or without cause, the following shall apply:

(a) The Manufacturer will, at its sole option, either: (i) permit the Dealer to sell any Products inventory in its possession at the time of such termination, or (ii) require the Dealer to return all such undamaged inventory to the Manufacturer, and the Manufacturer will reimburse the Dealer for the purchase price of such inventory and pay for delivery. If there is damage to the returned inventory the Manufacturer will be entitled to reduce the amount refunded to the Dealer. After the sale of the inventory as set out in (i) above, or immediately upon the notice from the Manufacturer as set out in (ii) above, as applicable, Dealer shall immediately cease to describe itself as a Dealer of the Products and/or Manufacturer and, further, shall immediately cease and refrain from the sale, promotion, offering, forwarding, and shipping of the Products and shall return to Manufacturer, and immediately cease the use of, Confidential Information (and all copies thereof) and Intellectual Property (and all copies thereof). Dealer also shall take such action as is necessary to terminate the Dealer's registration or authorization with any governmental authority or agency as a Dealer of Products.

(b) Dealer shall remove from its property (including, without limitation, telephone directory listings, letterheads, signs, business cards, or other office or business supplies), and immediately discontinue all direct or indirect use of Intellectual Property now or hereafter owned or controlled by Manufacturer, or of any word, title, expression, trademark, trade name, design, or marking that, in the opinion of Manufacturer, is confusingly similar thereto. If requested by Manufacturer, Dealer shall certify in writing that Dealer has completely terminated its use of any and all such Intellectual Property, or any other word, title, expression, trademark, trade name, design, or marking similar thereto that appeared in or on any devices or other materials used in conjunction with Dealer's business.

8.7 Survival. Notwithstanding anything contained herein, including but not limited to Sections 8.3 and 8.4 above, upon termination or expiration of this Agreement for any reason, Dealer shall not be released from its obligations to pay monies due or to become due to Manufacturer or to complete any other unfulfilled obligations under this or any other agreement, and Dealer shall immediately pay and discharge all debts, and shall perform all obligations set forth in, and be otherwise subject to, Sections 3.7 and 3.8, as well as Sections 2, 6, 7, 8 and 10, all of which shall survive and continue after expiration or termination hereof and shall bind Dealer and its successors and permitted assigns. This Section shall apply notwithstanding anything herein contained. All remedies of Manufacturer contained herein, or otherwise available pursuant to law or equity, shall be cumulative and not alternative. Nothing herein contained shall be construed so as to limit the remedies available to Manufacturer. Without limiting the generality of the foregoing, it is understood and agreed that Manufacturer shall have the right, at any time and from time to time in its sole discretion to refuse to accept any purchase order.

NON-COMPETITION

9.1 **Sale of Conflicting Products.** Dealer agrees that it will not at any time during the term of this Agreement market, distribute, offer for sale or sell any DWHR product, other than the Products.

MISCELLANEOUS

10.1 **Assignment or Transfer Prohibited.** This Agreement and the rights and duties of Dealer hereunder are not assignable, transferable, or subject to delegation by Dealer without the prior written consent of Manufacturer, which consent may be unreasonably withheld or delayed, and any attempted assignment, transfer, or delegation without such written consent shall be null and void.

10.2 **Severability.** If any one or more provisions of this Agreement shall be unenforceable, such unenforceability shall not affect the other provisions of this Agreement. To the extent permitted by applicable law, the parties hereto waive any provision of law that renders any term or provision hereof unenforceable in any respect.

10.3 **Amendment; Waiver.** Any amendment or modification to this Agreement shall not be binding upon either party unless agreed to in writing by authorized representatives of each party. No delay or omission on the part of either party in exercising any right hereunder will operate or be construed as a waiver of that right or of any other right hereunder, nor will any delay or omission operate as an estoppel to the future exercise of that right, nor will any delay, omission, or waiver on any one or more occasion be deemed a waiver of that right, or any other right on any future occasion.

10.4 **Notices.** Any notice required to be given by this Agreement or otherwise by either party, shall be considered properly and timely given when sent by prepaid courier, first class, registered, or certified mail, return receipt requested, and addressed to the other party at the address set forth at the beginning of this Agreement or to such other address as may be designated by either party from time to time. Any such notice will be deemed to be delivered upon actual receipt by the recipient.

10.5 **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties regarding the subject matter hereof, and merges all prior discussions and negotiations, verbal or written, between them. Neither of the parties shall be bound by any conditions, definitions, representations, or warranties, verbal or written, with respect to the subject matter of this Agreement other than as expressly provided herein. This Agreement supersedes and is in lieu of all existing agreements or arrangements between the parties hereto relating to the subject matter hereof. No course of dealing between the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used to supplement or modify any of the terms or conditions of this Agreement or shall be construed as creating a new contract.

10.6 **Counterparts; Section Headings.** This Agreement may be executed, accepted, and delivered in any number of counterparts and by facsimile transmission, each of which shall be an original, but such counterparts together constitute but one and the same instrument. The section headings are inserted for convenience only and are not to be construed as part of this Agreement.

10.7 **Governing Law.** This Agreement shall be deemed to have been negotiated, executed, delivered, and entered into in the Province of Ontario, and this Agreement, and its formation, operation, and performance shall be governed, construed, interpreted and enforced solely and exclusively in accordance with the laws and courts of the Province of Ontario, without giving effect or consideration to the conflicts of laws rules thereof and the parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

10.8 **Time of the Essence.** Time shall be of the essence herein.

10.9 **Force Majeure.** No party shall be liable for any failure to perform its obligations herein (except the obligation to make timely payment) if such failure results from any act of God, riot, civil unrest, flood, earthquake, or other cause beyond such party's reasonable control, including without limitation any mechanical, electronic or communications failure, strike, work disruption, sickness, disruption of the supply of utilities or failure of suppliers to make timely deliveries.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed and do each hereby warrant and represent that its respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate action to execute this Agreement, which shall be effective as of the date first herein above written.

RENEWABILITY ENERGY INC.

(Dealer Name in Full)

By: _____

By: _____

Its: _____

Its: _____

SCHEDULE "A"

MANUFACTURER'S STANDARD TERMS AND CONDITIONS FOR DEALERS

1. Order Procedures

(a) For each order, Dealer will fax to the facsimile number provided by the Manufacturer a signed Order Form in the form provided by the Manufacturer from time to time. Based on the Manufacturer's assessment of its manufacturing schedules and commitments at such time, the Manufacturer will then fax back to the Dealer an "Order Acknowledgement" indicating an estimated Ship-out Date and shipping quote (if requested).

(b) If the Dealer accepts the information contained in the Order Acknowledgement and any related shipping quote, the Dealer shall, within one (1) business day, fax to the Manufacturer for its acceptance a complete and signed Purchase Order containing, among other things, details of the method of required upfront payments to the Manufacturer and an acknowledgement of the Ship-out Date. All Dealer Purchase orders shall be subject to the terms and conditions of the Dealer Agreement between the parties. If the Dealer is making any required payment by cheque or prepaid wire transfer, any delay in the receipt or clearing of any such payment may result in an amendment to the Ship-out Date by the Manufacturer.

(c) If the Manufacturer at any subsequent time amends a Ship-out Date to an earlier or later date, the Manufacturer will so advise the Dealer as soon as possible.

2. Installation Services

Manufacturer highly recommends that Dealer provide an installation service for its customers, as this will greatly increase value to the customers and assist in market penetration rates.

3. Marketing Materials

Manufacturer will provide printed brochures and other marketing materials with all shipments of Products, as requested by the Dealer for each shipment. Manufacturer may at any time specify cost-sharing arrangements regarding any brochures and other marketing materials.