

INTERNATIONAL Genotech® DEALER SALES AGREEMENT:

This international sales agreement (this "Agreement") is made this ____ day of _____, 20__ (the "Effective Date"), by and between _____, a _____ Company ("Dealer"), and GENOTECH, Inc., a North Carolina company ("Genotech"). Dealer agree to be an (____)Territory segment distributor (TSD) or (____) Local Segment distributor (LSD).

The parties agree as follows:

1. The term of this Agreement (the "Term") shall be for two (2) years commencing on the Effective Date, thereafter the Term will be extended for a third one year period conditional upon the purchase during the term by Dealer of \$100,000.00 of the Products described below, thereafter the Term may be extended for additional one year periods conditional upon a net increase of 10% in Dealer's purchase of the Products in each preceding one year period. This Agreement shall not be renewed or extended in the absence of negotiation and execution of a new document, which expressly extends the Term.

2. Dealer shall purchase during the Term a minimum of \$100,000.00 U.S. Dollars of the industrial water treatment and maintenance chemical products (the "Products") sold from time to time by GENOTECH under the "Genotech® or part of member of MDS (Master Distributor System)" name (the "Mark"). Dealer shall use its best efforts at all times during the Term to maximize sales to end-users of the Products in (the "Territory"). Dealer (Territory segment distributor (TSD), segment local distributor(SLD)) shall purchase Products only from GENOTECH or an GENOTECH-approved Master Distributor and shall sell Products only to end-users. Dealer's right to purchase and sell, in the Territory, Products pursuant to this Agreement shall not be deemed to in any way prevent or exclude either GENOTECH or any other party from selling the Products in or out of the Territory. Dealer shall only be permitted to make sales of Products in the Territory.

3. The purchase prices for Products (the "Purchase Price(s)") shall be as published from time to time by GENOTECH, in GENOTECH's sole discretion. Terms and conditions of sale, credit and delivery (which shall be EXW GENOTECH's production facility or warehouse ("GENOTECH's Facility")) shall be as published to Dealer from time to time by GENOTECH, in GENOTECH's sole discretion; provided that the Products shall be deemed placed in Manufacturer's disposal and custody at GENOTECH's Facility. Changes in the Purchase Price made by GENOTECH shall be effective upon 30 days notice from GENOTECH to Dealer. The Purchase Prices do not include customs, duties or stamp, sales, transfer or use taxes, all of which shall be paid by Dealer. If Manufacturer so requests, GENOTECH may, in its sole discretion, prepay and add to the Purchase Price freight, insurance and other costs associated with a shipment. "EXW" shall have the meaning attributed to such abbreviation as set forth in Incoterms, as published by the International Chamber of Commerce in 1990.

4. If GENOTECH does not receive a credit under Section 901 of the Internal Revenue Code of 1986, as amended, (or any successor provision) or under the applicable tax treaty between the United States of America ("U.S.A.") and a country in the Territory (if there is a tax treaty), in the year of receipt of a payment under this Agreement for any taxes imposed on GENOTECH in the Territory as a result of its receipt of such payment, then Dealer shall pay GENOTECH an amount equal to the amount that is not usable in that year as a tax credit, adjusted upwardly to produce the net amounts to GENOTECH that GENOTECH would have realized if all such taxes in the Territory had been creditable in the U.S.A.

5. Dealer shall purchase Products by placing an order (such order made pursuant to GENOTECH's standard purchase order from time to time in effect) for Products with GENOTECH. Prior to and subject to GENOTECH having any obligation to deliver Products pursuant to any order made by Dealer, GENOTECH shall have received the payment of the Purchase Price, in United States Dollars, in full for the Products ordered or shall have received an irrevocable documentary letter of credit (substantially in form and substance satisfactory, in GENOTECH's sole discretion, to GENOTECH and issued by a U.S.A. bank satisfactory to GENOTECH) from Dealer in an amount equal to the Purchase Price in the aggregate for the Products ordered for delivery. GENOTECH shall deliver the appropriately ordered Products to Dealer at any of GENOTECH's Facilities, whether in Marietta, Georgia; Lancaster, Texas, or other GENOTECH location (at GENOTECH's sole discretion), within 30 working days after receipt of such payment or such letter of credit from Dealer for such Products.

6. No Product shall be deemed defective if either (i) the defect was caused by Dealer or an end-user or (ii) if the Product meets the specifications published by GENOTECH from time

to time; any changes in specifications becoming effective 30 days after publication. If Dealer reasonably believes that any Product is defective, then Dealer must notify GENOTECH of such defect within 180 days after receipt of such Product from GENOTECH in order to have any right of replacement with respect to such Product. If GENOTECH receives proper and timely notice of a defective Product, and such Product is defective, then GENOTECH shall have 60 days after receipt of such notice to provide to Manufacturer, at any of GENOTECH's facilities, replacements for such defective Product. Notwithstanding any other provision of this Agreement, Dealer's exclusive remedy with respect to defective Products shall be the replacement thereof.

7. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, GENOTECH MAKES AND DEALER RECEIVES NO WARRANTIES. GENOTECH SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, IN FACT OR IN LAW, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. GENOTECH shall provide, at GENOTECH's sole discretion and with GENOTECH reserving the right to change or terminate any of such items, without any charge or fees of any kind to Dealer and for the purpose of maximizing sales of Products, the following services and information to Dealer:

- An GENOTECH representative to respond (by phone, e-mail, fax, mail or in person, in GENOTECH's sole discretion) to Dealer's inquiries about Products, applications and Product sales within 3 business days after receipt of such request for such representative, not to exceed 8 hours during any normal business day nor representative's time to exceed 40 hours in the aggregate during the Term.
- Marketing, sales, application and service literature, electronic tools, training and support as offered generally by GENOTECH to its Genotech® Dealers from time to time.
- National or regional advertising of Products of a type and amount GENOTECH determines is appropriate.
- Genotech® Dealer identification wall plaque. Dealer shall display such plaque only in the interior of Dealer's place of business and at a reasonable distance from any signage depicting the name of Dealer so as to ensure that no customer of Dealer would identify the Mark as the name of the general business operation of Dealer.
- Product technical specifications, usage instructions, engineering data, National Account and suggested retail pricing, and Product information.

9. During the Term and for a period of 3 years thereafter, Dealer shall keep confidential, and shall not utilize or disclose to others, other than to Dealer's employees and agents who need to know such information to effect the purposes of this Agreement, any confidential and/or proprietary computer programs, literature, pricing, engineering, sales, marketing or other information (whether in written, magnetic, electronic or other form) provided by GENOTECH to Dealer pursuant to this Agreement ("Information"). Immediately upon termination of this Agreement, Dealer shall return all originals and copies of Information, in Dealer's possession or control, to GENOTECH, at Dealer's sole cost.

10. Dealer shall provide to all Dealer's customers all training and service necessary to (i) use the Products effectively and efficiently, (ii) support the implementation and use of an Genotech® water treatment program for the customer's facility, and (iii) ensure use of Products in compliance with all Laws (as defined below) including, but not limited to, those Laws concerning the environment and product safety.

11. Dealer shall conduct all advertising, promotion and sales of Genotech® products in a manner that will preserve and enhance the goodwill and prestige of the Mark. Dealer shall only be permitted to conduct those advertising and promotional activities associated with the Products that are pre-approved by GENOTECH. Pre-approval shall require, but not be limited to, providing GENOTECH, prior to use or publication, any advertising and promotional material to be used or published (except those advertising materials and/or tear sheets that were, in full form, provided to Dealer by GENOTECH). GENOTECH shall have the right to inspect, from time to time upon reasonable notice, during regular business hours, Dealer's operations and work place to ensure Dealer complies with the foregoing and all other provisions of this Agreement.

12. Dealer shall not remove, alter or add any printed warranty, label, tag or literature from any Product or Product packaging. Dealer shall deliver Genotech® printed product Material Safety Data Sheets and technical data sheets to all end-users at the time of sale or prior to delivery.

13. Dealer acknowledges that the Mark is proprietary to GENOTECH, and that Dealer has no right of ownership in or license to use such mark. GENOTECH does not warrant the validity or registrability of the Mark. Dealer shall not use or display any trade name, trademarks, service mark or logo that may be likely to be confused with the Mark. Dealer shall not use, display or publish any GENOTECH mark or name, including but not limited to Genotech®, in any manner other than permitted in this Agreement or pursuant to GENOTECH's prior written consent. Dealer shall not contest the validity of the Mark or any other mark of GENOTECH associated with the Products.

14. Any warranty or guaranty Dealer shall make to any final user of the Products with respect to the Products, beyond that provided herein, without written authorization by GENOTECH shall be at the full and sole responsibility of the Dealer.

15. Dealer shall comply with all applicable governmental policies, statutes, laws, ordinances, rules and regulations (the "Law(s)"), including, but not limited to, Laws concerning the environment and product safety, in connection with the distribution, promotion, marketing and sale of the Products. Dealer shall inform promptly GENOTECH of any material changes in any Law which may in any way (directly or indirectly, prospectively or retroactively) affect this Agreement (or interpretation thereof) or either of the parties' rights or obligations pursuant to or arising out of this Agreement.

16. During the Term, Dealer shall maintain both (i) commercial general liability insurance coverage in an amount not less than \$1,000,000 U.S. Dollars combined single limit and (ii) product liability insurance coverage in an amount not less than \$1,000,000 U.S. Dollars combined single limit. Both insurance coverage's shall be with a U.S.A.-based insurance carrier rated A or better by Standard & Poor's Ratings Group or Moody's Investors Service, Inc. Dealer shall cause GENOTECH to be named an additional insured on all such insurance policies. Within 30 days after the Effective Date, Dealer shall provide to GENOTECH certificates of insurance showing GENOTECH as an additional insured with respect to all such policies and also establishing that the insurance carrier will not cease or terminate coverage of insurance without first notifying GENOTECH and giving GENOTECH the right and option, but not obligation, to continue paying the premiums so that the insurance coverage will continue.

17. Dealer shall indemnify and hold GENOTECH (and GENOTECH's directors, officers, agents, employees, representatives and assigns) harmless from and against any losses, damages, liabilities and expenses (including reasonable legal and accounting fees) ("Losses") resulting from (a) faulty workmanship, system design or application error or negligence of Dealer or employees or agents of Dealer, (b) defective products supplied by Dealer which were not purchased from GENOTECH, (c) negligent services provided by Dealer, (d) the unauthorized use of the Mark, (e) the disclosure of confidential and/or proprietary information and (f) the breach of any other provision of this Agreement.

18. GENOTECH shall have the right and option to terminate this Agreement (effective immediately upon receipt of written notice from GENOTECH) upon any of the following events (this right of termination is in no way exclusive of any other remedy): (a) the failure to pay when due any sum owed by Dealer hereunder to GENOTECH, (b) the unauthorized use of any GENOTECH mark, including, but not limited to, the Mark, (c) the failure to keep confidential information required by this Agreement to be kept confidential, (d) the breach of any other provision of this Agreement and (e) the bankruptcy, receivership, assignment for the benefit of creditors or insolvency or foreclosure action of other creditors with respect to Dealer or in the event that Dealer ceases all or substantial part of its operation, sells all or a substantial part of its assets (other than in the normal course of business) or otherwise transfers ownership or control of the Dealer's business or substantial part thereof to any third party.

19. Notwithstanding anything in this agreement, in no event shall either party be liable to the other for any lost or prospective profits or any other special, punitive, exemplary, consequential, incidental or indirect losses or damages (in tort, contract, or otherwise) under or in respect of this agreement or for failure of performance related hereto howsoever caused whether or not arising from the parties' sole, joint or concurrent negligence.

20. Any notice to be given by either party to the other shall be in writing and mailed, by certified or registered first class mail, postage prepaid (which shall be deemed to have been received 14 business days after mailing), or by internationally recognized overnight courier service, as follows:
If to Dealer, addressed to:

GENOTECH, Inc.
413 Legault Dr.

Cary, NC 27513

Attn: _____

Attn.: Joe Toong

21. Notwithstanding any other provision of this Agreement, the parties shall, in addition to such other remedies as may be available to either of them through arbitration proceedings, shall have the unconditional right to enforce their respective rights hereunder by actions for injunctive relief through a court or tribunal of competent jurisdiction without such injunctive relief proceedings being in any way subject to any arbitral proceedings.

22. This Agreement may not be amended, nor shall any waiver, modification, consent or discharge be effected, except by an instrument in writing executed by or on behalf of the party against whom enforcement of any such amendment, waiver, modification, consent or discharge is sought.

23. Dealer shall not assign (directly, indirectly or by operation of law) either this Agreement or any interest herein without the prior written consent of GENOTECH. GENOTECH may assign all or any part of this Agreement to any third party or affiliate without Dealer's consent and without notice.

24. Failure, delay or forbearance of a party to insist on strict performance of the terms and provisions of this Agreement, or to exercise any right or remedy, shall not be construed as a waiver thereof. Express waiver in one or more instances shall not waive subsequent strict performance.

25. This Agreement shall not be construed as creating any employment or agency relationship between GENOTECH and Dealer. Dealer is an independent party in all respects for performance hereunder and shall have no power, express or implied, to bind GENOTECH.

26. If any provision of this Agreement is determined by a tribunal or court of competent jurisdiction to be invalid or unenforceable, it shall be deemed stricken, and the remainder of the Agreement shall continue in full force and effect insofar as it remains a workable instrument to accomplish the intents and purposes of the parties. The parties shall promptly replace the severed provision by a mutually acceptable valid, legal and enforceable provision that reflects the intentions of the parties underlying the severed provision.

27. Subject to Section 21 of this Agreement, any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation or termination, shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this clause. Notwithstanding the foregoing, the parties shall be permitted, with respect to any arbitral proceeding, to conduct whatever depositions and discovery ("Discovery") which would be permitted under the U.S.A. Federal Rules of Civil Procedure (including, without limitation, Rules 26 through 37 thereof), as amended from time to time. Such Discovery shall be under the supervision of the designated arbitrators. The governing law of this Agreement shall be the substantive law of the State of Georgia, U.S.A. The arbitral tribunal shall consist of three arbitrators, two of them shall be nominated by the respective parties and the third shall then be nominated by such two arbitrators chosen by the parties. If such two arbitrators cannot agree on a third arbitrator, then the London Court of International Arbitration shall appoint such third arbitrator. The place of arbitration shall be London, England. The language of the arbitration shall be English. The English version only of this Agreement shall control for purposes of both the resolution of any dispute between the parties and the interpretation of this Agreement.

28. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed to be the same instrument.

29. Under no circumstances shall the United Nations' Convention on Contracts for the International Sale of Goods ("the Convention") apply to the interpretation of this Agreement or the resolution of any dispute with respect to this Agreement and the parties hereby exclude, pursuant to Article 6 of the Convention, all the provisions of the Convention to this Agreement.

30. Neither party shall be responsible for delays in performance that result from incidental disputes of third parties, acts of God, acts of governmental or military authority, strikes, fires, floods, epidemics, quarantine restrictions, riot or war or any act beyond a party's reasonable control, and performance obligations shall be deemed extended for a period equal to the delay.

31. Dealer shall honor and comply with the terms and conditions of any National Account, US Federal or State GSA or GSC contract awarded to GENOTECH.

GENOTECH, INC.:

DEALER:

By: _____

Typed Name:

By: _____
Title: Regional Manager

By: _____
Managing Director