

SUPPLY AGREEMENT

This Supply Agreement (“Agreement”), is entered into as of _____ (“Effective Date”) as between _____ (“Supplier”) a corporation pursuant to the laws of _____, and the Coco Paving Inc. (“Coco”).

- DESCRIPTION OF SERVICES.** The Supplier shall from time to time, provide Coco with the products (“Products”) set forth in Schedule “A” and at price set forth in Schedule “A”. The Products shall be delivered to the location specified by Coco and time shall be of the essence with respect to the delivery of all Products. Supplier shall promptly notify Coco if it is unable to provide any Product in accordance with this Agreement.
- INVOICING AND PAYMENT.** The Supplier shall deliver particularized monthly invoices which include the job number, purchase order number, unit number, and itemized costs. The Supplier must be registered in Coco’s EFT payment system and all invoices shall be sent electronically to apinvoices@cocogroup.com. Payments shall be on Net 60 day from the date of receipt of the invoice by Coco. Coco shall be entitled to a ___% early payment discount for payments made within ___ days of receipt of an Invoice. In the event of a billing error by the Supplier, Coco shall be entitled to withhold payment until such time as a corrected Invoice or Credit Note has been received by Coco. All amounts are to be in Canadian Dollars.
- FREIGHT AND TAXES.** Unless otherwise agreed, all prices shall be F.O.B. destination, and inclusive of any and all taxes, fees, and surcharges, unless otherwise agreed to in writing. Time shall be of the essence for all deliveries.
- FUEL COSTS.** If fuel charges as part of any rental return by Coco shall not exceed \$1.40/L.
- CARBON AND FUEL SURCHARGE:** Unless otherwise agreed in writing, Coco shall not be assessed any carbon or fuel surcharges.
- TERMS AND TERMINATION.** This Agreement will take effect on the Effective Date and will continue in effect for a term of _____ year (“Term”). This Agreement may be terminated prior to the expiry of the Term by either party at any time, with or without cause, by giving the other party at least 30 days prior written notice of the party’s intention to terminate the Agreement. This Agreement may be extended or renewed only upon the mutual written agreement of the parties.
- REPORTING.** The Supplier shall provide Coco with a monthly statement of account and summary setting out, at minimum, a breakdown of what the Products purchased, the unit cost, the quantity, the total cost, and destinations to which the items were shipped. The monthly statements of account are to be sent to apinvoices@cocogroup.com.
- BREACH.** If Supplier breaches any terms of this Agreement, becomes insolvent, is placed in receivership, or if a petition in bankruptcy is filed by or against the Supplier, Coco may elect for any or all of the following remedies (i) terminate this Agreement effective immediately (ii) demand assurance of performance (iii) suspend its performance under the Agreement, (iv) declare a cross default of any other agreement with the Supplier; and (v) exercise all other remedies available at law, in equity, or under the Agreement.
- WARRANTY.** The Supplier expressly warrants to Coco that as of the date of shipment (a) the products will comply with the descriptions set forth herein and (b) that such products will be of good workmanship and quality, free from defects in material and workmanship, and fit for their intended use. If the products are deemed by Coco, acting reasonably, to be defective, the Supplier shall immediately replace such defective products at not additional costs to Coco and Coco shall have the right to withhold or setoff any payments due and owing, without penalty,

until such time as the product has been replaced. All Products sold under this Agreement shall be warranted for a period of not less than _____ years.

10. **INSURANCE.** The Supplier shall ensure that the Supplier maintains insurance coverage in an amount sufficient to cover the Products on a 'replacement – basis' until such time as the Products are delivered to Coco, and for the duration of any applicable warranty period. Coco shall carry insurance on any Products rented from the Supplier in an amount deemed appropriate by Coco, in its sole and absolute discretion. At Coco's request, the Supplier shall provide a certificate of insurance confirming that the Supplier has at least the minimum insurance coverage required under this Agreement.
11. **WSIB/WCB.** If the Supplier is providing any labour or services, the Supplier shall be insured under the relevant applicable workplace safety and insurance legislation and provide Coco with an up-to-date clearance certificate from the same. The Supplier agrees to indemnify and hold harmless Coco from any liability incurred by the Supplier as a result of any independent operator, as defined by the relevant workplace safety and insurance legislation, who is not insured under the *Workplace Safety and Insurance Act, 1997*, the *Workers Compensation Act*, or any comparable legislation, now enacted or as amended from time to time, whether or not the injury to the independent operator is caused by the act, omission, or negligence of Coco.
12. **CVOR.** If applicable to services being provided, the Supplier shall provide Coco with (i) a recent (within past 30 days) CVOR Safety Rating Report indicating a rating of not less than "Satisfactory"; (ii) proof of appropriate and adequate vehicle and liability insurance; and (iii) a Commercial Driver's Abstract, together with proof of driver training, if necessary, which is acceptable to Coco, at its sole discretion. At all times the Supplier shall be solely responsible for the insurance and maintenance of vehicles deployed for the purpose of providing services to Coco, including providing all drivers with proper personal protective equipment (PPE). At all times the Supplier shall be solely responsible for ensuring that all loads are properly secured, covered, and transported in accordance with prevailing weather conditions, road conditions. The Supplier hereby understands and agrees that any losses sustained between the point of loading and the final destination shall be deducted from the Supplier's invoice. At all times the Supplier shall be solely responsible to ensure that their vehicles and drivers comply with all relevant laws, regulations, and industry best practices.
13. **INDEMNITY.** The Supplier agrees to indemnify and hold Coco harmless against any loss or damages incurred by Coco, or those for whom it is responsible at law, for any and all claims arising from or in connection to the use of the purchased or rented products from the Supplier, except where such claims arise or are caused as a result of Coco's sole gross negligence. Damages as referred to herein shall include any monetary damages, court costs, legal fees and disbursements, and any other costs or damages suffered by Coco arising from, or in connection with, claims made pursuant to this paragraph.
14. **WAIVER.** No waiver of any provision of this Agreement will be valid unless in writing and signed by the Party against whom such waiver is sought to be enforced. A waiver or consent by a Party on any occasion is only effective in that instance and will not be construed as a bar to or waiver of any other right on any other occasion.
15. **ASSIGNMENT.** This Agreement is for the benefit of the parties hereto and not for any other individual or entity. The Supplier may not delegate its performance or assign its rights hereunder without Coco's prior written consent.
16. **CONFIDENTIALITY.** The supplier shall keep the existence of any and all terms and information referenced in this Agreement strictly confidential and, in perpetuity, shall not disclose to any third party any of the Confidential Information. The Supplier shall take reasonable measures to protect the secrecy of and avoid the disclosure or use of the Confidential Information of the other party in order to prevent it from falling into the public domain or the possession of persons other than those person authorized under the Agreement to have any such Confidential Information. Each Party is authorized to disclose the Confidential Information of the other party solely to employees that are informed of its confidential nature and directed to treat the Confidential Information confidentially and not use it other than in connection with the terms of this Agreement.

17. **NOTICE.** Notices to Coco shall be provided in writing and only effective upon actual delivery to Coco at 949 Wilson Ave, Toronto, Ontario, M3K 1G2 Attention: _____.
18. **ARBITRATION.** Any disputes arising out the interpretation or enforceability of any clause of this Agreement, including any termination of the same, shall be subject to mandatory arbitration. Such Arbitration shall be held in Toronto, Ontario, with a single mutually agreed upon Arbitrator.
19. **APPLICABLE LAW.** This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario. If any term or provision of this Agreement be determined by a Court of competent jurisdiction to be unenforceable for any reason whatsoever, that term or provision shall be modified only to the extent necessary to be enforced, such term or provision shall be enforced to the maximum extent permitted by law, and the validity of the remainder of the Agreement shall not be adversely affected.
20. **COMPLETE AGREEMENT.** This Agreement contains the complete and entire agreement between the parties and shall be effective from the date of acceptance by Coco, as signified by the signature hereto of an authorized manager of Coco, and supersedes all previous negotiations and discussions between the parties.. This Agreement shall not be amended or altered in any manner unless such amendment or alteration is agreed to in writing by both parties and executed by an authorized manager of each. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Headings and subheadings are for organization and ease of reading and do not import any meaning into the provision(s) they head.
21. **APPLICABLE LAW AND JURISDICTION.** This Agreement shall be governed by and construed according to the laws of the province of Ontario and of Canada.
22. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and signature pages may be exchanged by facsimile or other electronic communication. All of such counterparts together will constitute one instrument.

DATED at _____, Ontario, this _____ day of _____, 2020

[COMPANY]

Witness:

Name:

Title:

I have authority to bind the company

Coco Paving Inc.

Name:

Title:

I have authority to bind the company