



EI Solutions inc.

4621 Louis B. Mayer
Laval, QC H7P 6G5

Laval January 10, 2025

Strathcona Regional District
990 Cedar St.
Campbell River, BC V9W 7Z8
1-877-830-2990

RE: DH1 – A35G Desiccant Dehumidifier for Strathcona Gardens Recreation Complex

Dear Robin Kentrop,

This letter acknowledges your LOI SRD-24-013 dated November 27, 2024 to E.I. Solutions Inc. for the purchase of one (1) Desiccant Dehumidifier Model A35G (DH1) as stated on our Quote No. JE2024-239 dated October 29, 2024. The price of your order is **\$360,000.00 CAD** plus applicable taxes. Please note that all our terms and conditions are based upon credit approval.

As a reminder, sales tax will be charged on your order based on the ship to location if you do not provide a copy of your Sales Tax-Exempt Certificate.

As you are a first-time customer, you are required to fill out a credit application. Please complete the attached “**Credit Application**” and return to our office in Laval, Quebec by fax at **450-687-6801** at your earliest convenience.

Terms of Payment:

- 30% Upon Release for Fabrication
- 30% Before Shipment
- 40% Net 30-days from date of shipment

We have attached our Standard Conditions of Sale. The Standard Conditions of Sale constitute EI Solutions’ offer and supersede and control any additional, contradictory, or different Terms and Conditions contained in any purchase order submitted by the Buyer, regardless of any provision to the contrary therein. Our acceptance of your order is conditioned on your assent to our Standard Conditions of Sale. A failure to deliver written notification of an objection to said terms within the next 10 days will indicate your acceptance of these terms.

The approved submittal or technical data for record in accordance with Quote Number JE2024-239 will become part of this contract.

NOTICE OF POTENTIAL DELAY AND RESERVATION OF RIGHTS

Re: COVID-19 Pandemic and beyond

To Whom It May Concern:

The ongoing pandemic and current geo-political climate has caused tremendous inflationary pressures both in materials and transportation as well as worldwide delays in shipping. These inflationary costs and delays have affected the entire technology industry, particularly disrupting supply chains for manufacturers. Although the situation continues to evolve, EI Solutions has not been spared from these disruptions. Potential impacts may include but are not limited to, labor shortages due to infection or quarantine, extended lead times as a result of material shortages across the globe and rising fuel costs.

While this notice may seem premature, our agreement requires that we furnish you written notice of any delays in a timely fashion. Accordingly, pursuant to our Standard Terms, please consider this correspondence to be our formal notice of potential delays to our performance through no fault of our own and that are beyond our control, including, but not limited to, changed conditions, constructive suspension of work, constructive change, force majeure/act of God, etc. EI Solutions hereby reserves all rights it may have under our agreement and applicable law to protect its legal and commercial interests, including without limitation the right to seek an extension of time and an increase in our contract price. I can assure you that we are evaluating all options to minimize and mitigate the impact to your Project.

We will continue to keep your project representatives informed of any delays and their effect on overall job completion. We will diligently seek to minimize to the best of our ability, the effects of these delays on our work. Your cooperation in minimizing these impacts is appreciated as we work our way through this unprecedented event.

If you have any questions concerning your order, please contact our office in Laval at **(514) 920-0021**.

Regards,

Mary Anoia, mary@eisolutions.ca

Inside Sales Representative, Energy In-hybrid Solutions Inc.
514-920-0021 extension 206



This Quote is Issued to:
Strathcona Reginal District
Strathcona Gardens Recreation Centre
990 Cedar Street,
Campbell River, BC V9W 7Z8

EI Solutions Inc.
is represented by
Jalal Elarid
Tel: 250-514-7078
jelarid@eisolutions.ca

All orders should be issued to:
EI Solutions Inc., 4621 Louis B. Mayer, Laval (Québec) H7P 6G5

This proposal, unless previously withdrawn, shall remain open for thirty days from the date hereof, and an order is subject to acceptance at the offices of EI Solutions Inc., Laval (Québec). Any order resulting from this proposal shall be subject to all terms and conditions stated on the front and reverse sides hereof or attached hereto. EI Solutions Inc. is required to collect Provincial and Federal taxes where applicable. Taxes must be invoiced in such cases unless a valid exemption is on file at the time of order. All orders are subject to credit approval.

TERMS: 30% AT RELEASE / 30% AT SHIPMENT / 40% NET 30
FOB: BARRIE, ON

LEAD TIME: 32-34 WEEKS FOLLOWING APPROVAL
(+3 WEEKS FOR SHOP DRAWINGS)

EI Solutions is pleased to present our price for the supply of one (1) A-Series Desiccant Dehumidification Unit for the Strathcona Gardens Rod Brind'amour arena facility located in Campbell River, BC.

Model and Description	QTY	Price CAD
<u>EI Solutions A35G Dehumidifier (16,000 CFM)</u> ➤ Double wall cabinet with 1.5" rigid polystyrene foam insulation ➤ End supply air and Side C return air duct opening connections ➤ Mixing box c/w modulating OA/RA dampers ➤ Direct-drive ECM type supply fan array ➤ Direct-drive AC type reactivation fan ➤ 1940mm x 400mm metal silicate desiccant wheel ➤ 1100MBH input direct-fired natural gas reactivation heater ➤ Empty section for future post cooling coil c/w drain pan ➤ 2" pleated MERV-8 process pre-filters c/w PD monitoring ➤ 575V / 3Ph / 60Hz single point power connection ➤ Convenience outlet on separate 120V circuit (customer supplied power) ➤ NEMA 4 electrical panel ➤ NEMA 3R non-fused disconnect switch ➤ Microprocessor controls with BACnet MS/TP communication ➤ (1) Space Temp/RH combo sensor shipped loose (installed by others) ➤ Warranty: 1-year parts only ➤ Start-up assistance ➤ Freight from Barrie, ON to Campbell River, BC ➤ Includes permits for wide load, pilot car, and ferry charges QUOTATION PRICE (CAD) <u>Not Included:</u> ➤ ROOF CURB ➤ IAQ SENSORS (CO, CO2, NO2) ➤ OTHER ACCESSORIES NOT MENTIONED ➤ RIGGING, MOUNTING and INSTALLATION ➤ APPLICABLE TAXES ➤ LABOUR FOR WARRANTY	1	\$360,000



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GENERAL TERMS AND CONDITIONS

1. Applicability.

- (a) These terms and conditions of sale (these "**Terms**") are the only terms which govern the sale of goods ("**Goods**") by ENERGY IN-HYBRID SOLUTIONS INC., also doing business as EI SOLUTIONS ("**Seller**") to any person purchasing Goods ("**Buyer**").
- (b) The accompanying sales proposal (the "**Sales Proposal**" and these Terms collectively, this "**Agreement**") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. Notwithstanding anything herein to the contrary, the terms of the Sales Proposal shall prevail over these Terms to the extent they are inconsistent with these Terms. This Agreement shall prevail over any of Buyer's general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Fulfilment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend this Agreement.

2. Delivery.

- (a) The goods will be delivered within a reasonable time after receipt of Buyer's purchase order, subject to availability of finished Goods.
- (b) Delivery of the Goods shall take place at the address specified in the Sales Proposal or at any other address determined by mutual agreement of the parties (the "**Delivery Point**"). Buyer shall take delivery of the Goods within ten (10) days of Seller's written notice that the Goods have been delivered to the Delivery Point.
- (c) Delivery shall be made Free Carrier (FCA) Delivery Point, as said term is defined by Incoterms® 2020. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point. Buyer shall comply with all export and import laws of all countries involved in the sale of Goods under this Agreement. Buyer assumes all responsibility for shipments of Goods requiring any government import clearance.
- (d) Notwithstanding the foregoing, upon request of the Buyer, the Seller may assist the Buyer with arrangements for transport and delivery of the Goods. Such assistance may include arranging for transport and delivery of the Goods to the Buyer's place of business and contracting with carriers either in the name of Buyer or in the Seller's name for and on behalf of the Buyer. The Buyer hereby undertakes to pay any and all fees related to carriage, transport or delivery of the Goods directly to the carrier or the Seller or as otherwise instructed by the Seller. The Buyer acknowledges that any assistance provided by the Seller hereunder is provided free of charge (i.e. the Seller is not charging a service fee for its assistance) as a courtesy to the Buyer and is not intended and may not in any way be construed as conveying upon the Seller any duties or legal obligations not contemplated by an FCA delivery. The Seller shall be under no obligation to render transport and delivery assistance and any such assistance shall be rendered at the sole and unfettered discretion of the Seller.
- (e) Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfilment of Buyer's purchase order.
- (f) The Buyer acknowledges that the Seller may not always be in a position to accommodate the Buyer's request to delay the production or delivery of the Goods. If the Buyer wishes to delay production or delivery of the Goods, they shall so notify the Seller at the first opportunity. If the Seller receives said notice after the Buyer has approved the shop drawings for the Goods (i) if production and/or delivery can be delayed, the Seller shall provide the Buyer with its best estimate of the costs associated with the delay and the Buyer

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shall bear all said costs whether or not they appear on the estimate, and the parties shall work together to schedule a new delivery date; (ii) if production and/or delivery cannot be delayed, risk of loss to the Goods shall pass to Buyer on the original estimated date of delivery as indicated by the Seller; (iii) if production and/or delivery cannot be delayed, the Goods shall be deemed to have been delivered on said original estimated date of delivery; and (iv) if production and/or delivery cannot be delayed, the Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

- (g) If for any reason Buyer fails to accept delivery of any of the Goods at the Delivery Point, (i) risk of loss to the Goods shall pass to Buyer on the date of delivery indicated in the Seller's notice under Section 2(b); (ii) the Goods shall be deemed to have been delivered on said date of delivery; and (iii) Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

3. Amendments and Modifications.

- (a) This Agreement may only be amended or modified by a written document which specifically states that it amends this Agreement and is signed by an authorized representative of each party.

4. Price.

- (a) Buyer shall purchase Goods from Seller at the price(s) (the "**Price(s)**") set forth in the Sales Proposal.
- (b) All Prices are exclusive of all sales tax, goods and services tax, provincial sales tax, value added tax, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes.

5. Payment Terms.

- (a) Buyer shall pay all invoiced amounts due to Seller in accordance with the terms of the Sales Proposal. Buyer shall make all payments in the currency specified in the Sales Proposal and shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller.
- (b) Buyer shall pay interest on all late payments at the rate of **18% per annum**, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, legal fees on a full indemnity basis. In addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Goods if Buyer fails to pay any amounts when due hereunder.

6. Limited Warranty.

- (a) Seller warrants to Buyer that the Goods will be free from material defects in material for a period of: (a) eighteen (18) months from the date of shipment of the Goods or (b) one (1) year from the date of start-up of the Goods, whichever ends sooner ("**Parts Warranty Period**").
- (b) Seller warrants to Buyer that for a period of thirty (30) days from the date of start-up of the Goods ("**Workmanship Warranty Period**"), such Goods will be free from material defects in workmanship.
- (c) EXCEPT FOR THE WARRANTIES SET FORTH IN SECTIONS 6(a) and 6(b), SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (a) CONDITION OR WARRANTY OF MERCHANTABILITY; OR (b) CONDITION OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.
- (d) Products manufactured by a third party ("**Third Party Products**") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Goods. Third Party Products are not covered by the warranty in Sections 6(a) and 6(b). For the avoidance of doubt, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD-PARTY PRODUCTS,



INCLUDING ANY (a) CONDITION OR WARRANTY OF MERCHANTABILITY; (b) CONDITION OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

- (e) The Seller shall not be liable for a breach of the warranties set forth in Sections 6(a) and 6(b) if: (i) the defect arises because Buyer failed to follow Seller's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods; or (ii) Buyer alters or repairs such Goods without the prior written consent of Seller; or (iii) Buyer has not fully paid the Price of such Goods (including any interest thereon) or any other amount owing to Seller under the terms of this Agreement or any other agreement between the parties.
- (f) Subject to Section 6(e) above, with respect to any Goods found to be defective during the Parts Warranty Period or Workmanship Warranty Period, Seller shall, in its sole discretion and within a commercially reasonable period of time from receipt of a notice from the Buyer setting out the purported defect in reasonable detail, either: (i) repair or replace such Goods (or the defective part) or (ii) credit or refund a reasonable amount to Buyer depending on the nature of the defect.
- (g) THE REMEDIES SET FORTH IN SECTION 6(f) SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN SECTIONS 6(a) AND 6(b).

7. Limitation of Liability.

- (a) NOTWITHSTANDING THE WARRANTIES SET OUT IN SECTION 6, IN NO EVENT SHALL THE SELLER BE LIABLE FOR ANY DAMAGES WHATSOEVER, INCLUDING BUT NOT LIMITED TO DIRECT, CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO WATER INFILTRATION OF ANY BUILDING IN WHICH GOODS ARE INSTALLED, REGARDLESS OF THE WARRANTIES CONTAINED HEREIN OR THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.
- (b) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THESE TERMS, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY BUYER OR COULD HAVE BEEN REASONABLY FORESEEN BY BUYER, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.
- (c) IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD UNDER THE RELEVANT SALES PROPOSAL or ONE-MILLION DOLLARS WHICHEVER IS LESS.

8. Termination. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors. Buyer shall not



have the right to terminate this Agreement for any reason. Should Buyer wish to terminate this Agreement, Buyer shall so inform Seller without delay and the latter shall determine, in its sole and unfettered discretion, whether to agree to termination and under what conditions. Should Buyer wish to proceed with the termination following receipt of Seller's conditions, Buyer shall comply with all such conditions, which may include but are not limited to payment of: all costs incurred by Seller up to the date of termination, costs of any materials or work ordered or commission by Seller that have not yet been paid but which cannot be cancelled or for which Seller must pay cancellation fees, all costs associated with engineering, shop drawings or production of the Goods, reasonable administrative fees, and reasonable compensation for inconvenience and loss of profit on the part of Seller.

9. Waiver. No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
10. Force Majeure. Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond Seller's control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, tsunami, fire, earthquake, explosion; (c) epidemics, pandemics; (d) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (e) government order, law or actions; (f) embargoes or blockades in effect on or after the date of this Agreement; (g) national or regional emergency; (h) strikes, lockouts, labor stoppages or slowdowns, labor disputes, or other industrial disturbances; (i) shortage of adequate power or telecommunications or transportation facilities; (j) failure of any governmental or public authority to grant a necessary license or consent; (k) delays related to the procurement of components required for the production of the Goods from third parties; (l) delays related to the need to replace components that do not pass the Seller's safety and quality inspections and (m) other events beyond Seller's control.
11. Assignment. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.
12. Governing Law. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.
13. Choice of Forum. Any legal suit, action, litigation or proceeding of any kind whatsoever in any way arising out of, from or relating to this Agreement, including all exhibits, schedules, attachments, and appendices attached to this Agreement, and all contemplated transactions, shall be instituted in the courts of the judicial district of Montréal in the Province of Québec, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, litigation or proceeding.
14. Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth in the Sales Proposal or to such other address that may be designated by the receiving party in writing. Notices sent in accordance with this Section will be deemed effectively given: (a) when received, if delivered by hand, with signed confirmation of receipt; (b) when received, if sent by a nationally recognized overnight courier, signature required; (c) when sent, if by facsimile, with confirmation of transmission, if sent during the addressee's normal business hours, and on the next business day if sent after the addressee's normal business hours.
15. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

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16. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Section 12 (Governing Law), Section 13 (Choice of Forum) and this Section 16 (Survival).



990 Cedar St. Campbell River, BC V9W 7Z8
250-830-6700 • 1-877-830-2990

corporate@srd.ca • www.srd.ca

File: SRD-24-013

November 27, 2024

EI Solutions
4621 Louis B. Mayer Laval
Quebec H7P 6G5 Canada
Attention: Johnathan

Jonathan.ruccolo@eisolutions.ca

Re: Strathcona Gardens Recreation Complex – DH1 – Equipment Supply Letter of Intent

Dear Johnathan:

It is our pleasure to announce that EI Solutions is the successful supplier awarded for unit DH1 as quoted on October 29, 2024 for the value of \$360,000 CAD.

This letter serves as notification that the Strathcona Regional District has completed the evaluation for this referenced project and EI Solutions is the successful proponent.

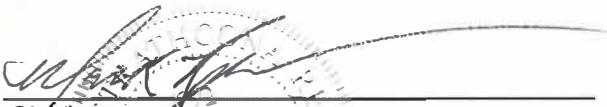
We will be following up with additional communication and contract documents. The design will be completed by the EOR (Polar Engineering). This letter of intent will be transferred to the successful installation contractor upon signing of an agreement with that contractor.

For project coordination, please contact:

Robin Kentrop, PH: 780-881-9111 / Email: rkentrop@srd.ca

STRATHCONA REGIONAL DISTRICT

by its authorized signatory:



Chair


Corporate Officer

Nov. 27/24
Dated

Nov. 27/24
Dated