

**PUREFLOW FILTRATION DIV.
QUOTATION
STANDARD TERMS AND CONDITIONS OF SALE**

1. **AGREEMENT.** The terms and conditions set forth below and on the front side hereof constitute the entire Agreement between the customer named on the front side hereof ("Buyer") and Pureflow Filtration Div., a division of California Environmental Controls, Inc., a California corporation ("Seller").
2. **TERMS OF SALE.** (a) **TAXES:** Unless specifically provided on the front side hereof, prices specified herein on the Goods are exclusive of all local, state, and federal taxes including without limitation taxes on manufacturing, sales, receipts, gross income, occupation, use and all similar taxes, or other taxes of any nature. Wherever applicable, such taxes will be invoiced as a separate charge which Buyer agrees to pay the Seller. (b) **TERMS OF PAYMENT:** Net cash due upon receipt of invoice, unless noted on front side of this quotation, to approved credit accounts. The Buyer agrees to pay Seller an additional charge of one and one-half percent (1 and 1/2%) per month (or such lesser amount equal to the maximum rate permitted by law) on any invoices not paid according to these terms. (c) **SECURITY INTEREST:** Until payment in full of the purchase price therein specified, Seller reserves a security interest in the goods securing payment of such purchase price. (d) **DELIVERY:** Prices quoted are f.o.b. point of origin of shipments unless shipping is specifically included in price offered on front page. Prices include domestic packing for rail or commercial shipments only. Shipment and delivery dates are estimates based upon schedules of Seller's suppliers and are computed from the time of settlement of all details and receipt of full approval of drawings where drawing approval is required. (e) **Field Supervision:** Unless specifically provided on the front side hereof, no installation assistance or field supervision by Seller is included in the terms and conditions of this Agreement.
3. **ENTIRE AGREEMENT.** This agreement supersedes all previous representations, statements, promises, agreements or understandings, written or otherwise. This Agreement is intended by the parties as a final expression of their understanding and no casual or prior dealings shall be relevant to explain any of the terms or conditions hereof. The Seller shall not be bound by any agent's or employee's representations, promises, statements or inducements not set forth in the Agreement. If any inconsistency exists between any typed or handwritten materials on the front hereof and these Standard Terms and Conditions, the former shall be controlling.
4. **ACCEPTANCE.** This quotation is an offer upon the terms and conditions herein specified. Acceptance by the Buyer may be effected by signing a copy of this quotation where specified and returning same to the Seller, or by the Buyer issuing a purchase order and delivering same to the Seller, which shall constitute Buyer's acceptance of this quotation and all of the terms and conditions herein specified. Acceptance of this offer is limited to its terms. Acceptances or confirmation which state additional or different terms from this offer shall be operative as acceptances; provided, however, that all such additional or differing terms shall be deemed material alterations within the meaning of Section 2207 (2) (b) of the California Commercial Code, and notice of objection to them pursuant to Section 2207 (2) (c) of the California Commercial Code is hereby given.
5. **CANCELLATION.** Orders may be cancelled by the Buyer only with Seller's written consent and upon payment of reasonable and proper cancellation charges, including factory costs and expenses.
6. **INSPECTION.** Buyer agrees to inspect the goods, supplies, merchandise and material covered hereby ("Goods") immediately upon their receipt by Buyer, secure a written acknowledgement from the delivering carrier as to any loss or damage and within three (3) business days of their receipt to give written notice to the Seller of any claim that the Goods do not conform with the terms of the Agreement. Failure to make such a claim within the stated period shall constitute an irrevocable acceptance of the Goods and an admission that they fully comply with all of the terms and conditions of the Agreement. Buyer expressly waives any right it may have to revoke acceptance after such three (3) day period.
7. **DELAYS.** Seller shall not be liable for any delays or failures in making shipments or deliveries caused by any contingency beyond Seller's control, or the control of Seller's suppliers or manufacturers, including without limitation failures or delays brought about by, caused by or in any manner arising from (i) labor conditions including strikes and shortages of labor, (ii) shortages of fuel, power, material or supplies, (iii) transportation delays, (iv) acts of God, fires, floods or weather problems, (v) damage to, or destruction in whole or in part of Goods, vehicles or manufacturing plants, (vi) accidents, or (vii) riots, government interference, embargos, regulations, war, insurrection or terrorist acts. The non-occurrence of the above contingencies with respect to Seller, its suppliers and manufacturers is a basic assumption of this agreement.
8. **DELAY IN INSTRUCTIONS.** Buyer agrees to furnish complete shipping instructions in such a manner as to reach the Seller at its main office ten (10) days before the date for any shipment specified herein. Buyer's failure to so furnish complete shipping instructions shall, without notice, automatically extend the shipping date from day to day until the Buyer furnishes complete shipping instructions, or until the Seller exercises its right to terminate the Agreement.
9. **RISK OF LOSS.** Unless Buyer and Seller specifically agree in writing to modify the terms of Paragraph 2. (d), above, all risk or loss shall pass to the Buyer when Goods are delivered by Seller to the carrier. In the event that Buyer and Seller agree in writing that the Goods are sold f.o.b. destination, Seller's responsibility for loss or damage terminates upon tender of delivery to Buyer by the carrier and the written acknowledgement and claims procedure provided for in Paragraph 4, above, shall be a precondition to any claim by Buyer for loss of damage in transit.
10. **RETURNS.** In no case are any Goods to be returned to Seller without first obtaining the written permission of Seller, which permission Seller may refuse to give at Seller's sole discretion. Only standard unused Goods as currently manufactured or inventoried by Seller which have been invoiced to Buyer within the previous ninety (90) days will be considered by Seller for return. Special items manufactured to order may not be returned under any circumstances. Goods which Seller accepts for return and credit will, in any event, be subject to a minimum handling and service charge of 25% plus all transportation charges. All returned Goods, if Seller accepts the return thereof, must in any case be securely packaged and shipped, freight prepaid, and the risk of loss shall remain with Buyer until the Seller actually receives the Goods.
11. **DEFAULTS.** In the event Buyer fails to comply with any of the terms of the Agreement or becomes bankrupt or insolvent or Buyer's financial condition becomes impaired or unsatisfactory to Seller, Seller may do any or all of the following: (a) Terminate the Agreement upon written notice thereof to Buyer without prejudice to Seller's rights to receive any amount then due under the Agreement; (b) Withhold all further deliveries under the Agreement; (c) require that Buyer pay for all future shipments in advance or provide other satisfactory security or guarantees to Seller that all existing and future invoices will be paid on or before their due dates; (d) Make partial shipments only to Buyer, which Buyer agrees to accept; (e) Recall any Goods then in transit and retake the same and repossess all Goods which may be stored with Seller in which case Buyer consents that all Goods so recalled, retaken or repossessed shall become the absolute property of Seller, provided that Buyer is given full credit therefor; (f) Upon written notice to Buyer revise the stated credit terms, if any, contained in this Agreement; (g) Without limitation, exercise any rights or remedies available to Seller under the Uniform Commercial Code as in force and effect on the date of the Agreement; or (h) Without limitation, exercise any other rights or remedies available to Seller under any applicable federal, state or local law.
12. **ATTORNEYS FEES.** In the event of a default by Buyer of any of the terms or conditions of the Agreement, Buyer agrees to pay all costs of collection and enforcement incurred by Seller including, without limitation, Seller's reasonable attorney's fees and court costs.
13. **RETENTION LIMITATION.** Retention, if any is accepted by Pureflow Filtration Div., shall be limited to a maximum of ten percent (10%) of the contract price. All monies retained shall be paid, in full, upon successful "start-up" of the equipment supplied, or ninety (90) days after shipment of said goods, whichever date first occurs. The payment of monies retained under the terms of this paragraph is not conditioned upon any factors, issues, events or contingencies which are not specifically delineated in this quotation. The right of Pureflow Filtration Division to payment is NOT subject to any payment provisions enforced upon Buyer by the terms of any other contract with either Pureflow or a third party.
14. **CONSEQUENTIAL / LIQUIDATED DAMAGES.** The Buyer agrees that notwithstanding the form in which any legal or equitable action, proceeding or position may be brought or asserted by Buyer against Seller including without limitation claims based upon actual or alleged delays or breaches of warranty, that Seller's liability, if any, arising out of or in any way related to this Agreement, shall be limited to actual money damages in an amount not to exceed the total amount actually paid for the Goods by Buyer. Buyer further agrees that seller shall not, in any event, be liable for indirect, special, consequential or liquidated damages or penalties, whether based upon contract, warranty, tort, or negligence.
15. **PROPRIETARY MATERIAL.** All drawings, patterns, specifications, and information included in this proposal, and all information otherwise supplied by Pureflow Filtration Div. relating to the design, erection, operation, and maintenance of the goods, including filter media and all treatment processes, is the proprietary and / or confidential material or information of Pureflow Filtration Div. Purchaser shall not disclose such material or information to others or allow others to use such material or information without express written permission from an officer of Pureflow Filtration Div.
16. **GOVERNING LAW / CONSENT TO JURISDICTION.** (a) The terms and conditions set forth herein shall be construed under and in accordance with the laws of the State of California. The parties hereto consent to the jurisdiction and venue of any court of general jurisdiction in the Southeast District of Los Angeles County and the United States District Court for the Central District of California, with respect to any proceedings arising out of or in connection with the Agreement or any purchase hereunder, and further agree that mailing to either party by certified or registered mail shall constitute lawful and valid service of process. (b) No Waiver: No waiver by Seller of any default by Buyer shall be deemed a waiver of any subsequent default by Buyer. (c) Severability: Should any of the terms or conditions of the Agreement be declared invalid or unenforceable, it shall not affect the validity or enforceability of any of the remaining terms and conditions.
17. **VALIDITY.** The price quoted is firm for thirty (30) days, unless otherwise identified on the front of this quotation.
18. **ERRORS.** Pureflow Filtration Div. California Environmental Controls, Inc. reserves the right to correct or identify any stenographic or clerical errors in the quotation without any liability to Pureflow Filtration Div. California Environmental Controls, Inc.
19. **TECHNICAL ADVICE.** Upon Buyer's request, Seller may furnish technical advice with reference to the use of the material sold hereunder, to such extent as Seller has such information conveniently available; however, it is expressly agreed that there is no obligation to furnish any such advice, and that if any advice or assistance is furnished, which will be without charge, it shall be given and accepted at Buyer's risk, and Seller shall not be responsible or liable for the advice or assistance given or results thereof.
20. **WARRANTIES:** Except as provided below, Seller warrants that equipment or parts thereof delivered hereunder meet Sellers' standard specification for the equipment or parts, or such other specifications as have been expressly made as part of this Agreement. Equipment and parts sold, but not manufactured, by Seller are warranted to the extent of the manufacturer's original warranty. THERE ARE NO OTHER WARRANTIES, EXPRESSED OR IMPLIED. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE BUYER WILL MAKE NO WARRANTY OR MODIFY ANY EXISTING WARRANTY TO ANY CUSTOMER BEYOND ANY WARRANTY STATED BY SELLER'S SPECIFICATIONS. NO LIABILITY WILL RESULT TO EITHER PARTY FROM DELAY IN PERFORMANCE OR NON-PERFORMANCE CAUSED BY CIRCUMSTANCES BEYOND THE CONTROL OF THE PARTY AFFECTED. THE MEASURE OF DAMAGES RECOVERABLE BY BUYER SHALL NOT EXCEED THE PURCHASE PRICE PAID BY BUYER TO SELLER. THIS IS BUYER'S SOLE REMEDY AGAINST SELLER. SELLER SHALL NOT BE LIABLE FOR ANY INDIRECT OR PROSPECTIVE, CONSEQUENTIAL OR SPECIAL DAMAGES NOTWITHSTANDING THE FOREGOING. NO EQUIPMENT OR PARTS SHALL BE RETURNED WITHOUT INSTRUCTIONS FROM SELLER'S HOME OFFICE.



SCOPE OF SUPPLY

FOR

PUREFLOW FILTRATION QUOTATION No. P181003 - A

DATE: FEBRUARY 1, 2018

FOR

CITY OF SAN LUIS

SAN LUIS, AZ

REPLACEMENT FILTER VESSELS

FOR

WELL SITE 3

REPRESENTATIVE

REACO ASSOCIATES, LLC

LITCHFIELD, AZ

PUREFLOW FILTRATION DIV.

Customer:	City of San Luis, AZ	Date:	February 1, 2018
Project:	Replacement Filter Vessels (Well Site 3)	Page:	1 of 2
File Number:	P-1801003 - A		

SCOPE OF SUPPLY

REPLACEMENTS FILTER VESSELS WELL SITE 3

ITEM QTY DESCRIPTION

I. PRESSURE VESSEL

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|---|---|--|
| 1 | 3 | FILTER VESSELS, EACH INCLUDING THE FOLLOWING: <ul style="list-style-type: none">○ ASME CODE, 75 PSI DESIGN PRESSURE○ 48" DIAMETER x 60" STRAIGHT SIDE SHELL, VERTICAL○ INTERNAL EPOXY COATING (6 - 8 MILS), NSF61○ EXTERNAL EPOXY PRIMER (3 - 4 MILS) |
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II. SUBMITTALS

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| 2 | 1 | ELECTRONIC SUBMITTAL DOCUMENTS, INCLUDING: <ul style="list-style-type: none">○ DRAWINGS |
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III. START-UP, INSPECTION AND TRAINING

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|---|-----|---|
| 3 | LOT | START-UP, ONE (1) TRIP, TWO (2) ONSITE DAYS |
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IV. SUBMITTAL DELIVERY

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| 4 | LOT | 6 TO 8 WEEKS AFTER RECEIPT OF PURCHASE ORDER |
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V. APPROXIMATE DATE OF SHIPMENT

- | | | |
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| 5 | LOT | 14 TO 16 WEEKS AFTER RELEASE TO FABRICATION |
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PUREFLOW FILTRATION DIV.

Customer:	City of San Luis, AZ	Date:	February 1, 2018
Project:	Replacement Filter Vessels (Well Site 3)	Page:	2 of 2
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ITEM QTY DESCRIPTION

VI. THE FOLLOWING ITEMS ARE NOT INCLUDED IN THIS SCOPE OF SUPPLY:

- OFFLOADING
- STORAGE
- EQUIPMENT INSTALLATION
- CONCRETE / REBAR (SUB-BASE IN EACH FILTER) (BY CONTRACTOR)
- MEDIA INSTALLATION
- TAXES
- PERMITS
- INTERNALS (SAN LUIS TO REUSE EXISTING INTERNALS)

VII. WARRANTY

Pureflow Filtration Div. warrants equipment to be free from defects in material and workmanship for a period of eighteen (18) months from the date of shipment or twelve (12) months from the date of installation. No other express or implied warranty is given, and the seller makes no warranty of merchantability and there are no warranties which extend beyond the description on the face thereof.

Pureflow Filtration Div. has inspected the existing filter vessels and subsequently notified the City of San Luis that the original minimal coating specification and the potential for accelerated corrosion due to the absence of an adequate ground and / or cathodic protection could lead to a failure in the replacement filters similar to the filters currently onsite. Therefore, Pureflow Filtration cannot extend their standard warranty as stated above unless the City of San Luis takes appropriate measure to protect the replacement filter vessels from these situations.

ADDITIONAL NOTES:

1. This quotation includes only equipment specifically mentioned herein and does not include, or infer inclusion of, any additional equipment, piping, valves, wiring, installation, or services etc., regardless of its relation to the quoted equipment.
2. Vessels will be provided without internals. San Luis will reuse the existing splash plate, lower hub and laterals. These items will be installed by San Luis after the vessels are delivered to the job site.