



Proposal

Proposal No. PD0236-D
June 20, 2016

Prepared For:
Northside Water Services
Attn: Greg Manwaring

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Design

Design Summary

Culligan International is pleased to provide a budgetary proposal for design, manufacturing, and supply of a 240gpm greensand filtration system. The goal is to reduce arsenic and manganese levels in potable water to below Canadian Drinking Water guideline MAC levels.

This equipment includes a duplex ferric chloride chemical feed system, duplex hypochlorite chemical feed system, triplex 48" greensand filter system, and simplex backwash pump. This unique solution is designed to comply with the quality and quantity requirements for the Northside Water project.

Design Conditions

Treated Water Arsenic: <2ppb

Treated Water Manganese: <2ppb



Water Data



SAMPLE ANALYTICAL DATA

REPORTED TO Northside Water Service
PROJECT Analytical Testing

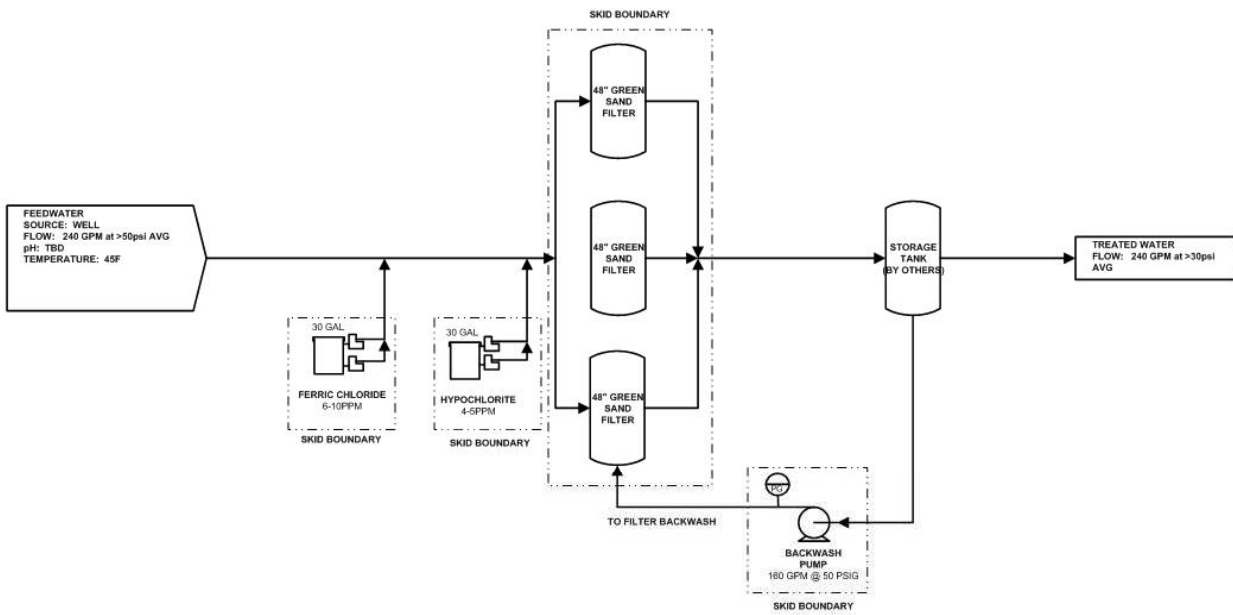
WORK ORDER 5040010
REPORTED Apr-09-15

Analyte	Result / Recovery	Standard / Guideline	MRL / Units Limits	Prepared	Analyzed	Notes
Sample ID: Pump #1 A Well #2 (5040010-01) [Water] Sampled: Mar-30-15 16:30						CT1
Calculated Parameters						
Hardness, Total (Total as CaCO3)	118	N/A	5.0 mg/L	N/A	N/A	
Total Recoverable Metals						
Aluminum, total	< 0.05	OG < 0.1	0.05 mg/L	Apr-07-15	Apr-08-15	
Antimony, total	< 0.001	MAC = 0.006	0.001 mg/L	Apr-07-15	Apr-08-15	
Arsenic, total	0.011	MAC = 0.01	0.005 mg/L	Apr-07-15	Apr-08-15	
Barium, total	0.06	MAC = 1	0.05 mg/L	Apr-07-15	Apr-08-15	
Beryllium, total	< 0.001	N/A	0.001 mg/L	Apr-07-15	Apr-08-15	
Bismuth, total	< 0.001	N/A	0.001 mg/L	Apr-07-15	Apr-08-15	
Boron, total	0.04	MAC = 5	0.04 mg/L	Apr-07-15	Apr-08-15	
Cadmium, total	< 0.0001	MAC = 0.005	0.0001 mg/L	Apr-07-15	Apr-08-15	
Calcium, total	29.9	N/A	2.0 mg/L	Apr-07-15	Apr-08-15	
Chromium, total	< 0.005	MAC = 0.05	0.005 mg/L	Apr-07-15	Apr-08-15	
Cobalt, total	< 0.0005	N/A	0.0005 mg/L	Apr-07-15	Apr-08-15	
Copper, total	0.004	AO ≤ 1	0.002 mg/L	Apr-07-15	Apr-08-15	
Iron, total	< 0.10	AO ≤ 0.3	0.10 mg/L	Apr-07-15	Apr-08-15	
Lead, total	< 0.001	MAC = 0.01	0.001 mg/L	Apr-07-15	Apr-08-15	
Lithium, total	0.002	N/A	0.001 mg/L	Apr-07-15	Apr-08-15	
Magnesium, total	10.6	N/A	0.1 mg/L	Apr-07-15	Apr-08-15	
Manganese, total	0.167	AO ≤ 0.05	0.002 mg/L	Apr-07-15	Apr-08-15	
Mercury, total	< 0.0002	MAC = 0.001	0.0002 mg/L	Apr-07-15	Apr-08-15	CT5
Molybdenum, total	0.009	N/A	0.001 mg/L	Apr-07-15	Apr-08-15	
Nickel, total	< 0.002	N/A	0.002 mg/L	Apr-07-15	Apr-08-15	
Phosphorus, total	< 0.2	N/A	0.2 mg/L	Apr-07-15	Apr-08-15	
Potassium, total	14.2	N/A	0.2 mg/L	Apr-07-15	Apr-08-15	
Selenium, total	< 0.005	MAC = 0.05	0.005 mg/L	Apr-07-15	Apr-08-15	
Silicon, total	16	N/A	5 mg/L	Apr-07-15	Apr-08-15	
Silver, total	< 0.0005	N/A	0.0005 mg/L	Apr-07-15	Apr-08-15	
Sodium, total	29.1	AO ≤ 200	0.2 mg/L	Apr-07-15	Apr-08-15	
Strontium, total	0.31	N/A	0.01 mg/L	Apr-07-15	Apr-08-15	
Sulfur, total	< 10	N/A	10 mg/L	Apr-07-15	Apr-08-15	
Tellurium, total	< 0.002	N/A	0.002 mg/L	Apr-07-15	Apr-08-15	
Thallium, total	< 0.0002	N/A	0.0002 mg/L	Apr-07-15	Apr-08-15	
Thorium, total	< 0.001	N/A	0.001 mg/L	Apr-07-15	Apr-08-15	
Tin, total	< 0.002	N/A	0.002 mg/L	Apr-07-15	Apr-08-15	
Titanium, total	< 0.05	N/A	0.05 mg/L	Apr-07-15	Apr-08-15	
Uranium, total	0.0030	MAC = 0.02	0.0002 mg/L	Apr-07-15	Apr-08-15	
Vanadium, total	< 0.01	N/A	0.01 mg/L	Apr-07-15	Apr-08-15	
Zinc, total	< 0.04	AO ≤ 5	0.04 mg/L	Apr-07-15	Apr-08-15	
Zirconium, total	0.003	N/A	0.001 mg/L	Apr-07-15	Apr-08-15	

Sample / Analysis Qualifiers:

CT1 Incorrect Container(s) supplied for Hg analysis
CT5 This sample has been incorrectly preserved for Mercury analysis

Process Flow Diagram



<p>PROCESS FLOW DIAGRAM WATER TREATMENT SYSTEM NORTHSIDE WATER</p>		<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>		NO.	DATE	DESCRIPTION																					
		NO.	DATE	DESCRIPTION																							
<p>DATE ORIGINAL: 11/11/15</p>	<p>SCALE: NONE</p>	<p>CHECKED:</p>	<p>DRAWN: SML</p>																								
<p>LATEST REVISION:</p>	<p>JOB NO: PD0236-C</p>	<p> </p>	<p> </p>																								



Project Responsibilities

Work Scope Item	Culligan	Client
All proposed equipment with valve nests, fittings, and piping.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equipment and instrumentation quality assurance check in factory.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Finish painting of equipment.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Overall plant design, including, but not limited to all applicable civil design and works, buildings, site preparation, grading, excavations, structural steel, foundations and accessories.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Stamping, signing or sealing of drawings and documents as per local regulations and codes.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design, supply and installation of equipment anchor bolts, brackets and fasteners.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Seismic structural analysis and anchor bolt sizing and supply.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site(s) for the Culligan equipment/facility that comply with the requirements of the hydraulic profile, process flow, or special design requirements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Permanent electrical service, terminated at the disconnect switch of the main power distribution or control panel within the Culligan equipment/facility battery limit(s).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Supply of permanent water to the Culligan equipment/facility battery limit(s).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discharge of effluent water(s) such as process return, outfall, drain or sewer tie-in outside of the Culligan equipment/facility battery limit(s).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Provide designs for proposed equipment components	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Instrumentation factory calibration.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Instrumentation and Valve Tags/Labels	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interconnecting piping for skids/components (Shown as option)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Distribution piping to and from skids.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Verification of hydraulics, including but not limited to valve and line sizes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interconnecting wiring for skids/components (shown as option)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Electrical wiring, conduit, supports, cable trays, hardware, air conditioning/heating of panels and supply power.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Motor Starters	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Plant SCADA and system integration.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Telephone/Fax/Modem access.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Continuity checks for electrical field wiring.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Factory hydrostatic testing of unit assemblies	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Flushing and disinfection of all piping and tanks, as well as verification of removal of all residual debris	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor for loading of filter at site (not required, will be performed at Culligan facility)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Raw materials, oils, lubricants, chemicals and utilities during startup and operation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Access structures (scaffolding/ladders) and mechanical lifting equipment (cranes, forklifts and scissor lifts)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Adequate illumination and emergency lighting.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Freight.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Receiving, unloading, logging, and safe storage of equipment and chemicals in accordance with manufacturer's recommendations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site utilities such as pre-treated water, potable water and power required for startup and operation of the proposed equipment.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ongoing maintenance and operation of the system.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NOTE: On-site support and training can be provided by Culligan International for \$1500 CDN per day plus reasonable travel and living expenses upon request.		



Equipment

SCOPE OF SUPPLY

The following is a general overview of the complete water treatment system for the Northside Water Services project. The Culligan scope of supply includes but is not limited to the following equipment:

Chemical Feed System – Ferric Chloride

A duplex chemical feed pump system will provide a ferric chloride feed to add iron to the feed water for efficient arsenic and manganese removal.

Chemical Feed Pre-treatment - Equipment

- (2) chemical pump, LMI
- (1) Low level switch and wand – Local Monitoring
- (1) 30gallon double wall poly tank for chemical solution
- (1) 6" PVC Static Mixer
- (1) Calibration Column
- (1) Injection Quill
- (1) Flow Sensor with Transmitter
- This is equipment is pre-piped and wired on a skid (tank off-skid)

Chemical Feed System – Hypochlorite

A duplex chemical feed pump system will provide a hypochlorite feed for complete oxidation of arsenic and manganese.

Chemical Feed Pre-treatment - Equipment

- (2) chemical pump, LMI
- (1) Low level switch and wand – Local Monitoring
- (1) 30gallon double wall poly tank for chemical solution
- (1) 6" PVC Static Mixer
- (1) Calibration Column
- (1) Injection Quill
- (1) Flow Sensor with Transmitter
- This is equipment is pre-piped and wired on a skid (tank off-skid)

SKID DIMENSIONS ARE: 32" L X 18" W



Greensand Filter System – 240gpm

This quote is for a triplex HG-4825 auto backwashing greensand filter system (based on water flow or differential pressure).

Proposed Equipment:

Quantity of three (3) filters, Epoxy Painted Carbon Steel, 48"x60"

Each tank includes:

- Non-ASME, 100psi @ 120°F Tank (150psi test pressure)
- PVC Internals
- 2.5" PVC Piping Manifold
- PVC Actuated Butterfly Valves
- (24) ft³ of Greensand Plus Media
- (10) ft³ of Anthracite Media (Top Layer)
- (2) Pressure Gauges
- (2) Sample Port
- (1) Flow Meter – Signet (Hall Effect)

This equipment is pre-piped and wired on a epoxy painted carbon steel frame with PVC interconnecting piping. A 4" bypass line with manual PVC butterfly valves are included for fire water use.

SKID DIMENSIONS ARE: 171" L X 117" H X 65" W (if no skid option is selected, height is 93")

Separate Source Backwash Pump

A simplex 10HP pump is provided for filtered water backwash for the greensand filter. This pump is sized for 160gpm. A 10HP motor starter is included. This pump will run on 480v or 575v/3/60 power. This pump is skidded on an epoxy lined carbon steel frame with ancillary isolation valves, a check valve, and pressure gauge as an option.

SKID DIMENSIONS ARE: 48" L X 72" H X 48" W



Pricing & Delivery

Quantity	Description	Customer Price
1	Water Treatment System as described above	CAN \$ 147,184
2	Chemical Feed Systems Skidded (Ferric and Hypo) - Adder	CAN \$ 17,100
1	Skidding of Triplex Greensand System – Adder	CAN \$ 24,926
1	Skidding of BW Pump - Adder	CAN \$ 7,270
	Grand Total	CAN \$ 196,480

Pricing Notes:

- All prices quoted are in Canadian Dollars.
- The Buyer will pay all applicable Sales Taxes, Fees and/or Permit Costs.
- This proposal supersedes all previous proposals and correspondence.
- The price is FOB Factory (Libertyville, IL). We have requested a freight quote and will advise once we receive. Freight is at Culligan cost, passed directly to the customer. **ESTIMATE: \$6300 (Canadian)**
- Performance and/or Labor & Material Payment Bonds are not included in the system price. These bonds can be purchased on request buy will be at additional cost.

Validity:

30 days from the date of this proposal

Payment Terms

- 10% Milestone 1 Customer PO to Culligan, Due Immediately
- 20% Milestone 2 Draft Submittals or 4 Weeks after Milestone #1, Net 30
- 20% Milestone 3 Equipment ordering, Net 30
- 40% Milestone 4 Upon completed fabrication & assembly, ready to ship, Net 30
- 10% Milestone 5 Billed 30 days after shipment, Net 30 (full payment not to exceed 60 days from shipment)

Schedule

- Submittals to be completed and in transit within 2-4 weeks after receipt and acceptance of purchase order, signed copy of this proposal, signed terms and conditions and approval of credit.
- Proposed shipping date is based on receipt of approved engineer's submittal with release for manufacture within 2-4 weeks of receipt of our submittal data.
- Expect shipment of equipment (transit time excluded) to be approximately 6-8 weeks from our receipt of approved engineer's/customer's submittal data and release to manufacture.

*Submittal and shipping schedules may be adjusted at time of order placement, depending upon existing order backlog. Weeks quoted are actual working weeks.



Proposal Notes

General Equipment Notes

- Equipment will be furnished by Culligan International, Inc, with unloading of goods, civil work, and installation by the buyer.
- Culligan International's proposal is based upon supply of the equipment models noted in this proposal. Materials and services not specifically described/itemized in this proposal are not included in the quoted total price, and are to be supplied by the installing contractor/purchaser.
- The proposed design is based on the feed-water quality as listed in the Water Data section of this proposal. Changes in feed water characteristics can affect system / equipment performance and may require a re-design.
- The proposed system is configured using Culligan standard water treatment components sized and selected to provide a package that will treat the required flow to the required product water standard.
- The proposed system will not be NSF 61 Certified. The system will be manufactured with components that can meet the intent of NSF 61, Annex G
- Because of the current instability in material costs, Culligan International reserves the right to re-evaluate the pricing quoted prior to order acceptance if a purchase order is received after the validity date stated in this proposal OR if the milestone dates stated in this proposal are exceeded. Any pricing adjustments required shall be based on a published materials cost index specific to the materials proposed.
- Spare Parts are not included.
- Factory Acceptance Testing is not included.
- Three phase motors will be 480 or 575 Volt 60 Hz, whichever is customer preference
- If applicable, Culligan International will provide information relating to software documentation to control the equipment supplied using Culligan's proprietary and/or trade secret information subject to execution of a Culligan "Controls Non-Disclosure / Confidentiality Agreement".

Site Items by Others

- The Buyer will be responsible for the equipment for movement of chemical drums, totes, and resins, as is reasonable.
- Disposal of all solid and liquid waste from the Culligan International's system including waste materials generated during construction, startup and operation are to be supplied and installed by the installing contractor/purchaser.
- Providing appropriate protection of the environment and local community, the health and safety of all workers and visitors at the site and the security of the facility. Providing safety related equipment and services such as site security, fire systems, lifting equipment and its operation, fall protection, adequate floor grating, ventilation and safe access to equipment and electrical systems areas are to be supplied and installed by the installing contractor/purchaser.

Installation

- Installation and removal of temporary screens on all process lines feeding the equipment to prevent damage during startup and commissioning is to be supplied and installed by the installing contractor/purchaser.
- Culligan assumes that the bottom of free-standing equipment will not be elevated (by any combination of leveling devices and housekeeping pads) to more than 6 inches (150 mm) above the floor adjacent to the equipment.
- Laboratory services, operating and maintenance personnel during equipment checkout, startup and operation are to be provided by the installing contractor/purchaser.



Permits

- Environmental use and discharge permits for all chemicals at the Buyer's facility either listed in this document or proposed for use at a later date are to be supplied and installed by the installing contractor/purchaser.
- All easements, licenses and permits required by governmental or regulatory authorities in connection with the supply, erection and operation of the system are to be supplied and installed by the installing contractor/purchaser.

Field Service

- Equipment and trained support personnel for a confined space entry required during the equipment installation/startup/commissioning/servicing. For permit required confined space entry, a qualified rescue team on stand-by and available to respond within 4 minutes of an emergency are to be supplied and installed by the installing contractor/purchaser.
- The Buyer will afford Culligan International's personnel free access and egress of the facility for all authorized work.
- The Buyer will identify and inform Culligan International's personnel of any hazards present in the work place that could impact the delivery of Culligan International's scope of supply and agrees to work with the Culligan International to remove, monitor and control the hazards to a practical level.
- The Buyer will provide any special permits and/or training to Culligan International's personnel on all relevant and standard company operating procedures and practices for performing work on site. Such training programs may include, but are not limited to, general environmental health and safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. Buyer will provide a certificate of training for Culligan International's personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.
- Supervision services, if included in Culligan International's offering, are based upon supply of the quantity of trips and days stated. Additional supervision services can be provided for an additional charge of \$1500/day plus travel and living expenses.
- Culligan International personnel will not be deployed to site for startup and commissioning services until all site preparations are completed by the Buyer and/or Installing Contractor and Culligan is notified in writing that these tasks are completed. This will ensure that Culligan personnel will be able to complete all startup and commissioning tasks upon arrival at the project site. In the event that preparation tasks identified as being complete are found to be incomplete upon arrival at site, Culligan will be entitled to back charge the Buyer and/or Installing Contractor for delays associated with incomplete site preparation tasks. Charges will be billed at standard Culligan service and labor rates.



Exceptions & Clarifications

Items not included

The following items are not included in the Culligan scope of supply.

- Taxes
- Freight
- Off loading and rigging of the equipment
- Installation of the system components
- Interconnecting piping (outside of Culligan supply)
- Interconnecting wiring (outside of Culligan supply)
- Distribution piping
- Master Control Panel and System Controls Integration (outside of Culligan supply)
- Chemicals and consumables
- Building, civil or site preparation

Exceptions/Clarifications

- Ongoing maintenance and operation of the system is the responsibility of the customer.
- The proposed design is based on the water analysis provided. Changes in anticipated feed water characteristics can affect system / equipment performance and may require a re-design.
- Submittals are included.
- Vessels are not ASME stamped.
- P&ID drawings are not included.
- Equipment will be CSA approved. (For skidded equipment)
- P Eng Stamped Drawings and Structural/Seismic Calculations are included.
- **Post chlorination by customer. Current Culligan design requires the chlorine residual out of the greensand filters to be at 0.2ppm. We can raise this level to meet customer residual requirements. We will need to have a discussion with customer about piping lengths, storage tank sizing and residual requirements of chlorine to determine how much to raise chlorine level. Alternatively, customer can use existing chlorine feed pump, if and when required to maintain post-As/Mn treatment chlorine level.**



Commercial Terms & Conditions

Acceptance

These terms and conditions govern your purchase of Equipment ("**Equipment**") from Culligan International Company (hereinafter, "**Culligan**" or "**Seller**") and any accompanying services, as referenced in the Proposal No. PD0236-C ("Proposal"), as well your purchase order ("**Order**"), and you agree to be bound by the terms and conditions stated herein. Whether these terms are included in an offer or an acceptance by Culligan, such offer or acceptance is conditioned on your assent to these terms. Culligan rejects all additional or different terms, including terms in any of your forms or documents. The Order, the Proposal and these terms and conditions (collectively referred to herein as the "**Contract**") comprise the entire Contract between you and Culligan and may be amended only by a written agreement signed by both parties. No promise, statement or representation, oral, written, or otherwise, by any employee, agent, subcontractor or authorized representative (collectively, a "Representative") of Culligan will (a) be binding upon Culligan, or (b) relieve you of your obligations herein, unless it appears in the Contract. Waiver of any provision of the Contract shall not be deemed to constitute a continuing waiver.

Payment

You shall pay Culligan the full purchase price as set forth in the Payment Terms section of the Proposal. Unless the Payment Terms provides otherwise, you shall pay freight, storage, insurance and all taxes, duties or other governmental charges relating to the Equipment and any included services (more on taxes in the next section). If Culligan is required to pay any such charges, you shall immediately reimburse Culligan. All payments are due within 30 days after receipt of invoice. You shall be charged the lower of 1.5% interest per month or the maximum rate allowed by applicable law on all amounts not received by the due date, and you shall pay all of Culligan's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval.

Note that the prices quoted in the Payment Terms do not include any provision for any procurement restrictions imposed on Culligan by Buyer's funding parties. Should these restrictions be required, such as but not limited to "Buy American", Culligan reserves the right to adjust the pricing upon review of the applicable restrictions.

Taxes

State and/or local taxes and/or duties are not included in the price set forth in the Payment Terms. Buyer shall be directly responsible, and reimburse Culligan, for the gross amount of any present or future sales, use, excise, value-added, environmental, or other similar tax or duty applicable to the price, sale or delivery of any Equipment or services furnished under this Contract. Unless Buyer has furnished Culligan with evidence of a valid tax exemption or direct pay permit acceptable to taxing authorities prior to the execution of the Contract, Buyer shall pay all taxes as invoiced by Culligan and Culligan is relieved of any obligation to (1) apply any tax exemption or direct pay permit, and/or (2) refund the Buyer any tax paid by the Culligan.

Installation

You authorize Culligan or a Culligan Representative to: (a) enter premises under your control to install and/or service the Equipment, and (b) do work on, or make changes to, your premises to order to install and/or service the Equipment,



whenever Culligan considers it necessary or convenient to accomplish the purpose of this Order. The Order includes issues that must be corrected and/or updated prior to installation. You agree to resolve, and pay for the resolution of, such issues prior to the scheduled installation date. The installation and/or service of Equipment does not include any repairs to your electrical and/or plumbing systems, including without limitation replacement of gate valves or draining down of pressure tanks. Anything that would be considered a repair to your electrical or plumbing system will be billed as an extra expense at regular and customary rates. Culligan or its Representative reserves the right to decline to make repairs and to refer you to a licensed electrician or plumber.

Use & Maintenance

The Equipment is not for use with influent water which is (a) microbiologically unsafe, or (b) of unknown quality without adequate treatment and/or disinfection. You must maintain the Equipment according to manufacturer instructions using manufacturer-authorized service parts, including replacement of filters and other components. If your water quality, water consumption, water pressure or flow rate change, or if maintenance of the Equipment is affected by external factors such as sand or sediment or an inadequate water supply, different or additional Equipment may be required, and this Equipment should not be used if such quality, consumption, pressure, flow rate change or external factors are outside of specified ranges. You are responsible for all maintenance of and repairs to the Equipment arising from damage due to (a) your misuse or negligence, (b) theft, (c) unreasonable wear and use (including without limitation repair or alteration by unauthorized persons and relocation from the original site of installation), or (d) any other event beyond Culligan's control.

Warranty

Culligan warrants to you that for a period of one (1) year on parts and ninety (90) days on labor, both beginning from the date of shipment: (i) the Equipment shall materially conform to the description in Exhibit _____; and (ii) the Equipment shall be free from defects in material and workmanship. If you give Culligan written notice of a breach of this warranty occurring during the stated warranty period for a part comprising the Equipment, Culligan shall, at its sole option and as your exclusive remedy, repair or replace the subject parts or refund the purchase price. If Culligan determines that any claimed breach is not, in fact, covered by this warranty, you shall pay Culligan its then customary charges for any repair or replacement made by Culligan. *The warranty provided herein is conditioned on You (a) providing Culligan with written notice of a breach (or a potential breach) of warranty within 60 days of discovery of such breach, (b) operating and maintaining the Equipment in accordance with Culligan's instructions, (c) not making any unauthorized repairs or alterations, and (d) not being in default of any payment obligation to Culligan.* Culligan's warranty does not cover damage caused by chemical action or abrasive material, misuse or improper installation (unless such improper installation was done by Culligan). The warranties set forth in this section are Your sole and exclusive warranties. CULLIGAN DISCLAIMS ALL OTHER WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Limitation of Liability

Notwithstanding anything else to the contrary, Culligan shall not be liable for any consequential, incidental, special, punitive or indirect damages, and Culligan's total liability arising at any time from the sale or use of the Equipment shall not exceed the purchase price paid for the Equipment. These limitations apply whether the liability is based on contract, tort, strict liability or any other theory, including, without limitation, loss of data or its use, loss of profits, loss of business, or other economic damages, even if advised of the possibility of such loss or damage.



Cancellation

If you cancel or suspend your Order for any reason other than Culligan's breach, you shall pay Culligan within ten (10) business days for all work performed prior to cancellation or suspension, as well as any other direct costs incurred by Culligan as a result of such cancellation or suspension.

Changes

Culligan shall not implement any changes in the scope of work described in the Order unless you and Culligan agree in writing to the details of the change and also agree in writing to any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law occurring after the effective date of any contract including these terms.

Liens & Insurance

Title to the Equipment and risk of loss shall pass to you at the time the Equipment is delivered to the carrier for shipment. Prior to full payment of the purchase price, you shall not permit any lien, encumbrance or security interest to attach to the Equipment or be levied upon the Equipment under legal process, or dispose of the Equipment or permit anything to be done that may impair the value of the Equipment. After title to the Equipment passes to you but prior to full payment of the purchase price, you must insure the Equipment against risk of loss or damage, including extended coverage, theft and such other casualties, in an amount equal to full replacement value.

Defaults & Remedies

Any of the following events will constitute an event of default under this Order: (a) your failure to pay any amount when due; (b) your failure to perform any covenant or obligation in this Order; (c) your giving any untrue or misleading representation or warranty or furnishing any untrue or misleading financial information; (d) your refusal to accept delivery of all or a portion of the Equipment, or rejection of all or a portion of the Equipment upon delivery; (e) your business failure, or failure or inability to pay debts in the ordinary course or as they become due, or insolvency within the meaning of the federal bankruptcy laws or state insolvency laws or otherwise; (f) the commission of any act of bankruptcy, assignment for the benefit of creditors, composition of creditors or commencement of any proceedings, whether voluntary or involuntary, under any federal or state bankruptcy, reorganization or insolvency laws; or (g) the attachment or garnishment of, or levy or execution upon, your assets, property, business or income, or the appointment of a receiver or trustee of or for any part of your assets, property or business. Upon the occurrence of any event of default, Culligan shall have all the rights and remedies available under the Illinois Uniform Commercial Code or other applicable law and all rights provided in this agreement, all of which shall be cumulative. Without limiting the generality of the foregoing, upon the occurrence of any such event of default, Culligan shall have the right not to continue to perform service activities as described in this Order.

Title & Shipment & Storage

Unless otherwise agreed to in writing all prices for items shipped to Buyer are F.O.B. shipment point, whether such items are shipped from Seller's facilities or directly from the manufacturer. Method and route of shipment are at Seller's or the manufacturer's discretion, unless Buyer supplies explicit written instructions. Buyer shall be solely responsible for all cost and expenses of shipment, including any insurance coverage, which will only be purchased upon Buyer's request. Risk of loss and title of all items shipped shall pass to Buyer upon delivery to the carrier. Risk of loss and the title of all items to be installed by Seller shall pass to Buyer upon completion of installation.



When the Equipment is ready to be delivered to Buyer, if Buyer is unable to accept any portion of the Equipment (or all of the Equipment) due to any cause not attributable to Culligan, Buyer shall designate a climate-controlled storage location and Culligan shall ship such Equipment to the designated storage location. Upon shipment to the storage location, (1) title and risk of loss shall thereupon pass to the Buyer if it had not already passed; (2) Buyer shall reimburse Culligan any amounts paid by Culligan upon delivery or shipment upon submission of Culligan's invoice(s); (3) Buyer shall reimburse Culligan any ancillary amounts paid by Culligan, such as for preparation for storage, handling, inspection, preservation, insurance and any taxes upon submission of Culligan's invoice(s); (4) any services provided herein shall subsequently be charged at the rate prevailing at the time of actual use and Buyer shall pay the net increase; and (5) Buyer is responsible for (i) payment of all costs for storage of the Equipment and (ii) subsequent transportation from the storage facility to Buyer's place of installation.

If necessary in Culligan's sole opinion, Buyer will provide warehouse storage space and facilities at the site where the Equipment is to be installed. Buyer will provide such storage space as is reasonably appropriate to store parts, consumables, tools, etc., in accordance with manufacturer's recommendations. Such warehouse storage space will be a segregated area, secured and protected from adverse climate as may reasonably be required. Buyer will be responsible for risk of loss to the Equipment, or any parts thereof, while in storage at the site. Buyer will maintain the Equipment, or any parts thereof, stored at the site free and clear of any and all liens of Buyer and Buyer's lenders, bondholders, contractors, and other creditors of any nature.

Indemnity

You shall pay, hold harmless, indemnify and defend Culligan from and against any loss, liability, claims, suits and costs caused by, arising out of, or relating to any damage to property or injury or death of persons arising out of the unloading, storage, application, handling, use, disposal or service of the Equipment by Culligan or its Representative or affiliates except for that portion of damages attributable to the negligence of Culligan or its Representative. Your indemnity obligation will survive the expiration, termination or cancellation of this Order.

Force Majeure

Under no circumstances shall either party be liable for any breach (except for breach of payment obligations) 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 such party's reasonable control.

Waiver

The failure of either party to enforce at any time or for any period of time any of the provisions of this Contract will not be construed to be a waiver of such provisions or of its right thereafter to enforce such provision and each and every provision thereafter.

General Provisions

All notices, requests, demands and other communications under this Contract shall be in writing and shall be deemed duly given (a) if transmitted by facsimile, upon telephone confirmation of receipt of the transmission, (b) if sent by overnight courier, one business day after delivery to said courier, or (c) if mailed by first-class mail, postage prepaid, three business days after mailing, to you at the address on this Order and to Culligan, Attn: General Counsel, 9399 W. Higgins Road, Ste 1100, Rosemont, Illinois 60018, or such other address designated in writing from time to time. No course of



dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of the provisions of this Order are held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the provisions shall remain in effect to the extent allowed by law and the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby. You may not assign or permit any other transfer of the Contract without Culligan's prior written consent. This Contract shall be governed by and construed in accordance with the laws of the State of Illinois.



Proposal Acceptance

You understand that this Proposal has been issued based upon the information provided by You, and currently available to Culligan at the time of Proposal issuance. Any changes or discrepancies in site conditions (including, but not limited to, system feed characteristics, changes in Environmental Health and Safety (EH&S) conditions, and/or newly discovered EH&S concerns); Your financial standing, Your requirements, or any other relevant changes, or discrepancy in, the factual basis upon which this proposal was created, may lead to changes in the offering, including, but not limited to, changes in pricing, warranties, quoted specifications, or terms and conditions.

We have read and agree to this Proposal, PD0236-C dated November 11, 2015, and the terms and conditions within.

Culligan International Company

Accepted _____
Signature Title Date

Accepted _____
Printed Name

Customer

Accepted _____
Signature Title Date

Accepted _____
Printed Name

Purchase Order Number
