### Overview for Contract

*Prior to utilizing a contract, the user should read the contract in its entirety.*

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covers the entire Commonwealth requirements for highway Liquid Magnesium Chloride deicer. Samples are tested at every delivery. 26% +/-1 by weight with AMINE BASE corrosion inhibitor. Minimum order is 4,000 Gals.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONTRACT INFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Number &amp; Title</td>
</tr>
<tr>
<td>Number of Suppliers</td>
</tr>
<tr>
<td>Validity Period</td>
</tr>
<tr>
<td>DGS Point of Contact</td>
</tr>
<tr>
<td>Contact Phone #</td>
</tr>
<tr>
<td>Email</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRICING HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>This contract contains one line item containing pricing per gallon for the entire Commonwealth.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROCESS TO PURCHASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMUS - 4600012921. This supplier agrees to be part of the COSTARS program.</td>
</tr>
</tbody>
</table>
SPECIAL CONTRACT TERMS AND CONDITIONS

CONTRACT SCOPE/OVERVIEW: This SAP Contract No. 4600012921 (identified here and in the other documents as the “Contract”) will cover the statewide requirements of The Department of Transportation for Liquid Magnesium Chloride/Deicing Solution.

ORDER OF PRECEDENCE: These Special Contract Terms and Conditions supplement the Standard Contract Terms and Conditions For Statewide Contracts for Supplies. To the extent that these Special Contract Terms and Conditions conflict with the Standard Contract Terms and Conditions For Statewide Contracts for Supplies, these Special Contract Terms and Conditions shall prevail.

TERM OF CONTRACT: The Contract shall commence on the Effective Date no earlier than October 1, 2007 and expire on September 30, 2008.

OPTION TO EXTEND: The Department of General Services reserves the right, upon notice to the Supplier, to extend the Contract or any part of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

ADDRESS OF PURCHASE ORDER: Commonwealth agencies may issue purchase orders against this Contract for supplies required by the agencies (using agencies). Please state below where the Purchase Orders should be sent (name, address, city, state, zip code).

Innovative Municipal U S Inc. (I.M.U.S.)
9035 Dritwood Drive
Ava New York 13303
Contact person: Jon Veeder
Telephone Number: 315-339-6496 Office 315-794-2996 Cell
E-mail Address: jveeder@innovativecompany.com

INVOICING: When billing, the supplier will furnish an original and two copies of the invoice. In cases where computerization requires the supplier to retain the original invoice, three copies of the billing are acceptable; however, stamp and designate one of the copies: “ORIGINAL DUE TO COMPUTERIZED OR AUTOMATIC MACHINE ACCOUNTING.”

SAMPLES:
After Award - A Department representative will collect appropriate and representative samples for every delivery. Agency representative shall take one quart from the front of the delivery, and one quart prior to the end of the delivery.

Due to the safety of the motoring public, and the inability to predetermine the effect of winter conditions on the Commonwealth’s roadways, if material does not comply with specification requirements, the Commonwealth may pursue the following option:

Require the supplier, at his own cost, to remove all substandard material from the agency's tank(s) and replace it with material meeting specification within 48 hours after notification, at no cost to the Commonwealth. This includes but is not limited to storage facilities, stockpile cleanup and equipment cleanup.

Repeated failure to meet specification requirements may result in termination of the contract.
TANKS: The Department may add or remove tanks throughout the contract period and may change the actual quantity of material required.

STOCKPILE MINIMUM ORDER QUANTITY: The minimum order quantity FOB Destination is 4,000 gallons. However splitting of the tanker load at a maximum of two (2) Department of Transportation stockpiles, per county, per each purchase order is permitted at no additional charge. If an order is split between two counties within the same district to meet the minimum order quantity the supplier is allowed to bill a hauling charge for crossing the counties.

STOCKPILE DELIVERY: Complete delivery within three (3) working days after notification, either by receipt of order or verbal telephone request confirmed by fax.

Supplier is responsible to deliver and pump the product into Department storage tanks. All necessary equipment (pumps, hoses, couplings, etc.) is the responsibility of the supplier.

Supplier shall provide a 2" diameter flexible hose with cam-type connector and sufficient length to accommodate top or bottom loading of Department dispensing tanks.

Supplier shall contact the delivery location at least 24 hours prior to delivery to ensure Department personnel availability to accept receipt.

The Supplier’s delivery truck driver and Department’s receiving agent are required to note on the delivery ticket any material by type and amount in the Department’s tank prior to re-supplying the tank.

DELIVERY DOCUMENTS: Computerized bills of lading, metered slips from terminal loadings, scale tickets, sealed compartments and/or metered delivery tickets are acceptable. The Supplier will present delivery document to the receiving agency representative prior to unloading, if not metered. Agency will sign documents after unloading and verification of quantities received. The Department’s receiving agent is to ensure that all deliveries are in compliance with the above requirements for sampling and stockpile delivery.

BLANKET ORDER: The Department of Transportation will not place blanket purchase orders.

LIQUIDATED DAMAGES: If any item is not delivered within the time limits specified, the delay will interfere with the proper implementation of the Commonwealth’s winter roadway safety programs that utilize the material causing loss and damage of the Commonwealth. Based upon the nature of this procurement, it would be impractical and extremely difficult to fix the actual damage sustained in the event of any such action. The Commonwealth and the awarded supplier, therefore, presume that in the event of any such delay, the amount of damage which will be sustained from a delay will be $100.00 PER BUSINESS DAY, PER STOCKPILE AS INDICATED ON THE PURCHASE ORDER, and they agree that in the event of any such delay, the awarded supplier shall pay such amount as liquidated damages and not as a penalty.

The Commonwealth has the following option for deducting amounts due to the Commonwealth as liquidated damages:

- May deduct such from any money payable to the awarded supplier or
- May bill the awarded supplier as a separate item.

It is the responsibility of the Department of General Services to investigate instances of late or incomplete deliveries by gathering information from the using agency and the contractor. The Department will determine whether liquidated damages are an appropriate remedy in each instance. The Commonwealth shall notify the awarded supplier in writing of any claims for liquidated damages pursuant to this paragraph before the date the Commonwealth deducts such sums from the money payable to the awarded supplier.

OPTION TO RENEW: The contract or any part of the contract may be renewed for an additional 1-year term by the mutual agreement between the Commonwealth and the Contractor(s). Such renewals shall be limited to four (4). If the Contract is renewed the same contract terms and conditions shall apply.
EMERGENCY CONTACT CLAUSE: In the event of, and for the duration of, any state of emergency or disaster declared by the Governor, the supplier for any county in which the emergency of disaster is officially declared shall attempt to provide continuous twenty-four hour service as directed by the Commonwealth. For the purpose of maintaining necessary communications and services, the supplier has designated, in the space provided below, a primary and if available, a secondary contact person or title. The supplier guarantees that the persons so designated will be available throughout the emergency.

<table>
<thead>
<tr>
<th>County</th>
<th>Facility Address</th>
<th>Contact Person(s)</th>
<th>Title</th>
<th>Phone Number(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td></td>
<td>Jon Veeder</td>
<td>Regional Sales Rep</td>
<td>315-339-6496 Office 315-794-2996 Cell</td>
</tr>
</tbody>
</table>

COSTARS PROGRAM CLAUSE

COSTARS Purchasers. Section 1902 of the Commonwealth Procurement Code, 62 Pa.C.S. § 1902 ("Section 1902"), authorizes local public procurement units and state-affiliated entities (together, "COSTARS Purchasers") to participate in Commonwealth procurement contracts that the Department of General Services ("DGS") may choose to make available to COSTARS Purchasers. DGS has identified this Contract as one suitable for COSTARS Purchaser participation.

A. Only those COSTARS Purchasers registered with DGS may participate as COSTARS Purchasers in a Commonwealth contract. Several thousand COSTARS Purchasers are currently registered with DGS; therefore, the Contractor agrees to permit only to DGS-registered COSTARS members to make COSTARS purchases from this Contract.

1. A "local public procurement unit" is:
   - Any political subdivision;
   - Any public authority;
   - Any tax exempt, nonprofit educational or public health institution or organization;
   - Any nonprofit fire, rescue, or ambulance company; and
   - To the extent provided by law, any other entity, including a council of governments or an area government that expends public funds for the procurement of supplies, services, and construction.

2. A state-affiliated entity is a Commonwealth authority or other Commonwealth entity that is not a Commonwealth agency. The term includes the Pennsylvania Turnpike Commission, the Pennsylvania Housing Finance Agency, the Pennsylvania Municipal Retirement System, the Pennsylvania Infrastructure Investment Authority, the State Public School Building Authority, the Pennsylvania Higher Educational Facilities Authority and the State System of Higher Education.

B. COSTARS Purchasers have the option to purchase from a Contract awarded under this procurement, from any DGS contract established exclusively for COSTARS Purchasers in accordance with the requirements of Section 1902, from any other cooperative procurement contracts, or from their own procurement contracts established in accordance with the applicable laws governing such procurements. The Contractor understands and acknowledges that there is no guarantee that any prospective COSTARS Purchaser will place an order under this Contract, and that it is within the sole discretion of the registered
COSTARS Purchaser whether to procure from this Contract or to use another procurement vehicle.

C. DGS is acting as a facilitator for COSTARS Purchasers who may wish to purchase under this Contract. Registered COSTARS Purchasers who participate in this Contract and issue purchase orders (“POs”) to Contractors are third party beneficiaries who have the right to sue and be sued for breach of this contract without joining the Commonwealth or DGS as a party. The Commonwealth will not intervene in any action between a Contractor and a Purchaser unless substantial interests of the Commonwealth are involved.

D. Registered COSTARS Purchasers electing to participate in this Contract will order items directly from the Contractor and be responsible for payment directly to the Contractor.

E. The Contractor shall furnish to the DGS COSTARS Program Office a quarterly electronic Contract sales report detailing the previous quarter’s Contract purchasing activity, using the form and in the format prescribed by DGS. The Contractor shall submit its completed quarterly report no later than the fifteenth calendar day of the succeeding Contract quarter.

1. Until such time as DGS may provide the Contractor written notice of automated report filing, the Contractor shall either e-mail the reports to GS-PACostars@state.pa.us or send the reports on compact disc via US Postal Service to the DGS COSTARS Program Office, Bureau of Procurement, 6th Floor Forum Place, 555 Walnut Street, Harrisburg, PA 17101. When DGS has instituted automated reporting, the Contractor shall comply with DGS’s written notice and instructions on automated Contract reports. DGS will provide these instructions with sufficient advance time to permit the Contractor to undertake automated reporting.

2. The Contractor shall include on each report the Contractor’s name and address, the Contract number, and the period covered by the report. For each PO received, the Contractor shall include on the report the name of each COSTARS-Registered Purchaser that has used the Contract along with the total dollar volume of sales to the specific Purchaser for the reporting period.

3. DGS may suspend the Contractor’s participation in the COSTARS Program for failure to provide the Quarterly Sales Report within the specified time.

F. Additional information regarding the COSTARS Program is available on the DGS COSTARS Website at www.dgs.state.pa.us/costars.

1. If the Contractor is aware of any qualified entity not currently registered and wishing to participate in the COSTARS Program, please refer the potential purchaser to the DGS COSTARS Website at www.dgs.state.pa.us/costars, where it may register by completing the online registration form and receiving DGS confirmation of its registration. To view a list of currently-registered COSTARS member entities, please visit the COSTARS website.

2. Direct all questions concerning the COSTARS Program to:
   Department of General Services
   COSTARS Program
   555 Walnut Street, 6th Floor
   Harrisburg, PA 17101
If your firm is awarded a Contract, does it agree to sell the awarded items at the same prices and/or discounts, and in accordance with the contractual terms and conditions, to registered COSTARS Purchasers who elect to participate in the contract?

Please Answer: YES X NO ______

INQUIRES: Direct all questions concerning this proposal to the appropriate buyer named herein.

Sandi Verbos
Telephone: 717-346-8188
Fax: 717-346-3820
E-mail: sverbos@state.pa.us
Pennsylvania Department of Transportation

October 05, 2001
SPECIFICATION
Magnesium Chloride Liquid Anti/De-Icing Agent with AMINE BASE Corrosion Inhibitor

GENERAL SPECIFICATIONS:

The magnesium chloride anti/deicer agent mix, including the amine base corrosion inhibitor, shall be finished at the original manufacturing plant or distributor location. Adding of corrosion inhibitors or any other ingredients and splash mixing at the Departments field delivery location is unacceptable.

The supplier of any MgCl₂ anti/deicer product delivered and/or applied, that is found contaminated with non specified product and or cause for environmental concern is responsible for all clean up expenses. This includes but is not limited to; storage facility, yard cleanup, equipment cleanup, and roadside cleanup measures as needed.

Identification of Material: All references to the product being bid by the Commonwealth under this contract shall be understood to be Liquid Magnesium Chloride with amine base corrosion inhibitor. Introduction to or addition of any product(s) into the Liquid Magnesium Chloride, that is manufactured or derived from any agricultural, or waist-stream process will not be accepted.

Performance: The product with the corrosion inhibitor shall be compatible with equipment used to dispense the product and not violate equipment warranty(s), plug filters, pumps, hoses or nozzles, or support bacteria growth during storage.

Product shall be 26.0 ±1.0% Magnesium Chloride by weight per Test Method A of PNS Web site: http://www.wsdot.wa.gov/partners/pns/pdf/PNS_SPECS_2002_FINAL.pdf

Product shall have a corrosion value of at least 70% less than sodium chloride (salt) to be acceptable. Corrosion test data shall obtained according to PNS modified, NACE Standard TM-01-69 (1976 rev.) per test Method B of PNS Web site: http://www.wsdot.wa.gov/partners/pns/pdf/PNS_SPECS_2002_FINAL.pdf

Product shall contain not greater than 1.0% (V/V) Total Settleable Solids and shall have ninety-nine percent (99.0%) of the solids Passing through a Number 100 sieve within sixty minutes (one (1) hour) after being stored at −17.8° C ± 1° C (0° F ± 2°F) for 168 hours (seven days) per PNS Web site Test Method C (with the exception of a No. 100 sieve rather than No. 10 sieve):

The reference to the PNS Web site is only included as a reference to the testing method(s) that the Department of Transportation Material and Testing Lab will use. All other PNS specifications on the PNS Web site are not to be taken as references or informational understanding of DEPARTMENT OF TRANSPORTATION’s specification.

The corrosion inhibitor shall be amine based and shall not exceed 8.0% by weight.

Product shall not support microbial growth.

Specific gravity charts with correlating weight and freeze point information presented in 1% increments beginning with a five percent (5%) solution must be provided. The chart must contain information up to, including, and exceeding, by five percent (5%) (Or the solubility limits of the product) the concentration being submitted for evaluations. (See example, Appendix A). ALL VALUES ILLUSTRATED ARE TO BE MEASURED AND NOT EXTRAPOLATED. CATELOGS
**CUTS ARE NOT TO BE USED.**

No visual stratification or separation shall occur during storage for seven (7) days at 0 degrees F.

No foaming shall occur during agitation or application to the roadway surface of the product being provided. Any anti-foaming agent introduced into the product being delivered is to be identified at the time of the bid in writing. If no anti-foaming agent is to be used in the product being bid then this should be noted at the time of the bid in writing.
Example Chart

**APPENDIX A**

MgCl2 Anti/De-Icing Agent With Amine Base Corrosion Inhibitor
(PRODUCT NAME)

<table>
<thead>
<tr>
<th>% By</th>
<th>Specific Weight</th>
<th>Freezing Gravity Point (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>1.034</td>
<td>30.0</td>
</tr>
<tr>
<td>5</td>
<td>1.042</td>
<td>29.5</td>
</tr>
<tr>
<td>6</td>
<td>1.050</td>
<td>29.0</td>
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<tr>
<td>7</td>
<td>1.058</td>
<td>28.5</td>
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<tr>
<td>8</td>
<td>1.064</td>
<td>28.0</td>
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<td>9</td>
<td>1.072</td>
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<td>21.0</td>
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<td>1.144</td>
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<td>22</td>
<td>1.154</td>
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<td>31</td>
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<tr>
<td>35</td>
<td>1.216</td>
<td>-14.5</td>
</tr>
<tr>
<td>40</td>
<td>1.246</td>
<td>-40.0</td>
</tr>
</tbody>
</table>

**ALL VALUES ILLUSTRATED ABOVE MUST BE MEASURED, NOT EXTRAPOLATED. Catalog Cuts are not to be submitted.**
The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

<table>
<thead>
<tr>
<th>Item</th>
<th>Material/Service Desc</th>
<th>Est Qty</th>
<th>UOM</th>
<th>Net Price</th>
<th>Per Unit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>MAGNESIUM CHLORIDE,LIQUID</td>
<td>0.00</td>
<td>US Gallon</td>
<td>0.78</td>
<td>1 US Gallon</td>
<td>0.00</td>
</tr>
</tbody>
</table>

General Requirements for all Items:

Header Text
Jon Veeder
315-339-6496 Office
315-794-2996 Cell
jveeder@innovativecompany.com
No further information for this contract.

Estimated Total Value: $ 499,999.99
Currency: USD
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES
HARRISBURG

For: All using Agencies of the Commonwealth
Subject: Liquid Magnesium Chloride, 6810-11
Buyer Name: Sandi Verbos, 717-346-8188 or Email at sverbos@state.pa.us

CHANGE SUMMARY: Buyer assignment change

- This contract has been assigned to a different buyer. Effective October 22, 2007, the buyer (commodity specialist) information is as follows:
  Buyer Name: Robin DePetro
  Email: rdepetro@state.pa.us
  Phone: 717.346.8188

ALL OTHER TERMS AND CONDITIONS OF THIS AGREEMENT NOT CHANGED BY THIS CHANGE NOTICE REMAIN AS ORIGINALLY WRITTEN.