

PURCHASE AND SALE AGREEMENT FOR PLANT

BETWEEN:

NANOSTRUCK TECHNOLOGIES INC., a body corporate,
having an office at the City of Mississauga, in the Province of
Ontario

(hereinafter referred to as the "**Company**")

AND

BUTTCON LIMITED, a body corporate, having an office at the
City of Vaughan, in the Province of Ontario

(hereinafter referred to as the "**Buyer**")

WHEREAS, Company is in the business of selling and servicing patented technology for the assembly and operation of water treatment plants (the "**Plant**"); and

WHEREAS, Buyer desires to purchase such Plant to sell to **Metrolinx** ("**Metrolinx**").

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained therein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted by and between the parties to this Agreement, as follows:

1. **Sale of Plant**. Company hereby sells to Buyer and Buyer hereby purchases from Company the Plant described on **Exhibit A** attached hereto and incorporated herein. Such Plant shall be shipped FOB to the Installation Site (as hereinafter defined in Paragraph 5), all costs relating to delivery of the Plant, including, but not limited to, freight and insurance shall be paid by the Buyer.

2. **Purchase Price**. The Purchase price of the plant is, \$71,467 (CANADIAN DOLLARS SEVENTY-ONE THOUSAND FOUR HUNDRED AND SIXTY SEVEN), plus Harmonized Sales Tax of 13% ("**HST**") of \$9,291 or \$ 80,758 (hereinafter "**Purchase Price**").

3. **Payment**. Payment of the Purchase Price shall be made by Buyer to Company in accordance with the following schedule:

- A. 50% of purchase price or \$40,379 upon execution of this Agreement; and
- B. Balance \$40,379 once all discharged water from the Plant has been independently

checked by the Company and has met the Ministry of Environment quality effluent standards.

C. **TAXES.** The purchase price reflected above shall not include any implacable sales taxes due to the applicable jurisdictions. Buyer shall be responsible for any other taxes whether known or unknown with regard to this transaction.

D. All charges listed in this proposal will not change and remain the same providing that Metrolinx's data and pH levels do not exceed +10, as determined by independent analysis. In the event that the pH levels rise in an amount that requires the Company to adjust the operation of the Plant or change or add Equipment all such work shall be at the expense of the Buyer and the Buyer shall be invoiced for any Equipment on a cost basis and shall be billed an hourly rate of \$150 per hour for labour.

4 **Conditions.**

A. **Maintenance Agreement.** Metrolinx will sign a one year maintenance contract with Company to maintain the plant at an annual cost of SEVEN THOUSAND SIX HUNDRED DOLLARS (CDN\$7,600) only, to be paid in accordance with the terms of a Maintenance Services Agreement to be entered into between the Company and Metrolinx and executed concurrently with the execution of this Agreement.

B. **Compliance with Law.** The Company and the Buyer shall comply with all permits and licenses required by Federal, Provincial, or Municipal authorities in connection with the delivery and installation of the Plant.

5. **Title.** Title to the Plant and/or Equipment will only pass to the Buyer after the second instalment has been paid.

6. **Site Preparation.** Buyer shall be responsible for preparing a site suitable for the installation and operation of the Plant (the "**Installation Site**").

7. **Site Evaluation.** At no cost or expense to Buyer, Company shall furnish Buyer with site preparation specifications, which shall include, but not be limited to the requirements for; a concrete slab, electrical supply and outlet feed, and operational considerations with respect to the Plant. Company's personnel shall coordinate their activities with and avoid interference with Metrolinx's employees and construction contractors working to prepare the Installation Site for receipt of the Plant.

8. **Delivery.** Delivery of the Plant to Buyer by Company, shall be made in accordance with the "Requirements Document for Metrolinx Waste Water Treatment Plant" attached hereto (hereinafter "**Delivery Date**"). Delivery of the Plant in an undamaged condition to Buyer and to the Installation Site shall constitute "Delivery" to Buyer. Risk of loss during transit shall be borne by the Buyer.

9. **Installation.** Company shall install the Plant at the Installation Site in accordance with the installation schedule set forth in **Exhibit B** attached hereto and incorporated herein (the "**Installation Schedule**"), and connect the same to the safety switches or electrical outlets to be provided and installed by Buyer and/or Metrolinx.

10. **Testing and Certification.** Upon completion of installation of the Plant, Company shall perform prescribed tests to determine that the Plant is operating in conformance with Company's published performance specifications for the Plant and any other requirements agreed to by the parties (hereinafter "**Specifications**"), a copy of which are attached hereto and incorporated herein as **Exhibit C**. When Company is satisfied that the Plant is operating in conformance with the Specifications, Company shall produce, document and present to Buyer operational verification data (hereinafter "Plant Turnover"). In the event the Plant or any feature or option thereof requires certification under Municipal law, the Company will complete and file all necessary reports regarding Company's manufacture, assembly, installation or other activity relating to the Plant, any required filing fees shall be at the expense of the Buyer.

11. **Acceptance.** "Acceptance" of the Plant shall be deemed to occur SIXTY (60) days from the date when, in the reasonable opinion of Buyer and/or Metrolinx, the Plant conforms to the Specifications. Company shall present Buyer with a Final Certificate of Acceptance (attached hereto as **Exhibit D**). Final acceptance occurs when Buyer executes and returns to Company the signed Final Certificate of Acceptance.

12. **Training.** Prior to Acceptance of the Plant or at such other time as the parties may mutually agree, Company shall provide, at no cost or expense to Buyer, training in operation of the Plant for employees designated by Buyer. Such training is described on **Exhibit E** attached hereto and incorporated herein.

14. **Plant Warranty.** The warranty provided to Buyer by Company with respect to the Plant is set forth in **Exhibit E** attached hereto and incorporated herein. The warranty period shall commence upon Acceptance of the Plant.

15. **Patents and Copyrights.** Company warrants that it owns the Plant, Software, and Documentation and that it has the rights in the Plant, Software and Documentation granted hereby. Company further warrants that the Plant, Software and Documentation shall be delivered free of any rightful claim of any third party for infringement of any Canadian patent, copyright, trade secret, or other intellectual property right. Company shall indemnify and hold harmless Buyer and their trustees, officers, employees and agents, against any and all losses, liabilities, judgments, awards and costs (including legal fees and expenses) arising out of or related to any claim that Buyer's use or possession of the Plant, Software or Documentation pursuant to and for the purposes set forth in this Agreement, or the license granted hereunder, infringes or violates any Canadian patent, copyright, trade secret, or other proprietary right of any third party. Company shall defend and settle at its sole expense all suits or proceedings arising out of the foregoing, provided that Buyer or Metrolinx gives Company notice of any such claim of which it learns. No such settlement which prevents Buyer or Metrolinx from continuing

to use the Plant and Software as provided herein shall be made without the Buyer's prior written consent. In all events, Buyer or Metrolinx shall, at its own cost and expense, have the right to participate in the defense of any such suit or proceeding through counsel of its own choosing. In case the Plant, Software or Documentation, or any part thereof, are held to constitute such an infringement and the use for the purpose intended of said Plant or Software is enjoined, then Company shall, at Buyer or Metrolinx's option, and at Company's expense, either procure for Buyer the right to continue using same, or replace same with a non-infringing Plant, or modify same so it becomes non-infringing, or remove the Plant and refund the total purchase price for the Plant.

16. **The Company's Intellectual Property Rights.** For the purposes of this Section 16 "NanoStruck Intellectual Property Rights" means all current and future patents and other patent rights, copyrights, mask work rights, trade secrets, copyrights, database rights, trade secrets and any other intellectual property right relating to the technology and equipment used in creating and operating the Plant;

The Buyer agrees that during the term of this Agreement it shall not raise or cause to be raised any question concerning or any objection to the validity of NanoStruck's Intellectual Property Rights in and to the technology used in the Plant. The Buyer further agrees not to reverse-engineer or decompile the Plant or Equipment or otherwise attempt to derive the Intellectual Property.

Nothing contained in this Agreement shall be construed as conferring the Buyer any rights by implication, estoppel or otherwise, any right with respect to the NanoStruck Intellectual Property Rights, other than the rights expressly granted in this Agreement.

17. **Representations and Warranties of the Company.** The Company represents and warrants to the Buyer as stated below and acknowledges that the Buyer is relying on the accuracy of each such representation and warranty in entering into this agreement and completing the purchase of the Plant.

A. **The Company organization and standing; power and authority.** The Company is a corporation duly organized, validly existing and in good standing under the laws of Ontario.

B. **Power and capacity.** The Company has all power and capacity required to execute, deliver and perform this Agreement, and to sell and convey the Plant to the Buyer pursuant to this Agreement.

C. **Authorization and enforceability.** The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Buyer. This Agreement is a legal, valid and binding obligation of the Buyer, enforceable against it in accordance with its terms. When executed and delivered by the parties thereto, all instruments, agreements, writings, consents, and other documentation as delivered by the Company as a

condition of closing or as a closing delivery, will each constitute a legal, valid, and binding obligation against it in accordance with its terms.

18. **Representations and Warranties of the Buyer.** The Buyer represents and warrants to the Company as stated below and acknowledges that the Company is relying on the accuracy of each such representation and warranty in entering into this agreement and completing the purchase of the Plant.

A. **Buyer organization and standing; power and authority.** The Buyer is a corporation duly organized, validly existing and in good standing under the laws of Ontario.

B. **Power and capacity.** The Buyer has all power and capacity required to execute, deliver and perform this Agreement, and to purchase and own the Plant pursuant to this Agreement.

C. **Authorization and enforceability.** The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Buyer. This agreement is a legal, valid and binding obligation of the Buyer, enforceable against it in accordance with its terms. When executed and delivered by the parties thereto, all instruments, agreements, writings, consents, and other documentation as delivered by the Buyer as a condition of closing will each constitute a legal, valid, and binding obligation against it in accordance with its terms.

19. **Indemnification.**

A. Company shall indemnify and hold Buyer its trustees, officers, employees, and agents harmless from any loss, lawsuit, liability, damage, cost and expense (including reasonable attorneys' fees) which may arise out of or result from (i) claims by third persons against Buyer or that the Plant has caused damage to property or bodily injury (including death); or (ii) the acts or omissions of the Company, its agents or employees in connection with this Agreement; or (iii) any defects in any Plant supplied by the Company; or (iv) any breach or default in the performance of the obligations of Company hereunder including any breach of warranty. Company's indemnification obligations hereunder shall not apply to the extent that any claim is caused by the negligence or misconduct of Buyer or Metrolinx.

B. The invalidity, in whole or in part, of any of the foregoing paragraph will not affect the remainder of such paragraph.

20. **Default by Company.**

A. Upon the occurrence of any of the following events, and except as is otherwise provided for in this Agreement, Company shall be deemed to be in default under this Agreement if:

- i) the scheduled performance dates, including the Delivery Date and Installation Schedule, shall be exceeded by more than thirty (30) days; or
- ii) the Company fails or defaults in the performance of any material obligation or covenant under this Agreement and does not correct or substantially cure such failure, default, or breach within thirty (30) days from and after Company's receipt of written notice from Buyer of such default or breach; or
- iii) any material representation or warranty made by Company hereunder is breached and remains uncured from and after thirty (30) days following Company's receipt of written notice from Buyer of such breach.

B. If any event of default occurs and is not cured within any applicable period specified above, Buyer, at its sole option, may employ any remedy then available to it, whether at law or in equity, including, but not limited to, the following:

- i) proceed by appropriate court action to enforce performance by Company of the applicable covenants and obligations of this Agreement and to recover damages for the breach thereof, and/or to enforce the indemnification set forth in Paragraph 16 hereof; or
- ii) terminate this Agreement as to all or any part as Buyer in its sole discretion may determine;

21. **Default by Buyer.** Default by Buyer in payment (except in the case of a bona fide dispute) or performance of any material duty or obligation under this Agreement, shall, at the sole option of Company, if the default is not cured within thirty (30) days from and after Buyer's receipt of written notice from Company of the default, constitute a default of this Agreement. In such an event, Company, at its sole option, may employ any remedy then available to it, whether at law or in equity, including, but not limited, to the following:

A. Withhold performance or further performance hereunder until all such defaults have been cured, provided, however, that Company shall continue to perform hereunder in the event of a bona fide payment dispute, which has been communicated to Company; or

B. Pursue any other rights and remedies available to Company under the laws of the Province of Ontario.

22. **Limitation of Liability.** Buyer acknowledges and agrees that the Company shall not be liable hereunder for any consequential, incidental, indirect, special, punitive or exemplary damages of any kind, including, without limitation any loss of use, loss of business or loss of profit or revenue arising out of or in connection with this Agreement, regardless of the form of action whether in contract or tort, and that the Company's total cumulative liability hereunder,

regardless of the form of action will not exceed an amount equal to the total Purchase Price and any other amounts received by the Company pursuant to the Maintenance Agreement. The essential purpose of this provision is to limit the potential liability of the Company arising out of this Agreement. The parties acknowledge that the limitations set forth in this Section 19 are reasonable and are integral to the amount of the Purchase Price and the maintenance fees and that were the Company to assume any further liability other than as set forth herein such Purchase Price and maintenance fees would of necessity be set substantially higher.

23. **No Assignment or Resale.** Neither party hereto may resell, assign, or transfer any of its rights under this Agreement and if either party attempts to resell, assign, or transfer its rights, the other party may immediately terminate the Agreement without liability to such other party. Notwithstanding the foregoing, either party may assign the Agreement in connection with a sale of all or substantially all of its assets or a stock sale, merger or other corporate reorganization resulting in a change of control of such party, in each case without the consent of the other party.

24. **General.**

A. **Compliance with Laws.** The parties shall perform this Agreement in compliance with all applicable Federal, Provincial, and Municipal laws, rules, regulations, and ordinances, and represents that it shall have obtained all licenses and permits required by law to engage in the activities necessary to perform its obligations under this Agreement.

B. **Confidentiality.** The parties shall hold in strictest confidence any information and material which is related to either Buyer's or Company's business or is designated by either Buyer or Company as proprietary and confidential, herein or otherwise. It is understood that this confidentiality clause does not include information which: (i) is now or hereafter in the public domain through no fault of the party being provided the confidential information; (ii) prior to disclosure hereunder, is property within the rightful possession of the party being provided the confidential information; (iii) subsequent to disclosure hereunder, is lawfully received from a third party with no restriction on further disclosure; or (iv) is obligated to be produced under order of a court of competent jurisdiction, unless made the subject of a confidentiality agreement or protective order in connection with such proceeding, which the parties in all cases will attempt to obtain. Buyer and Company hereby covenant that each shall not disclose such information to any third party without prior written authorization of the other. Company further covenants not to disclose or otherwise make known to any party nor to issue or release for publication any articles or advertising or publicity matter relating to this Agreement in which the name of Buyer or any of its affiliates is mentioned or used, directly or indirectly, unless prior written consent is granted by Buyer.

C. **Non-Solicitation.** The Buyer agrees that for a period of one (1) year following the termination of this Agreement, the Buyer will not:

- (i) hire, contract or take away or cause to be hired, contracted or taken away any employee or independent contractor of the Company, and will not contact or

solicit clients of the Company which have been identified as such, unless expressly authorized in writing by the Company; or

- (ii) induce or attempt to induce any client or business partner of the Company which have been identified as such to cease doing business with the Company or in any way interfere with the relationship between any client or business partners of the Company which have been identified as such.

D. **Force Majeure.** (a) Any non-performance or delay in performance of any obligation of Company or Buyer under the Purchase Agreement will be excused to the extent such failure or non-performance is caused by "Force Majeure." "Force Majeure" means any cause preventing performance of an obligation under the Purchase Agreement which is beyond the reasonable control of the Company or Buyer, and which, by the exercise of due diligence, could not be overcome, including without limitation, fire, flood, sabotage, shipwreck, embargo, explosion, strike or other labor trouble, accident, riot, acts of a governmental authority, and acts of God. If Buyer or Company is affected by Force Majeure, it will (i) promptly provide notice to the other party, explaining the full particulars and the expected duration of the Force Majeure and (ii) use its best efforts to remedy the interruption or delay if it is reasonably capable of being remedied. In the event of Force Majeure, deliveries or acceptance of the Plant which has been suspended will not be required to be made up on the resumption of performance and, to the extent not otherwise permitted under the Purchase Agreement; Buyer will have the right to purchase the Plant from other sources during the period of Force Majeure. If a Force Majeure extends for more than sixty (60) days, the Purchase Agreement may be terminated upon written notice by the party not declaring Force Majeure without any liability on its part. source products or other items, at Seller's expense, from its own or its affiliates' global operations or the market in order to meet Buyer's required delivery dates.

E. **Notices.** All notices and other communications pertaining to this Agreement shall be in writing and shall be deemed duly to have been given if personally delivered to the other party or if sent by the United State Postal Service certified mail, return receipt requested, postage prepaid or by Federal Express, United Parcel or other nationally recognized overnight carrier. All notices or communications between Buyer and Company pertaining to this Agreement shall be addressed as follows:

If to Buyer: Buttcon Limited
 Attention: Frank Crisostimo
 8000 Jane St., Suite 401, Tower B
 Concord, ON, L4K 5B8
 Fax: (905) 907-8096

If to Company: NanoStruck Technologies Inc.
 Attention: Fred Albi
 2660 Meadowvale Blvd., Suite 6B
 Mississauga, ON, L5N 6M6
 Fax: (905) 813-0800

F. **Waiver.** Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall neither be considered a waiver nor deprive that party of any right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing and signed by the party to be charged therewith.

G. **Modifications.** No revision or modification of this Agreement shall be effective unless in writing and executed by authorized representative of both parties.

H. **Severability.** If any portion of this Agreement is held invalid, such invalidity shall not affect the validity of the remaining portions of the Agreement, and the parties will substitute for any such invalid portion hereof a provision which best approximates the effect and intent of the invalid provision.

I. **Arbitration.** If any dispute shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by arbitration. Such arbitration shall be conducted by a single arbitrator, if the parties can agree upon one, failing which such arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice at Toronto, upon the application of any of the said parties and a Judge of the Ontario Superior Court of Justice at Toronto shall be entitled to act as such arbitrator, if he so desires. The arbitration shall proceed in accordance with the provisions of *The Arbitrations Act (Ontario)*. The decisions arrived at by the board of arbitration, however constituted, shall be final and binding and no appeal shall lie therefrom.

J. **Construction and Jurisdiction.** This Agreement and Related Documents shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

K. **Headings.** The paragraph titles of this Agreement are for conveniences only and shall not define or limit any of the provisions hereof.

L. **Entire Agreement.** This Agreement, the documents referenced herein and all Exhibits hereto (**Exhibits A** through **E**) are intended as the complete and exclusive statement of the agreement between Buyer and Company with respect to the subject matter hereof, and supersede all prior agreements and negotiations related thereto.


M. **Binding Effect.** The provisions hereof shall be binding upon and shall inure to the benefit of Buyer and Company, their respective successors, and permitted assigns.

N. **Survival.** The representations and warranties contained in Paragraphs 15, 16, 17, 18, 19, 22 and 24 B. and C. shall survive termination of this Agreement.

O. **Counterparts.** Provided that all parties hereto execute a copy of this Agreement, this Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by facsimile transmission or other comparable means. This Agreement shall be deemed fully executed and entered into on the date of execution by the last signatory required hereby.

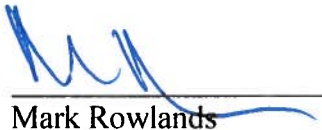
IN WITNESS WHEREOF the parties hereto have executed this Agreement the 8th day of May, 2014.

NANOSTRUCK TECHNOLOGIES INC.

Per: 

Rajeev Agarwal
Chief Financial Officer
I have the authority to bind the Corporation

BUTTCON LIMITED

Per: 

Mark Rowlands
V.P Operations
I have the authority to bind the Corporation

EXHIBIT A

Description of Plant

See attached “Requirements Document for Metrolinx Waste Water Treatment Plant” dated
_____.

In the event of any inconsistency between the terms in the main body of the Agreement and the terms in the “Requirements Document for Metrolinx Waste Water Treatment Plant”, the terms in main body of this Agreement will control.

EXHIBIT B

Installation Schedule

Company shall be responsible to install the Plant only when Buyer has properly prepared the site at Buyer's sole expense. Buyer shall be responsible for having the site fully ready to receive the Plant on the estimated delivery date.

For the Installation Schedule see attached "Requirements Document for Metrolinx Waste Water Treatment Plant" dated _____.

EXHIBIT C

Specifications

EXHIBIT D

FORM OF CERTIFICATE OF ACCEPTANCE

**FINAL CERTIFICATE OF ACCEPTANCE
FOR PURCHASE OF PLANT**

Dated _____, 201_

In compliance with the terms, conditions and provisions of the Purchase and Sale Agreement dated _____, 201_ (the "Agreement"), by and between the undersigned (the "Buyer") and _____ (the "Company"), Buyer hereby:

- (a) certifies and warrants that the plant as described in the above-referenced Agreement (the "Plant") is delivered, inspected, fully installed and operational as of the Acceptance Date, as indicated and defined below;
- (b) accepts the Plant for all purposes under the Agreement and all attendant documents as of this _____ day of _____, 201_ (the "Acceptance Date").

BUYER:

By: _____

Title: _____

EXHIBIT E

Training

If applicable and necessary, training on the use and operation of the Plant and related disposables will be provided at a mutually agreeable time at the request of Buyer. Training will be conducted at Installation Site, and the training, as well as any written materials distributed by Company, shall be provided to Buyer at no additional cost.

EXHIBIT F

Equipment Warranty

For a one (1) year period from date of Acceptance (the "Warranty Period"), Company warrants that the Plant provided to Buyer pursuant to this Agreement shall be free from defects in material, manufacturing workmanship, and title, and that the Plant will operate in conformance with the Specifications set forth in **Exhibit C** and will operate as described in all marketing and advertising materials provided to Buyer (the "Warranty"). The Warranty also shall apply to any replacement part or to any Enhancement. Further, Company warrants that all service repairs shall be free from defects in materials and workmanship for the greater of (i) the balance of the Warranty Period or (ii) ninety (90) days after the date the repair is completed.

To enable Company to properly administer the Warranty, Buyer shall (i) promptly notify Company of any claim hereunder, and (ii) provide Company with the opportunity to inspect and test parts claimed by Buyer to be defective.