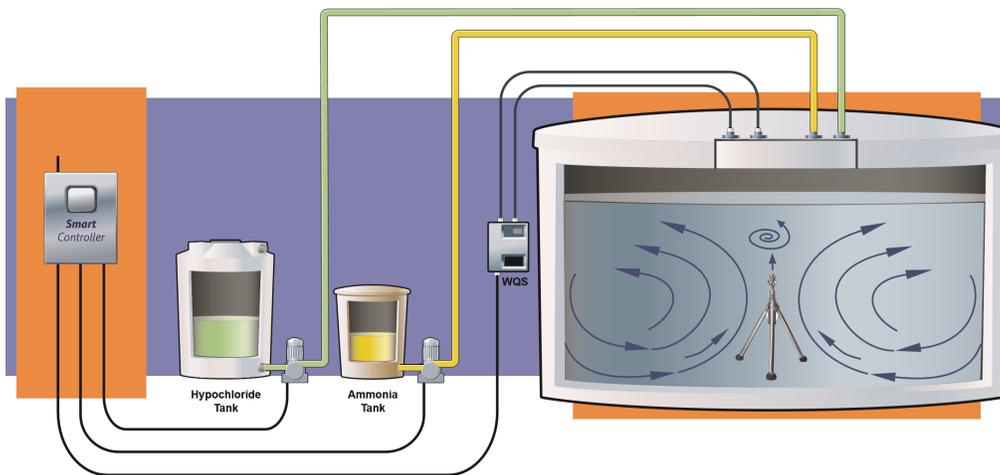


FIRM PROPOSAL
MONOCLOR[®]
RESIDUAL CONTROL SYSTEM
FOR
DEER PARK, TX
1MG P STREET GST



PSI Water Technologies, Inc. File No.: P19-4370 Firm
CA Contractor's License: #877235

Prepared on: November 14, 2019

SALES REPRESENTATIVE
Environmental Improvements (EI²)

Blake Roye
PO Box 79266
Houston, TX 77279
T: (713) 461-1111
Email: blake@ei2hou.com

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IMPORTANT NOTICE: All the information in this Proposal is confidential and has been prepared for Buyer's use solely in considering the purchase of the Equipment described. Transmission of all or any part of this Proposal to others or use by Buyer for other purposes is unauthorized without Seller's advance written consent.



November 14, 2019

Nicholas Cook, Water Plant Supervisor
2117 E. X-Street
Deer Park, TX 77536

Re: Monoclor® Residual Control System for Deer Park, TX
PSI Water Technologies, Inc. File No.: P19-4370 Firm

Dear Nicholas,

Thank you for your interest in PSI Water Technologies, Inc. (PSI), a UGSI Solutions company. We have prepared this firm proposal for providing a Monoclor® Residual Control System (RCS) for Deer Park, TX – 1MG P Street GST. Our proposal is based on the following design criteria:

Design Criteria

Reservoir Diameter, ft	74
Reservoir Height, ft	32
Maximum Capacity, MG	1
Average Flow, MGD	1
Maximum Flow, MGD	1.5
Reservoir Type	Above-Ground, Circular GST
Disinfectant	Chloramines (with Chlorine Gas)
Desired Chlorine Residual, ppm	2.0
Chlorine Dose, ppm	2.3
Peak Chlorine Demand, ppd	29

System Features & Advantages

The Monoclor® RCS is an intelligent, automated disinfectant boosting system that gives operators the ability to set and control residual levels in water storage tanks and key locations in the distribution system. The Monoclor® RCS utilizes advanced water quality sensors, powerful active mixing, an automated chemical feed system, and an advanced control algorithm to set and maintain residual levels in water storage tanks and distribution systems. The Monoclor® RCS has been tested and validated through extensive laboratory testing and many full-scale installations over the last 5 years.

Our Monoclor® RCS consists of all equipment essential for a complete system, including:

1. Accurate chemical dosing at the correct ratio
2. Proper mixing to ensure a homogenous water body that will not stratify
3. High energy mixing that ensures instantaneous reaction of introduced chemicals
4. Real-time monitoring and control logic to maintain or achieve equilibrium by responding to dynamic reservoir conditions

The Monoclor® RCS enables operators to:

T: (281) 636-6129

M: jkoch@ugsicorp.com

W: 4psi.net



1. Set and maintain consistent disinfectant levels in storage tanks and key locations in the distribution system
2. Continuously blend disinfectant residual and eliminate thermal and chemical stratification
3. Eliminate costly and labor-intensive manual boosting
4. Quickly counteract adverse water quality changes, such as low residual
5. Optimize and balance disinfectant levels across a water distribution system

The PAX PWM400 mixer is a submersible active mixing system for potable water storage tanks and reservoirs. When operated correctly, the PAX PWM400 mixer can rapidly eliminate thermal stratification, decrease ice formation, rapidly blend and distribute doses of residual disinfectant, and maintain uniform chemical and temperature conditions. Under some conditions, the mixing action can also reduce the rate of residual disinfectant loss and lower volatile disinfection byproduct levels inside the tank when used as part of an in-tank aeration system.

A detailed scope of supply and the firm price for the complete system is listed in Section 1 of this proposal. All pricing is based on our standard system, as outlined in our equipment specifications (available upon request).

Our scope of supply follows in Section 1, proposal acceptance in Section 2, and terms and conditions in Section 3.

We look forward to working with you on this project. If we can be of any further assistance, please do not hesitate to contact our sales representative, Blake Roye at Environmental Improvements (EI²), or me at (281) 636-6129.

Sincerely,

John Koch
Regional Sales Manager

Cc: Evan Tanaka, PSI Water Technologies, Inc.
Blake Roye, Environmental Improvements (EI²)

SECTION 1

SCOPE OF SUPPLY

- A. Scope of Supply by PSI
- B. Scope of Work by Others
- C. Clarifications
- D. Terms of Payment
- E. Delivery

A. SCOPE OF SUPPLY BY PSI – MONOCLOR® RCS – CHLORINE GAS

The following equipment and services constitute our scope of work. All equipment will be manufactured in accordance with the descriptions below.

<u>No</u>	<u>Item Description</u>	<u>Qty.</u>
1.	Smart Control Center, SCC1000 <ul style="list-style-type: none"> ▪ Allen-Bradley MicroLogix 1400 Programmable Logic Controller (PLC) ▪ Magelis DT351 7.4" HMI: Color LCD touch screen ▪ Communication: Ethernet based access to HMI software from computer or smartphone within same network ▪ Remote Monitoring Telemetry ▪ Water Quality Station Communication: Two wire twisted cable ▪ Chemical Dosing Controller: RS-485 port for chemical feed system communications ▪ SCADA: Modbus TCP/IP standard, analog output available if necessary ▪ Panel – Mounted Disconnect Switch ▪ Enclosure: Equal to or greater than Type 4 rating 	1
2.	Liquid Ammonium Sulfate (LAS) Storage Tank, including: <ul style="list-style-type: none"> ▪ Single Wall HDLPE Construction ▪ 65 Gallon Capacity ▪ Submersible Level Transmitter ▪ Top Manway ▪ Tank Dimensions: 23" D x 35" H ▪ 62 Gallon Secondary Containment Skid ▪ Containment Skid Dimensions: 40"x40"x12" 	1
3.	Chemical Feed System - Ammonia, ASP <ul style="list-style-type: none"> ▪ Skid: Black polypropylene ▪ Pump: Watson Marlow Q Dos 30 Peristaltic Pump, 7.93 GPH @ 60 PSI ▪ Piping: PVC schedule 80 ▪ Secondary Containment: 9 gallons secondary containment ▪ Controller - Input/Output: 4 digital inputs, 2 digital outputs, 2 analog inputs, 1 analog output ▪ Communication: Modbus protocol with Smart Control Center ▪ Connection: RS-485 cable ▪ Enclosure: Equal to or greater than Type 3R rating ▪ Pump Control Option: Digital relay, analog (4-20 mA), power switch ▪ Accessories: <ul style="list-style-type: none"> ○ Calibration Column ○ Pressure Relief Valve ○ Wye Strainer 	1

<u>No</u>	<u>Item Description</u>	<u>Qty.</u>
	<ul style="list-style-type: none"> ○ Pressure Transmitter ○ Back Pressure Regulator 	
4.	<p>Water Quality Station, WQS1000</p> <ul style="list-style-type: none"> ▪ Water Connection: 3/8" Push-connect ▪ Sampling Flow Rate: 10 GPH ▪ Connectivity: Modbus RS485 Connection ▪ Data Logging: Real-time DAQ on USB flash drive ▪ Measurement - Total Chlorine: Dual Amperometric reagent less online sensor, 0-10 PPM measuring range, 0.01 PPM resolution ▪ Measurement – ORP Sensor (Platinum Extended Tip) ▪ Measurement - Temperature: 32-212° F measuring range, 0.1° F resolution ▪ Measurement - pH: 0-14 measuring range, 0.01 resolution ▪ Measurement - Water Level (optional): pressure transducer, resolution of 1% maximum scale ▪ Enclosure: Equal to or greater than Type 3R rating 	1
5.	Sample Pump	1
6.	<p>PWM400 Mixer Wet Assembly, including:</p> <ul style="list-style-type: none"> ▪ Stainless steel 316 impeller designed to mix up to 9 million gallons of water ▪ Passivated to minimize corrosion ▪ The ability to function continuously regardless of tank cycles ▪ Fittings box, IOB1000 ▪ 230V three phase ½ horsepower water-cooled motor powered by the PAX Control Center ▪ Mixer-mounted Injection Stems, DCI Impeller 	1
7.	<p>Control Center Dry Assembly with SCADA Compatibility, including:</p> <p>NEMA 4 Enclosure:</p> <ul style="list-style-type: none"> ▪ Lockable and weather resistant ▪ Overall weight of control center 55 lbs. ▪ Operating temperature range 40 °F to 95 °F (4.4 °C to 35 °C) ▪ Green and Red LED Indicator lights to display motor status ▪ White LED Indicator light to display power ▪ Cooling fan <p>Motor Controller/VFD:</p> <ul style="list-style-type: none"> ▪ Allen Bradley ▪ 230VAC single phase, rated to 1.0 HP ▪ HOA Switches ▪ Manual speed control ▪ Thermal shut-off protection built-in 	1

<u>No</u>	<u>Item Description</u>	<u>Qty.</u>
	<ul style="list-style-type: none"> ▪ Current overload protection built-in ▪ 300mA trip level GFCI ▪ Sine filter ▪ Branch-circuit protection <p>SCADA outputs included:</p> <ul style="list-style-type: none"> ▪ Digital Output signal indicating motor running ▪ Digital Output signal indicating fault ▪ Digital Input/Output signal for remote motor on/off ▪ RS-485 or Dry Contact connections ▪ 4-20mA signal 	
8.	<p>Cable 70 ft., including:</p> <ul style="list-style-type: none"> ▪ Flat-jacketed 4 conductor 	1
9.	<p>Tripod Assembly, PWM400, including:</p> <ul style="list-style-type: none"> ▪ Stainless steel 316 legs ▪ Chlorine/chloramine resistant rubber foot pad to avoid scratching tank floor ▪ Stainless steel knobs for tool-less installation 	1
10.	<p>Long Bail Handle & Chain</p> <ul style="list-style-type: none"> ▪ Stainless steel 316 handle to deploy mixer in full tanks 	1
11.	<p>Tank Penetration Accessory</p> <ul style="list-style-type: none"> ▪ Stainless steel strain relief for 4 wire flat-jacketed cable 	1
12.	Manufacturer's Services for Installation Inspection, System Start-Up, and Operator Training (2 Days at the Jobsite)	Included
13.	<p>Submittal and Operation & Maintenance Manual as Follows</p> <ul style="list-style-type: none"> ▪ Submittal: Sent Electronically ▪ O&M Manual: Sent Electronically 	Included
14.	FOB Factory, Milpitas, CA with Full Freight Allowed to Jobsite, Deer Park, TX	Included
	FIRM PRICE [ITEMS 1-14]	\$108,200

B. SCOPE OF WORK BY OTHERS

1. **Chlorine gas supply.**
2. **Chlorine gas storage vessel with scale.**
3. **Instrumentation for chlorine gas storage vessel, including a 4-20mA actuator and flow valves for flow control.**
4. **Chlorine gas feed system.**
5. **Instrumentation for chlorine gas feed system.**
6. **Sample tap and its installation.**
7. All trenching and underground conduit runs.
8. Electrical power to Control Panels, WQS, and Chemical Feed Skid. Secondary containment of all equipment and piping.
9. 40% Liquid Ammonium Sulfate supply.
10. Each chemical storage tank must be labeled appropriately according to local regulations. Check with your local regulating agency for requirements.
11. Proper distance between chemical storage tanks must be maintained according to local regulations.
12. All civil works and concrete pad for equipment.
13. Any underground or structural work.
14. Design and supply of anchor bolts and seismic restraints.
15. Electrical power to Water Quality Station (100-240VAC/1Ph/60Hz for 10 A), Smart Control Center (100-120VAC/1PH/60Hz for 10A), and Chemical Feed Skid (110VAC/1Ph/60Hz for 10 A).
16. Any tank recoating services, labor, or parts.
17. All hose, pipe and tubing supports, strut, and clamps.
18. Freeze protection for all tubing and piping external to the reservoir, if required.
19. All electrical conduit, wiring, electrical material (including disconnect switches), etc. between control panel, hypochlorite tank, metering pumps, SCADA, etc.
20. Hatch penetrations or modifications.
21. Room ventilation, air conditioning, or lighting.
22. SCADA integration.
23. Videotaping.
24. All taxes, fees, lien waivers, bonds and licenses.
25. Permitting or regulatory approval.
26. Any items not explicitly listed under Scope of Supply by PSI.

C. CLARIFICATIONS

1. All equipment excluding PAX mixers must be installed in an indoor location. A shed or enclosure is not included in the proposal.
2. Sample water flow is 10 GPH. The sample water is assumed to be fed to the Water Quality Station via a sample pump and then routed to a nearby drain.
3. Reservoir Low Water Level must be 6' above PAX mixer for it to function properly.
4. PSI recommends adding secondary containment to Gas Chlorine and Ammonia chemical feed lines. When possible, trenching these lines underground would be optimal.
5. The performance of the Monoclor[®] RCS design reported in this document is dependent on the tank operations data provided in the design criteria and may vary significantly under different operating conditions and/or scenarios.



6. PSI requires a minimum of two (2) weeks notification prior to performing onsite installation inspection, system start-up and training. PSI will work with you to attempt to accommodate your scheduling needs.
7. Do not mix hypochlorite and ammonia as toxic vapors will be produced.

D. TERMS OF PAYMENT

- Twenty Percent (20%) Payment Invoiced on Approved Submittals
- Eighty Percent (80%) Payment Invoiced on Shipment of Equipment
- Net 30 Days
- Price Valid for 90 Days

E. DELIVERY

- Submittal: 4 - 6 Weeks After Receipt of Fully Executed Order
- Equipment Shipment: 8 - 10 Weeks After Approval of Submittals

SECTION 2

PROPOSAL ACCEPTANCE
Monoclor® Residual Control System

PSI Water Technologies, Inc. File No.: P19-4370 Firm

- 1) PSI Water Technologies, Inc. (Seller) proposes to furnish the equipment described in this proposal. Any items not shown above as detailed under "SCOPE OF SUPPLY BY PSI" are EXCLUDED. In addition:
 - a. Seller's price will be held valid for a period of 90 days from the date of this proposal ("Proposal Date"). Seller shall have the right to reprice this proposal if the Buyer's order is received more than 90 days beyond the Proposal Date or delivery more than 365 days after commercial agreement.
 - b. Prices are in US Dollars.
 - c. Local or state taxes are not included in this proposal.
- 2) This proposal by Seller is contingent upon: (i) Seller's written acceptance of the signed proposal, a purchase order, or other document issued by the Buyer in response to this proposal; and (ii) Buyer's assent to the terms and conditions contained in this proposal, such terms to take precedence in the event of conflict with any other terms or documents incorporated into the contract arising out of this proposal unless otherwise agreed in a writing, signed by Seller; and (iii) satisfactory completion of an anti-corruption due diligence review, if applicable.
- 3) All of the information supplied by Seller in connection with this proposal (including drawings, designs and specifications) (the "Information") is confidential and/or proprietary and has been prepared for Buyer's use solely in evaluating the purchase of the equipment and/or services described herein. Transmission of all or any part of the Information to others, or use by Buyer for any purpose other than such evaluation, is expressly prohibited without Seller's prior written consent.
- 4) Please return a signed copy of this proposal or address and send your purchase order to:

PSI Water Technologies, Inc.
1077 Dell Ave, Suite A
Campbell, CA 95008
Attn: Guy Chadwell
Phone: 408.819.3043
Fax: 408.866.4660
E-mail: gchadwell@ugsicorp.com

Thank you for your interest in PSI Water Technologies, Inc. We are committed to meeting your expectations.

Proposal Acceptance

An authorized signature indicates Buyer's acceptance of this proposal, including without limitation Seller's Terms and Conditions below.

Company Name

Buyer's Name (printed)

Buyer's Authorized Signature

Date

SECTION 3

TERMS AND CONDITIONS Monoclor® Residual Control System

1. Applicable Terms. PSI Water Technologies, Inc. (“Seller”) will sell, and the buyer (“Buyer”) will purchase, the products and/or services referred to in Seller’s proposal or quotation (collectively, the “Products”), subject to these terms and conditions, including the Warranty Attachments hereto (the “Warranty Attachments”, and such Warranty Attachments, together with these Terms and Conditions, being referred to herein as the “Terms”). The front page of Buyer’s purchase order (disregarding any reference to terms and conditions and any provisions that conflict with the Terms), if any, together with the description of the Products in Seller’s proposal or quotation and the Terms, constitute the complete and exclusive agreement between the parties related to the purchase and sale of the Products (the “Agreement”). All prior communications, documents, negotiations and representations, if any, are merged herein. Whether the Terms are included in an offer or an acceptance by Seller, such offer or acceptance is conditioned on Buyer’s assent to the Terms. Any additional, different or conflicting terms contained in Buyer’s request for proposal, specifications, purchase order or any other written or oral communication from Buyer shall not be binding in any way on Seller, whether or not they would materially alter this document, and Seller hereby objects thereto. All orders are subject to prior credit approval by Seller.

2. Pricing. The prices shall be as stated in Seller’s proposal or order acknowledgment.

3. Payment. Unless otherwise stated, all payments shall be net 30 days from invoice date payable in United States Dollars. Unless provided otherwise in Seller’s proposal, 20% of the purchase price will be invoiced on approved submittals, and 80% will be invoiced on shipment. If Buyer fails to make any payment to Seller when due, Buyer’s entire account(s) with Seller will become immediately due and payable without notice or demand. Buyer will pay 1½% interest per month, compounded monthly, on all amounts not received by the due date. Buyer hereby grants Seller a purchase money security interest in the Products until such time as Seller is fully paid. Buyer will assist Seller in taking action to perfect and protect Seller’s security interest. Seller may make partial shipments, in which case, Buyer shall pay for each shipment in accordance with the terms hereof.

4. Taxes, Shipping, Packing Except to the extent expressly stated otherwise in Seller’s proposal, prices do not include any freight, storage, insurance, taxes, excises, fees, duties or other government charges, and Buyer shall pay such amounts or reimburse Seller for any such amounts Seller pays. If Buyer claims a tax or other exemption or direct payment permit, it shall provide Seller with a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs, and penalties arising out of same. Prices include the costs of Seller’s standard domestic packing only. Any deviation from standard packing (domestic or export) shall result in extra charges. Any and all increases, changes, adjustments, or surcharges (including fuel surcharges) which may arise in connection with the freight charges, rates or classification included as part of the Agreement, shall be for the Buyer’s account.

5. Delivery. Products shall be delivered F.O.B. Seller’s point of shipment. All delivery dates are estimated and are dependent in part upon prompt receipt of all necessary information from Buyer, including submittal approvals, if applicable, and all required commercial documentation. Seller will make a good faith effort to complete delivery of the Products on the date and to the location specified in writing by Buyer, but Seller assumes no liability for loss or damage due to delay or inability to deliver, whether or not such loss or damage was made known to Seller. If Buyer causes or requests a shipment delay, or if Seller ships or delivers the Products erroneously as a result of inaccurate, incomplete or misleading information supplied by Buyer or its agents or representatives, storage and all other additional costs and risks will be borne solely by Buyer. Any claims for Products damaged or lost in transit (“Transit Losses”) must be made by Buyer to the carrier and reported to Seller within one business day following delivery to Buyer.

6. Inspection and Acceptance. Buyer will have seven days from the date Buyer receives any Products to inspect such Products for defects and nonconformance which are not due to Transit Losses, and to notify Seller, in writing, of any defects, nonconformance or rejection of such Products. After such seven-day period, Buyer will be deemed to have



irrevocably accepted the Products, if not previously accepted. After such acceptance, Buyer will have no right to reject or revoke acceptance of the Products for any reason; provided that Buyer retains all rights in respect of the warranties in, or referred to in, Section 9 below.

7. Returns and Cancellation. Buyer may not return custom engineered Products. Buyer may return other Products only with Seller's prior written approval, which may be withheld in Seller's sole discretion. Any authorized return will be subject to payment of a restocking charge and will be allowed only if the subject Product: (i) is in new condition, suitable for resale, and (ii) has not been used, installed, modified, altered or damaged. The restocking charge for authorized returns will be no less than (x) 25% of the purchase price, net of any freight charges included in the purchase price, plus (y) 100% of freight costs incurred by Seller. Buyer is responsible for the payment or reimbursement of return freight charges. Returns will be shipped F.O.B. Seller's location. Seller may, but will not be obligated to, treat any cancellation of an accepted order as an authorized return.

8. Force Majeure. Seller will have no liability for any breach caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, act of government, or any other cause beyond Seller's reasonable control.

9. Warranty. If the RCS System being supplied includes a Microclor® system and/or a PAX Mixer, the principal components of the Microclor® system(s) and the PAX Mixer are warranted as set forth in the applicable Warranty Attachment(s). Seller warrants that all other Products will be free from defects in material and workmanship for 12 months from initial operation or 18 months from shipment, whichever is earlier (the "Warranty Period"). Seller's warranties are conditioned on (i) the Product being stored, installed, operated and maintained in accordance with Seller's instructions; (ii) no repairs, modifications or alterations being made to the Product other than by Seller or its authorized representatives; (iii) Buyer providing prompt written notice of any warranty claims within the Warranty Period; (iv) Seller's verification of the claimed breach of warranty; and (v) at Seller's discretion, Buyer either removing and shipping the Product or non-conforming part thereof to Seller, at Buyer's expense, or Buyer granting Seller access to the Product at all reasonable times and locations to assess the warranty claims. Seller's warranties do not apply to software and do not cover ordinary wear and tear.

If the claimed breach of warranty is verified by Seller, then, as the sole and exclusive remedy of Buyer or the initial end-user of the Product, Seller will, at Seller's sole option (a) repair the applicable Product or component free of charge, or (b) replace the applicable Product or component free of charge F.O.B. Buyer's facility. The warranty on repaired or replaced Products or component parts is limited to the remainder of the original Warranty Period. Buyer shall be responsible for (x) any labor required to gain access to the Product or component or so that Seller can assess the available remedies; and (y) all costs of installation of repaired or replacement Products or components.

THE WARRANTIES SET FORTH IN THIS SECTION 9 AND IN THE WARRANTY ATTACHMENT(S) ARE INTENDED TO BE SELLER'S SOLE AND EXCLUSIVE WARRANTIES WITH RESPECT TO THE PRODUCTS AND SELLER'S WARRANTIES ARE SUBJECT TO SECTION 10 BELOW. SELLER MAKES NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE, OR ANY WARRANTIES THAT MIGHT ARISE FROM COURSE OF DEALING OR USAGE OF TRADE. NOTWITHSTANDING THE FOREGOING, IF IT IS ALLEGED OR DETERMINED THAT SELLER HAS MADE ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BY COURSE OF DEALING OR USAGE OF TRADE, SUCH OTHER WARRANTIES SHALL BE SUBJECT TO ALL THE CONDITIONS, LIMITATIONS AND PROCEDURES SET FORTH IN THIS SECTION 9, THE WARRANTY ATTACHMENT(S), AND SECTION 10 BELOW.

10. LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE PRODUCTS WILL NOT EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCTS. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR



ANY OTHER THEORY. THE REMEDIES SET FORTH IN THIS AGREEMENT ARE INTENDED TO CONSTITUTE A COMPLETE ALLOCATION OF THE RISKS BETWEEN THE PARTIES, AND BUYER ACKNOWLEDGES THAT IT IS KNOWINGLY LIMITING THE REMEDIES THAT MIGHT OTHERWISE BE AVAILABLE TO BUYER. BECAUSE THIS AGREEMENT AND THE PRICE PAID REFLECT SUCH ALLOCATION, THE REMEDIES PROVIDED TO BUYER HEREUNDER WILL NOT HAVE FAILED OF THEIR ESSENTIAL PURPOSE EVEN IF THEY OPERATE TO BAR RECOVERY FOR CERTAIN DAMAGES THAT BUYER MAY INCUR.

11. Remedies of Seller. Any of the following will constitute an event of default which will enable Seller, at its option and without liability to Buyer, to cancel any unexecuted portion of the order that is the subject of this Agreement and to exercise any other right or remedy expressed herein or otherwise available at law or in equity: (i) the failure of Buyer to make any payment required hereunder when due (“Payment Default”) or to perform any other term or condition contained herein; (ii) the insolvency of Buyer or its failure to pay its debts as they mature, an assignment by Buyer for the benefit of its creditors, the appointment of a receiver for Buyer or for the materials covered by this Agreement, or the filing of any petition to adjudicate Buyer bankrupt; (iii) a failure by Buyer to provide adequate assurance of performance within ten days after a justified demand by Seller; or (iv) if Seller, in good faith, believes that Buyer's prospect of performance under this Agreement is impaired. Seller's obligations under Section 9 hereof and the Warranty Attachments will be suspended during the pendency of any Payment Default. No such suspension will extend Seller's obligations under Section 9 or the Warranty Attachments beyond the period provided therein. Seller's election of any remedy in the event of a default by Buyer will not preclude Seller from exercising any other remedy available to Seller hereunder or at law or in equity for the same or any other default. In the event it becomes necessary to incur any expense for collection of any overdue account, Seller's collection charges, including attorneys' fees and expenses, will be added to the balance due and Buyer will pay all such charges together with interest thereon from the date incurred in accordance with Section 3.

12. Equal Employment Opportunity. Seller is an equal opportunity employer. The parties shall, as applicable, abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a), 41 CFR 60-741.5(a) and Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A) (relating to the notice of employee rights under federal labor laws), and these laws are incorporated herein by reference.

13. Export Compliance. Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal, and usage of the Products provided under the Agreement, including any export license requirements. Buyer agrees that such Products shall not at any time directly or indirectly be used, exported, sold, transferred, assigned, or otherwise disposed of in a manner which will result in non-compliance with such export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. BUYER WILL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

14. Miscellaneous. No part of this Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. As used in this Agreement, “including” and its variants mean “including without limitation” and its variants. No course of dealing or performance, usage of trade, or failure to enforce any term will be used to modify the Agreement. Buyer acknowledges that it has not relied upon any letters of intent, agreements, promises, negotiations, statements or representations other than those expressly set forth in this Agreement and that no such extraneous document or other communication shall be of any force or effect. Buyer agrees and warrants that in entering into this Agreement, Buyer is relying solely upon the information contained in this Agreement and not in reliance upon any other information. If any of the Terms is unenforceable, such Term will be limited only to the extent necessary to make it enforceable, and all other Terms will remain in full force and effect. Buyer may not assign this Agreement without Seller's prior written consent. This Agreement will be governed by the laws of the State of California without regard to its conflict of laws provisions. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. Any bond issued by Seller in connection with the sale of the Products shall remain in effect for a maximum of two (2) years after acceptance of the Products, and the only warranty, guaranty or Product performance obligations covered thereby shall be those at Section 9 above and in the Warranty Attachments. All Product performance obligations



of Seller are contingent on the design criteria and the condition of the influent and the raw materials being as specified by Seller and will be considered satisfied and discharged upon successful completion of the initial Product performance testing. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY.



**WARRANTY ATTACHMENT
FOR
PAX MIXERS**

I. Incorporation and Definitions. This Warranty Attachment is incorporated into, and made a part of, the PSI Water Technologies, Inc. Terms and Conditions (the “Terms and Conditions”). All capitalized terms used in this Warranty Attachment have the meanings assigned to them in the Terms and Conditions. This Warranty Attachment sets forth Seller’s warranty with respect to each PAX Mixer, including its associated controller (collectively, the “PAX Mixer”), included in a Monoclor/RCS system supplied by Seller (the “System”). All other components of or accessories to the System are covered by the warranty set forth or referred to in Section 9 of the Terms and Conditions.

II. Warranty Statement. Seller warrants for the PAX Mixer Warranty Period (as defined below) that each PAX Mixer is free from defects in material and workmanship and conforms to Seller’s specifications applicable to the PAX Mixer. Seller’s warranty is transferable during the PAX Mixer Warranty Period to the initial end-user of the Product (“Owner”). Seller’s warranty is conditioned on (i) Seller’s verification of the alleged breach; (ii) the PAX Mixer being stored, handled, installed, operated and maintained in accordance with Seller’s instructions, (iii) no repairs, modifications or alterations being made to the PAX Mixer other than by Seller or its authorized representatives, (iv) Buyer or Owner providing prompt written notice of any warranty claims within the PAX Mixer Warranty Period, and (v) at Seller’s discretion, Buyer or Owner either removing and shipping the PAX Mixer or non-conforming part thereof to Seller, at Buyer’s or Owner’s expense, or Buyer or Owner granting Seller access to the PAX Mixer at all reasonable times and locations to assess the warranty claims. Seller’s warranty does not apply to software and does not cover damage due to (x) lightning, flood or other acts of nature or *force majeure* events, or failure of or inappropriate application of peripheral devices, including lightning or surge protectors, (y) installation by a person or entity other than Seller or Seller’s authorized installation contractor, or (z) ordinary wear and tear. Lightning protection is recommended particularly in areas historically prone to lightning, and it is Buyer’s or Owner’s responsibility to properly select and install lightning protection in accordance with all applicable laws, codes and regulations. The “PAX Mixer Warranty Period” applicable to each PAX Mixer begins on the date of installation or three (3) months after shipment, whichever comes first, and continues for the period of 24 months thereafter.

III. Warranty Remedy. Buyer’s or Owner’s sole remedy for any breach of Seller’s warranty above is limited to Seller’s choice of repair or replacement of the PAX Mixer, or non-conforming parts thereof F.O.B. jobsite, or refund of the purchase price for the subject PAX Mixer or part. Seller reserves the right to provide new or reconditioned replacement PAX Mixers or parts. The warranty on repaired or replaced PAX Mixers or component parts is limited to the remainder of the original PAX Mixer Warranty Period. The warranty includes labor to remove and reinstall repaired or replacement PAX Mixers or components for a period of 120 days after shipment of the PAX Mixer; provided that (a) the defective PAX Mixer was originally installed, and the repaired or replacement PAX Mixer or part will be installed, in accordance with Seller’s guidelines in effect at the time of installation; and (b) labor of divers and labor required to drain the storage tank or reservoir is excluded. After such period, Buyer or Owner shall be responsible for (i) any labor required to remove or gain access to the PAX Mixer or part so that Seller can assess the available remedies; and (ii) all costs of installation of repaired or replaced PAX Mixer or component parts. If Seller determines that any alleged damage is not covered by this warranty, Seller will charge, and Buyer will pay, Seller’s normal rates for any inspection or repair performed by Seller, and for any materials provided or used in connection therewith.