

CITY OF SANTA FE  
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and Andritz Separation, Inc. (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

Contractor shall provide services for the City as described below and in exhibit "A" attached hereto:

Contractor agrees to provide a Factory Process Technician to assist the City with troubleshooting and Testing the City's centrifuge(s) and ancillary equipment. The City will be responsible to provide additional labor, as required, and any specialized tools and lubrication fixtures. The City will make available the use of an overhead crane where required or provide suitable lifting assembly when necessary for lifting components.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the personnel, experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

### 3. WARRANTY

A. New Equipment Warranty. In the case of the purchase of new equipment, Contractor warrants to the City that the new equipment manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the new equipment to the City and shall expire on the earlier to occur of 12 months from initial operation of the new equipment and 18 months from delivery thereof (the "Warranty Period").

B. Parts and Used or Reconditioned Machinery or Equipment Warranty. In the case of parts or used or reconditioned machinery or equipment, and unless otherwise indicated, Contractor warrants to the City that the parts or the used or reconditioned machinery or equipment manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the parts or the used or reconditioned machinery or equipment to the City and shall expire 6 months from delivery thereof (the "Warranty Period").

C. If during the Warranty Period the City discovers a defect in material or workmanship of a Product and gives Contractor written notice thereof within 10 days of such discovery, Contractor will, at its option, either deliver to the City, on the same terms as the original delivery was made, per INCOTERMS 2010, a replacement part or repair the defect in place. Any repair or replacement part furnished pursuant to this warranty are warranted against defects in material and workmanship for one period of 12 months for 3A or 6 months for 3B from completion of such repair or replacement, with no further extension. Contractor will have no warranty obligations for the Products under Paragraphs 3A, 3B, or 3C: (i) if the Products have

not been stored, installed, operated and maintained in accordance with generally approved industry practice and with Contractor's specific written instructions; (ii) if the Products are used in connection with any mixture or substance or operating condition other than that for which they were designed; (iii) if the City fails to give Contractor such written 10 day notice; (iv) if the Products are repaired by someone other than Contractor or have been intentionally or accidentally damaged; (v) for corrosion, erosion, ordinary wear and tear or in respect of any parts which by their nature are exposed to severe wear and tear or are considered expendable; or (vi) for expenses incurred for work in connection with the removal of the defective articles and reinstallation following repair or replacement.

D. Services Warranty. Contractor warrants to the City that the Services performed will be free from defects in workmanship and will conform to any mutually agreed upon specifications. If any failure to meet this warranty appears within 12 months from the date of completion of the Services, on the condition that Contractor be promptly notified in writing thereof, Contractor as its sole obligation for breach of this warranty will correct the failure by re-performing any defective portion of the Services furnished. Contractor does not warrant the accuracy of, or performance results of, any conclusions or recommendations provided, nor that any desired objective will result from the Service provided and Contractor shall not be liable for any loss of use or any production losses whatsoever.

E. Contractor further warrants to the City that at delivery, the Products manufactured by it will be free of any liens or encumbrances. If there are any such

liens or encumbrances, Contractor will cause them to be discharged promptly after notification from the City of their existence.

F. THE EXPRESS WARRANTIES CONTRACTOR MAKES IN THIS PARAGRAPH 3 ARE THE ONLY WARRANTIES IT WILL MAKE. THERE ARE NO OTHER WARRANTIES, WHETHER STATUTORY, ORAL, EXPRESS OR IMPLIED. IN PARTICULAR, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

G. The remedies provided in Paragraphs 3A, 3B 3C, 3D, and 3E are the City's exclusive remedy for breach of warranty.

H. With respect to any Product or part thereof not manufactured by Contractor, Contractor shall pass on to the City only those warranties made to Contractor by the manufacturer of such Product or part which are capable of being so passed on.

#### 4. SITE RISKS

A. Concealed Conditions. Any increase in costs due to concealed or hazardous conditions shall be the responsibility of the City and the City shall grant any necessary schedule extensions if any concealed or hazardous conditions are found.

B. Environmental Remediation. The City acknowledges that Contractor is not an expert in environmental remediation and shall not be directed by change order or otherwise to perform any environmental remediation as part of the Services, including but not limited to asbestos and lead paint removal. If any environmental remediation becomes necessary, the City will contract directly with a qualified third party to perform such work.

5. COMPENSATION

A. The City shall pay to the Contractor in full payment for services rendered, a sum not to exceed one hundred thirty eight thousand two hundred eight six dollars (\$138,286.00), plus applicable gross receipts taxes,. The City may increase the total Compensation through an Amendment of this Agreement.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed and accepted by the City.

6. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

7. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and terminate on June 30, 2018, unless sooner pursuant to Article 8 below.

8. TERMINATION

A. This Agreement may be terminated by the City upon 30 days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, the City shall pay the Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

(3) If compensation is based upon hourly rates and expenses, the Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

9. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

10. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

11. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

12. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

13. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the

Contractor has express written authority to do so, and then only within the strict limits of that authority.

14. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City (responsible Insurance companies rated at least "A-" and "V" or better by the A.M. Best Key Rating Guide that are authorized to do business in New Mexico are considered acceptable), with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is included as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

15. INDEMNIFICATION

Contractor agrees to defend and indemnify City from and against any third-party claim for bodily injury or damage to tangible property ("Loss") arising in

connection with the Products or the Services provided by Contractor hereunder, but only to the extent such Loss has been caused by the negligence, willful misconduct or other legal fault ("Fault") of Contractor. City shall promptly tender the defense of any such third-party claim to Contractor. Contractor shall be entitled to control the defense and resolution of such claim, provided that City shall be entitled to be represented in the matter by counsel of its choosing at City's sole expense. Where such Loss results from the Fault of both Contractor and City or a third party, then Contractor's defense and indemnity obligation shall be limited to the proportion of the Loss that Contractor's Fault bears to the total Fault.

16. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

17. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

18. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

19. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

20. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

21. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding

between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

22. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

23. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

24. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:  
Water Division Director  
801 W. San Mateo  
Santa Fe, NM 87504

Contractor:  
Andritz Separation, Inc.  
1010 Commercial Blvd. South  
Arlington, TX 76001

25. LIMITATION OF LIABILITY

Notwithstanding any other provision in this Agreement, the following limitations of liability shall apply:

(a) In no event, whether based on contract, tort (including negligence), strict liability or otherwise, shall Contractor, its officers, directors, employees, subcontractors, suppliers or affiliated companies be liable for loss of profits, revenue or business opportunity, loss by reason of shutdown of facilities or inability to operate any facility at full capacity, or cost of obtaining other means for performing the functions performed by the Products, loss of future contracts, claims of customers, cost of money or loss of use of capital, in each case whether or not foreseeable, or for any indirect, special, incidental or consequential damages of any nature resulting from, arising out of or connected with the Products, Services, or this Agreement or from the performance or breach hereof.

(b) The aggregate liability of Contractor, its officers, directors, employees, subcontractors, suppliers or affiliated companies, for all claims of any kind for any loss, damage, or expense resulting from, arising out of or connected with the Products, Services or this Agreement or from the performance or breach hereof, together with the cost of performing make good obligations to pass performance tests, if applicable, shall in no event exceed the contract price.

(c) The limitations and exclusions of liability set forth in this Paragraph 25 shall take precedence over any other provision of this Agreement and shall apply whether the claim of liability is based on contract, warranty, tort (including negligence), strict liability, indemnity, or otherwise. The remedies provided in this Agreement are City's exclusive remedies.

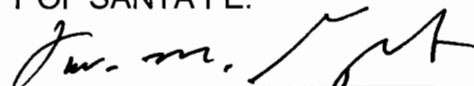
(d) All liability of Contractor, its officers, directors, employees, subcontractors, suppliers or affiliated companies, resulting from, arising out of or connected with the

Products, Services or this Agreement or from the performance or breach hereof shall terminate on the third anniversary of the date of this Agreement.

(e) In no event shall Contractor be liable for any loss or damage whatsoever arising from its failure to discover or repair latent defects or defects inherent in the design of goods serviced (unless such discovery or repair is normally discoverable by tests expressly specified in the scope of work under this Agreement) or caused by the use of goods by the City against the advice of Contractor. If Contractor furnishes City with advice or assistance concerning any products or systems that is not required pursuant to this Agreement, the furnishing of such advice or assistance will not subject Contractor to any liability whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise.

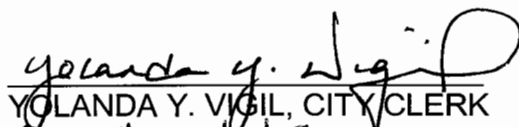
IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:

  
JAVIER GONZALES, MAYOR

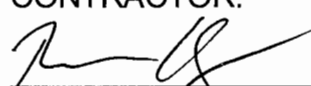
DATE: 1/22/18

ATTEST:

  
YOLANDA Y. VIGIL, CITY CLERK  
cc mtg. 1/10/18  
APPROVED AS TO FORM:

 11/27  
KELLEY A. BRENNAN, CITY ATTORNEY

CONTRACTOR:

  
NAME & TITLE  
ROBERT KING VICE PRESIDENT SERVICE SALES  
DATE: 02/09/2018

CRS #: 03-029610-00-2

Business Registration #: 17-00141553

APPROVED:

 1/22/18  
ADAM JOHNSON, FINANCE DIRECTOR

52359.572970  
Business Unit Line Item



## QUOTATION

Customer: 118005

**City Of Santa Fe**

Sangre De Cristo WTP  
1780 Upper Canyon Road  
Santa Fe NM 87501

Contact: **Mr. Alex Gamino**

Fax: **+15059554379**

Copy to:

Your inquiry:

Our quote no: **20363743**

Supplier:

**Andritz Separation Inc.**

Contact:

**Gina Mongardo**

Phone:

**+18174191790**

Fax:

**+18174191990**

E-mail:

**gina.mongardo@andritz.com**

Date:

**09/25/2017**

Sales Responsible: **COLLINS, GARY**

Dear Mr. Alex Gamino,

We thank you for your inquiry and are pleased to quote as follows:

### 1. Scope of supply

Delivery Time :

Submittals : 8 Weeks after acknowledgement of PO

Equipment: 14 Weeks after acknowledgement of PO

Freight: Included to site

Plant Responsible: Arlington

Installation by Andritz: Included

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
10	CENTRIFUGE & CONVEYOR CONTROL UPGRADE 2 CENTRIFUGES, 1 CONVEYOR SYSTEM  PER ATTACHMENT	129999900		1	PC	88,797.00	88,797.00
20	SCADA CONTRACTOR SERVICES PER ATTACHMENT	129999900		1	PC	15,600.00	15,600.00
30	SPARE PARTS, 1 LOT PER ATTACHMENT	129999900		1	PC	13,889.00	13,889.00

Page 1 of 2

ANDRITZ Separation Inc.  
1010 Commercial Blvd, South  
Arlington, TX 76001 USA  
Tel: +1 (817) 465-5611  
Fax: +1 (817) 468-3961

Remit to:  
ANDRITZ Separation Inc.  
Dept: 0312  
P.O. Box 120312  
Dallas, TX 75312-0312  
Federal Tax ID Number: 59-3773483

Wire Instructions:  
Nordea Bank Finland PLC  
New York Branch  
SWIFT: NDEAUS3N  
Account: 8879433001  
ABA: 026010788

Exhibit "A"



Our quote no: 20363743

Item	Product	ID No.	S/W*	Quantity	Unit	Unit Price	Amount
40	SPARE PARTS OR SERVICE TO BE USED WITHIN ONE YEAR AFTER PO ISSUANCE.	129999900		1	PC	20,000.00	20,000.00
<b>Total Amount</b>						USD	138,286.00

\* S = Spare Parts, W = Wear Parts

Technical contact: Mr Jeff Congleton

#### Terms and Conditions

2. **Delivery Time:**  
after receipt of order and any clarifications.
3. **Terms of delivery:**  
Our terms of delivery are FCA ORIGIN, PREPAID, & ADD, according to INCOTERMS 2010.
4. **Terms of Payment:**  
Within 30 days Due net  
(1% default interest per month for delayed payment).
5. **Validity of quotation:**  
This quotation is valid to 01/01/2018.

#### Other Terms:

6. See Attached Terms & Conditions.

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Please do not hesitate to contact us if you require further information.

Yours sincerely

**Andritz Separation Inc.**

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ABA: 026010786



## **ATTACHMENT – Revised 071717**

***Design Criteria: City of Santa Fe, Canyon Rd, 2-D4L Centrifuges & Conveyor Control System Upgrade, Project 807217***

Upgrade the two (2) ANDRITZ D4L Centrifuge control system PLC's and OIT's from the Modicon system to the AB ControlLogix's software system and AB PanelView Plus color touchscreen Operator Interface Terminal (OIT). The PLC platform to be offered is the AB CompactLogix's with 1769-L30ER CPU and all required 1769 power supplies and I/O. The OIT's will be upgraded to the AB PanelView Plus 7, 2711P-10 color touchscreen.

Upgrade the Centrifuge Conveyor control system PLC and OIT from the Modicon system to the AB ControlLogix's software system and AB PanelView Plus color touchscreen Operator Interface Terminal (OIT). The PLC platform to be offered is the AB Compact Logix's with 1769-L30ER CPU and all required 1769 power supplies and I/O. The OIT will be upgraded to the AB PanelView Plus 7, 2711P-10 color touchscreen.

The upgraded PLC and OIT will then match the Water Treatment Plant PLC standard Platform used throughout. The PLC platform will use latest version of AB Studio 5000 software.

The control and operating strategy will incorporate the same control, functionality, programming features as currently designed to provide ease of operation with self-correcting algorithms, safety interlocks, early warning alarms, shutdown alarms, trending and remote monitoring and control capability.

### ***Scope of Supply:***

ANDRITZ will supply components, engineering documentation, revised As Built drawings, programming of the PLC and OIT system, set-up of all controller parameters and onsite time for removal of old system and installation and wiring of new system, functional testing, start-up and two (2) days staff training. Also included is engineering and site time to coordinate with SCADA system contractor included in this proposal.

### **Contractor Services – Centrifuge and Conveyor System SCADA Integration**

Included are services provided by Wunderlich-Malec, (W-M) for the upgrade to the SCADA system HMI, communication setup with new Centrifuge and Conveyor Control System PLC's. In addition two (2) days of onsite commissioning support to assist ANDRITZ and City personnel with support.

Detailed Scope of Work and exclusions and clarifications from W-M are attached. The work provided by W-M is to be performed to the satisfaction and sign off of the City of Santa Fe. Water Department.



#### Engineering services provided

- Electrical drawings: demolition redline drawings of existing system, new control panel layout, schematics, point to point wiring detail.
- Bill of Material of new components
- Annotated PLC ladder code, OIT application code, parameter settings. (No Structured Text programming)
- PLC data exchange table tag list.
- Operating and maintenance manuals for new components.
- Coordination with SCADA contractor for development of tag list and communication
- All documentation, PLC ladder logic programs and software to be provided in electronic format.

#### Site Work

ANDRITZ will provide Service Engineer on-site for the removal of existing components and installation and wiring of new components, functional testing and start-up of each centrifuge system and conveyor system.

- Two (2) trips, five (5) days each trip for upgrading to the AB PLC/OIT system for the centrifuge control system, functional testing and start-up of each system.
- One (1) trip, five (5) days for upgrading to the AB PLC/OIT system for the conveyor system, functional testing and start-up of each system.
- Two days (2) for training is included.

Additional time required due to delays outside of ANDRITZ control or request for additional programming will be charged per the attached 2017 Field Service Policy and Rate Sheet.

#### Spares Option - List of components included

- AB CompactLogix
  - 1769-L30ER CPU
  - 1769-PA4 Power Supply
  - 1769-OA16 Digital Output (X2)
  - 1769-IA16 Digital Input (X2)
  - 1769-IF4 Analog input (X2)
  - 1769-OF4 Analog output (X2)
- AB 2711P-T10C21D8S PanelView Plus 7 Color Operator Interface Terminal

#### Software – Included in Item 10 Pricing

- Two (2) license copies of Rockwell Studio 5000 Standard software with Dongle

Attachment Page 2 of 4

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New York Branch  
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Account: 9879433001  
ABA: 026010786

**Shipping**

- Shipping of components to site is included, off loading and storage is by customer.

**Warranty**

- Warranty of supplied components is per the attached ANDRITZ Terms & Conditions.

**Scope Not Included in ANDRITZ Price:  
(To be provided by others)**

- ✓ Disposal of obsolete equipment.
- ✓ Field wiring and plumbing modifications outside of centrifuge control panels
- ✓ Civil and structural engineering work including preparation of foundations, platforms, and channels
- ✓ Building modifications
- ✓ All utilities required for operation
- ✓ Cranes or other lifting devices
- ✓ Unloading at site and on site storage if required
- ✓ Components and other instruments not specified in our scope of supply

**Additional Information:**

- The components will be shipped to customer site. Customer to provide off loading and temporary storage.
- Customer to provide the services of Plant SCADA system programmer for Data exchange tag list if PLC communication is required and coordination during ANDRITZ engineering program development and during on-site functional testing phase for system check out.

**Contact Support for This Proposal:**

**Jeff Congleton at (817) 419-1753 / [jeff.congleton@andritz.com](mailto:jeff.congleton@andritz.com) – Service Automation Product Specialist**

Attachment Page 3 of 4

ANDRITZ Separation Inc.  
1010 Commercial Blvd. South  
Arlington, TX 76001 USA  
Tel: +1 (817) 465-5611  
Fax: +1 (817) 468-3951

Remit to:  
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Dallas, TX 75312-0312  
Federal Tax ID Number: 59-3773483

Wire instructions:  
Nordea Bank Finland PLC  
New York Branch  
SWIFT: NDEAUS33  
Account: 8679433001  
ABA: 026010786



Gary Collins at (801) 231-1364 / [gary.collins@andritz.com](mailto:gary.collins@andritz.com) – Local Area Service Sales Manager

ANDRITZ Separation Inc.  
1010 Commercial Blvd. South  
Arlington, TX 76001 USA

Tel: +1 (817) 465-5611  
Fax: +1 (817) 468-3361

Remit to:  
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Attachment Page 4 of 4

Wire instructions:  
Nordea Bank Finland PLC  
New York Branch  
SWIFT: NDEAUS3N  
Account: 6879433001  
ABA: 026010786

**ENVIRONMENT AND PROCESS TECHNOLOGIES****TERMS AND CONDITIONS OF SALE AND/OR SERVICE****1. TERMS APPLICABLE**

This quotation or acknowledgement and Seller's sale of Products and/or provision of Services described in Buyer's purchase order issued in whole or in part in response to this quotation or in response to which this acknowledgement is issued are expressly limited to and expressly made conditional on, Buyer's acceptance of the Terms and Conditions of Sale and/or Service listed below, which are the exclusive terms and conditions upon which Andritz Separation Inc. or the applicable Andritz entity supplying the same ("Seller") will accept a purchase order for the sale of new, used and refurbished products, equipment, parts and/or the provision of services ("Products" and "Services"). These Terms and Conditions of Sale and/or Service control, supersede and replace any and all other additional and/or different terms and conditions of Buyer, and Seller hereby objects to and rejects all such terms and conditions of Buyer without further notification, except to the extent Seller expressly agrees to such conditions in writing. Seller's commencement of work under the Purchase Order or Buyer's acceptance of delivery of or payment for any Products or Services covered by this Agreement, in whole or in part, shall be deemed Buyer's agreement to the foregoing. The term "this Agreement" as used herein means this quotation or acknowledgment or Buyer's purchase order, together with any attachment thereto, any documents expressly incorporated by reference (but excluding any Buyer terms and conditions attached thereto or incorporated therein by reference), and these Terms and Conditions of Sale and/or Service.

**2. DELIVERY OR PERFORMANCE**

Delivery or performance dates are good faith estimates and do not mean that "time is of the essence." Buyer's failure to promptly make advance or interim payments, supply technical information, drawings and approvals will result in a commensurate delay in delivery or performance. Installation of any Product shall not be Seller's responsibility unless specifically provided for in this Agreement. Upon and after delivery, risk of loss or damage to the Products shall be Buyer's. Delivery of the Products hereunder will be made on the terms agreed to by the parties as set forth in this Agreement, according to INCOTERMS 2010.

**3. WARRANTY****(a) Products Warranty.**

(i) **New Equipment Warranty.** In the case of the purchase of new equipment the Seller warrants to Buyer that the new equipment manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the new equipment to Buyer and shall expire on the earlier to occur of 12 months from initial operation of the new equipment and 18 months from delivery thereof (the "Warranty Period").

(ii) **Parts and Used or Reconditioned Machinery or Equipment Warranty.** In the case of parts or used or reconditioned machinery or equipment, and unless otherwise indicated, Seller warrants to Buyer that the parts or the used or reconditioned machinery or equipment manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the parts or the used or reconditioned machinery or equipment to the buyer and shall expire 6 months from delivery thereof (the "Warranty Period").

(iii) If during the Warranty Period Buyer discovers a defect in material or workmanship of a Product and gives Seller written notice thereof within 10 days of such discovery, Seller will, at its option, either deliver to Buyer, on the same terms as the original delivery was made, according to INCOTERMS 2010, a replacement part or repair the defect in place. Any repair or replacement part furnished pursuant to this warranty are warranted against defects in material and workmanship for one period of 12 months from completion of such repair or replacement, with no further extension. Seller will have no warranty obligations for the Products under this Paragraph 3(a): (i) if the Products have not been stored, installed, operated and maintained in accordance with generally approved industry practice and with Seller's specific written instructions; (ii) if the Products are used in connection with any mixture or substance or operating condition other than that for which they were designed; (iii) if Buyer fails to give Seller such written 10 day notice; (iv) if the Products are repaired by someone other than Seller or have been intentionally or accidentally damaged; (v) for corrosion, erosion, ordinary wear and tear or in respect of any parts which by their nature are exposed to severe wear and tear or are considered expendable; or (vi) for expenses incurred for work in connection with the removal of the defective articles and reinstallation following repair or replacement.

(b) **Services Warranty.** Seller warrants to Buyer that the Services performed will be free from defects in workmanship and will conform to any mutually agreed upon specifications. If any failure to meet this warranty appears within 12 months from the date of completion of the Services, on the condition that Seller be promptly notified in writing thereof, Seller as its sole obligation for breach of this warranty will correct the failure by re-performing any defective portion of the Services furnished. Seller does not warrant the accuracy of, or performance results of, any conclusions or recommendations provided, nor that any desired objective will result from the Service provided and Seller shall not be liable for any loss of use or any production losses whatsoever.

(c) Seller further warrants to Buyer that at delivery, the Products manufactured by it will be free of any liens or encumbrances. If there are any such liens or encumbrances, Seller will cause them to be discharged promptly after notification from Buyer of their existence.

(d) **THE EXPRESS WARRANTIES SELLER MAKES IN THIS PARAGRAPH 3 ARE THE ONLY WARRANTIES IT WILL MAKE. THERE ARE NO OTHER WARRANTIES, WHETHER STATUTORY, ORAL, EXPRESS OR IMPLIED. IN PARTICULAR, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

(e) The remedies provided in Paragraphs 3(a), 3(b) and 3(c) are Buyer's exclusive remedy for breach of warranty.

(f) With respect to any Product or part thereof not manufactured by Seller, Seller shall pass on to Buyer only those warranties made to Seller by the manufacturer of such Product or part which are capable of being so passed on.

**4. LIMITATION OF LIABILITY**

Notwithstanding any other provision in this Agreement, the following limitations of liability shall apply:

(a) In no event, whether based on contract, tort (including negligence), strict liability or otherwise, shall Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies be liable for loss of profits, revenue or business opportunity, loss by reason of shutdown of facilities or inability to operate any facility at full capacity, or cost of obtaining other means for performing the functions performed by the Products, loss of future contracts, claims of customers, cost of money or loss of use of capital, in each case whether or not foreseeable, or for any indirect, special, incidental or consequential damages of any nature resulting from, arising out of or connected with the Products, Services, or this Agreement or from the performance or breach hereof.

(b) The aggregate liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, for all claims of any kind for any loss, damage, or expense resulting from, arising out of or connected with the Products, Services or this Agreement or from the performance or breach hereof, together with the cost of performing make good obligations to pass performance tests, if applicable, shall in no event exceed the contract price.

(c) The limitations and exclusions of liability set forth in this Paragraph 4 shall take precedence over any other provision of this Agreement and shall apply whether the claim of liability is based on contract, warranty, tort (including negligence), strict liability, indemnity, or otherwise. The remedies provided in this Agreement are Buyer's exclusive remedies.

(d) All liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, resulting from, arising out of or connected with the Products, Services or this Agreement or from the performance or breach hereof shall terminate on the third anniversary of the date of this Agreement.

(e) In no event shall Seller be liable for any loss or damage whatsoever arising from its failure to discover or repair latent defects or defects inherent in the design of goods serviced (unless such discovery or repair is normally discoverable by tests expressly specified in the scope of work under this Agreement) or caused by the use of goods by the Buyer against the advice of Seller. If Seller furnishes Buyer with advice or assistance concerning any products or systems that is not required pursuant to this Agreement, the furnishing of such advice or assistance will not subject Seller to any liability whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise.

**5. CHANGES, DELETIONS AND EXTRA WORK.**

Seller will not make changes in the Products unless Buyer and Seller have executed a written Change Order for such change. Buyer, without invalidating this Agreement, may make changes by altering, adding to or deducting from the general scope of the Services by written Change Order. Any such Change Order will include an appropriate adjustment to the contract price and delivery schedule. If the change impairs Seller's ability to satisfy any of its obligations to Buyer, the Change Order will include appropriate modifications to this Agreement. Seller shall be entitled to a Change Order adjusting the contract price, delivery schedule and/or any affected obligations of Seller if after the date of this Agreement a change in applicable law should require a change in the Products or Services or in the event and to the extent that an act or omission of Buyer, or any error or change in Buyer-provided information, affects the Seller's performance hereunder.

**6. TAXES**

Seller's prices do not include any sales, use, excise or other taxes. In addition to the price specified herein, the amount of any present or future sales, use, excise or other tax applicable to the sale or use of the Products or Services shall be billed to and paid by Buyer unless Buyer provides to Seller a tax-exemption certificate acceptable to the relevant taxing authorities.

**7. SECURITY INTEREST**

Seller shall retain a purchase money security interest and Buyer hereby grants Seller a lien upon and security interest in the Products until all payments hereunder have been made in full. Buyer acknowledges that Seller may file a financing statement or comparable document as required by applicable law and may take all other action it deems reasonably necessary to

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perfect and maintain such security interest in Seller and to protect Seller's interest in the Products.

#### 8. SET OFF

Neither Buyer nor any of its affiliates shall have any right to set off claims against Seller or any of its affiliates for amounts owed under this Agreement or otherwise.

#### 9. PATENTS

Unless the Products or any part thereof are designed to Buyer's specifications and provided the Product or any part thereof is not used in any manner other than as specified or approved by Seller in writing, (i) Seller shall defend against claims made in a suit or proceeding brought against Buyer by an unaffiliated third party that any Product infringes a device claim of a United States or Canadian patent issued as of the effective date of this Agreement and limited to the field of the specific Products provided under this Agreement; provided Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense of such claims; (ii) Seller shall satisfy any judgment (after all appeals) for damages entered against Buyer on such claims so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using any Product or a part thereof, then Seller will, at its option: (a) obtain for Buyer the right to continue using such Product or part; (b) eliminate the infringement by replacing or modifying all or part of the Products; or (c) take back such Product or part and refund to Buyer all payments on the purchase price that Seller has received for such Product or part. The foregoing states Seller's entire liability for patent infringement by any Product or part thereof.

#### 10. SOFTWARE LICENSE, WARRANTY, FEES

The following Software Terms and Conditions apply to any embedded or separately packaged software produced by Seller and furnished by Seller hereunder:

(a) Seller hereby grants to Buyer a non-exclusive, non-transferable, non-sub-licensable license to the Software, and any modifications made by Seller thereto only in connection with configuration of the Products and operating system for which the Software is ordered hereunder, and for the end-use purpose stated in the related Seller operating documentation. Buyer agrees that neither it nor any third party shall modify, reverse engineer, decompile or reproduce the Software, except Buyer may create a single copy for backup or archival purposes in accordance with the related Seller operating documentation (the "Copy"). Buyer's license to use the Software and the Copy of such Software shall terminate upon any breach of this Agreement by Buyer. All copies of the Software, including the Copy, are the property of Seller, and all copies for which the license is terminated shall be returned to Seller with written confirmation after termination.

(b) Seller warrants that, on the date of shipment of the Software or the Products containing the Software to Buyer: (1) the Software media contain a true and correct copy of the Software and are free from material defects; (2) Seller has the right to grant the license hereunder; and (3) the Software will function substantially in accordance with the related Seller operating documentation.

(c) If within 12 months from the date of delivery of the Software or Products containing the Software, Buyer discovers that the Software is not as warranted above and notifies Seller in writing prior to the end of such 12 month period, and if Seller determines that it cannot or will not correct the nonconformity, Buyer's and Buyer's Seller-authorized transferee's exclusive remedies, at Seller's option, are: (1) replacement of the nonconforming Software; or (2) termination of this license and a refund of a pro rata share of the contract price or license fee paid.

(d) If any infringement claims are made against Buyer arising out of Buyer's use of the Software in a manner specified by Seller, Seller shall: (i) defend against any claim in a suit or proceeding brought by an unaffiliated third party against Buyer that the Software violates a registered copyright or a confidentiality agreement to which Seller was a party, provided that Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense and settlement of such claims (including the sole authority to select counsel and remove the Software or stop accused infringing usage); (ii) Seller shall satisfy a final judgment (after all appeals) for damages entered against Buyer for such claims, so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using the Software, Seller may at its option: (a) obtain for Buyer the right to continue using such Software; (b) eliminate the infringement by replacing or modifying the Software, or (c) take back such Software and refund to Buyer all payments on the purchase price that Seller has received. However, Seller's obligations under this Paragraph 10 shall not apply to the extent that the claim or adverse final judgment relates to: (1) Buyer's running of the Software after being notified to discontinue; (2) non-Seller software, products, data or processes; (3) Buyer's alteration of the Software; (4) Buyer's distribution of the Software to, or its use for the benefit of, any third party; or (5) Buyer's acquisition of confidential information (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a third party who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the confidential information. ~~Buyer will reimburse Seller for any costs or damages that result from actions 1 to 5.~~ In Seller's discretion and at Seller's own expense, with regard to any actual or perceived infringement claim related to the Software, Seller may: (i) procure the right to use the Software, (ii) replace the Software with a functional equivalent, and/or (iii) modify the Software. Under (i) and (iii) above, Buyer shall immediately stop use of the allegedly infringing Software.

(e) This warranty set forth in subparagraph (c) above shall only apply when: (1) the Software is not modified by anyone other than Seller or its agents authorized in writing; (2) there is no modification in the Products in which the Software is installed by anyone other than Seller or its agents authorized in writing; (3) the Products are in good operating order and installed in a suitable operating environment; (4) the nonconformity is not caused by Buyer or a third party; (5) Buyer promptly notifies Seller in writing, within the period of time set forth in subparagraph (c) above, of the nonconformity; and (6) all fees for the Software due to Seller have been timely paid. **SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD TO THE SOFTWARE, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.**

(f) Buyer and its successors are limited to the remedies specified in this Paragraph 10.

(g) Any subsequent modifications or enhancements to the Software made by Seller are, at Seller's option, subject to a fee.

#### 11. SITE RISKS

(a) Concealed Conditions. The parties acknowledge and agree that increased costs or schedule extensions due to any concealed conditions at the job site shall be to Buyer's account. Buyer shall hold Seller harmless for increased costs and grant any necessary schedule extensions if any concealed or hazardous conditions are found.

(b) Environmental Remediation. Buyer acknowledges that Seller is not an expert in environmental remediation and shall not be directed by change order or otherwise to perform any environmental remediation as part of the Services, including but not limited to asbestos and lead paint removal. If any environmental remediation becomes necessary, Buyer will contract directly with a qualified third party to perform such work.

#### 12. TERMINATION

(a) Buyer may terminate this Agreement upon breach by Seller of a material obligation hereunder and Seller's failure to cure, or to commence a cure of, such breach within a reasonable period of time (but not less than 30 days) following written receipt of notice of the same from Buyer.

(b) Buyer may only terminate this Agreement for Buyer's convenience upon written notice to Seller and upon payment to Seller of Seller's termination charges, which shall be specified in writing. Buyer and shall take into account among other things expenses (direct and indirect) incurred and commitments already made by Seller and an appropriate profit; provided, that in no event shall Seller's termination charges be less than 25% of the contract price.

(c) Seller shall have the right to suspend and/or terminate its obligations under this Agreement if payment is not received within 30 days of due date. In the event of the bankruptcy or insolvency of Buyer or in the event of any bankruptcy or insolvency proceeding brought by or against Buyer, Seller shall be entitled to terminate any order outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its cancellation charges.

#### 13. CONFIDENTIALITY

Buyer acknowledges that the information that Seller submits to Buyer in connection with this Agreement and the performance hereof includes Seller's confidential and proprietary information, both of a technical and commercial nature. Buyer agrees not to disclose such information to third parties without Seller's prior written consent. Seller grants to Buyer a non-exclusive, royalty-free, perpetual, non-transferable license to use Seller's confidential and proprietary information for the purpose of the installation, operation, maintenance and repair of the Products that are the subject hereof only. Buyer further agrees not to, and not to permit any third party to, analyze, measure the properties of, or otherwise reverse engineer the Products, fabricate the Products or any parts thereof from Seller's drawings or to use the drawings other than in connection with this Agreement. ~~Buyer will defend and indemnify Seller from any claim, suit or liability based on personal injury (including death) or property damage related to any Product or part thereof which is fabricated by a third party without Seller's prior written consent and from and against related costs, charges and expenses (including attorneys' fees).~~ All copies of Seller's confidential and proprietary information shall remain Seller's property and may be reclaimed by Seller at any time in the event Buyer is in breach of its obligations under this Paragraph 13.

#### 14. END USER

If Buyer is not the end user of the Products sold hereunder (the "End User"), then Buyer will use its best efforts to obtain the End User's written consent to be bound to Seller by the provisions hereof. ~~If Buyer does not obtain such End User's consent, Buyer shall defend and indemnify Seller and Seller's agents, employees, subcontractors and suppliers from any action, liability, cost, loss, or expense for which Seller would not have been liable or from which Seller would have been indemnified if Buyer had obtained such End User's consent.~~

#### 15. FORCE MAJEURE

(a) Force Majeure Defined. For the purpose of this Agreement "Force Majeure" will mean all events, whether or not foreseeable, beyond the reasonable control of either party which affect the performance of this Agreement, including, without limitation, acts of God, acts or advisories of governmental or quasi-governmental authorities, laws or regulations, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, insurrections, riots, epidemics, pandemics, outbreaks of infectious disease or other threats to public health, lightning, earthquakes, fires, storms, severe weather, floods, sabotage, delays in transportation, rejection of main forgings and castings, lack of available shipping by land, sea or air, lack of

dock lighterage or loading or unloading facilities, inability to obtain labor or materials from usual sources, serious accidents involving the work of suppliers or sub-suppliers, thefts and explosions.

(b) Suspension of Obligations. If either Buyer or Seller is unable to carry out its obligations under this Agreement due to Force Majeure, other than the obligation to make payments due hereunder, and the party affected promptly notifies the other of such delay, then all obligations that are affected by Force Majeure will be suspended or reduced for the period of Force Majeure and for such additional time as is required to resume the performance of its obligations, and the delivery schedule will be adjusted to account for the delay.

(c) Option to Terminate. If the period of suspension or reduction of operations will extend for more than four (4) consecutive months or periods of suspension or reduction total more than 6 months in any 12 month period, then either Buyer or Seller may terminate this Agreement.

(d) Strikes On-Site. Notwithstanding anything herein to the contrary, in the event a strike, lockout, labor union or other industrial disturbance at Buyer's site affects, delays, disrupts or prevents Seller's performance of this Agreement, Seller shall be entitled to a Change Order containing an appropriate adjustment in the contract price and delivery schedule.

#### 16. INDEMNIFICATION AND INSURANCE

(a) Indemnification. Seller agrees to defend and indemnify Buyer from and against any third-party claim for bodily injury or damage to tangible property ("Loss") arising in connection with the Products or the Services provided by Seller hereunder, but only to the extent such Loss has been caused by the negligence, willful misconduct or other legal fault ("Fault") of Seller. Buyer shall promptly tender the defense of any such third-party claim to Seller. Seller shall be entitled to control the defense and resolution of such claim, provided that Buyer shall be entitled to be represented in the matter by counsel of its choosing at Buyer's sole expense. Where such Loss results from the Fault of both Seller and Buyer or a third party, then Seller's defense and indemnity obligation shall be limited to the proportion of the Loss that Seller's Fault bears to the total Fault.

(b) Insurance. Seller shall maintain commercial general liability insurance with limits of \$2,000,000 per occurrence and in the aggregate covering claims for bodily injury (including death) and physical property damage arising out of the Products or Services. Seller shall also provide workers' compensation insurance or the like as required by the laws of the jurisdiction where the Services will be performed, and owned and non-owned auto liability insurance with limits of \$1,000,000 combined single limit. Seller will provide a Certificate of Insurance certifying the existence of such coverages upon request.

#### 17. 16. GENERAL

(a) Seller represents that any Products or parts thereof manufactured by Seller will be produced in compliance with all applicable federal, state and local laws applicable to their manufacture and in accordance with Seller's engineering standards. Seller shall not be liable for failure of the Products to comply with any other specifications, standards, laws or regulations.

(b) This Agreement shall inure only to the benefit of Buyer and Seller and their respective successors and assigns. Any assignment of this Agreement or any of the rights or obligations hereunder, by either party without the written consent of the other party shall be void.

(c) This Agreement contains the entire and only agreement between the parties with respect to the subject matter hereof and supersedes all prior oral and written understandings between Buyer and Seller concerning the Products, Services and any prior course of dealings or usage of the trade not expressly incorporated herein.

(d) This Agreement may be modified, supplemented or amended only by a writing signed by an authorized representative of Seller. Seller's waiver of any breach by Buyer of any terms of this Agreement must also be in writing and any waiver by Seller or failure by Seller to enforce any of the terms and conditions of this Agreement at any time, shall not affect, limit or waive Seller's right thereafter to enforce and compel strict compliance with every term and condition hereof.

(e) All terms of this Agreement which by their nature should apply after the cancellation, completion or termination of this Agreement shall survive and remain fully enforceable after any cancellation, completion or termination hereof.

(f) If Seller's office is located in the United States, this Agreement and the performance hereof will be governed by and construed according to the laws of the State of Georgia.

(g) If Seller's office is located in Canada, this Agreement and the performance hereof will be governed by and construed according to the laws of the Province of New Brunswick.

(h) In the circumstances of f(i) above, any controversy or claim arising out of or relating to this Agreement, or the breach hereof, or to the Products or the Services provided pursuant hereto, shall be definitively settled by arbitration, to the exclusion of courts of law, administered by the American Arbitration Association ("AAA") in accordance with its Construction Industry Arbitration Rules in force at the time this Agreement is signed and to which the parties declare they will adhere (the "AAA Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Atlanta, Georgia by a panel of three members, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the panel and will be appointed by mutual agreement of the two party appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party appointed arbitrators to agree within 45

days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the AAA in accordance with the AAA Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within 30 days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the AAA in accordance with the AAA Rules.

(i) In the circumstances of f(ii) above, any controversy or claim arising out of or relating to this Agreement, or the breach hereof, or to the Products or the Services provided pursuant hereto, shall be definitively settled under the auspices of the Canadian Commercial Arbitration Centre ("CCAC"), by means of arbitration and to the exclusion of courts of law, in accordance with its General Commercial Arbitration Rules in force at the time the Agreement is signed and to which the parties declare they will adhere (the "CCAC Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Saint John, New Brunswick by a panel of three arbitrators, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the arbitral tribunal and will be appointed by mutual agreement of the two party-appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party-appointed arbitrators to agree within 45 days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the CCAC in accordance with the CCAC Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within 30 days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the CCAC in accordance with the CCAC Rules.

(h) In the event this Agreement pertains to the sale of any goods outside the United States or Canada, the parties agree that the United Nations Convention for the International Sale of Goods shall not apply to this Agreement.

(i) The parties hereto have required that this Agreement be drawn up in English. Les parties aux présentes ont exigé que la présente convention soit rédigée en anglais.

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## 2017 FIELD SERVICE POLICY AND RATE SHEET

### Installation and Start-up Assistance

All the equipment furnished by ANDRITZ Separation Inc. shall be installed and started up by, and at the expense of the purchaser. There is available, however, upon the request of the purchaser, the service of ANDRITZ Separation Inc. field service personnel for consultation and advice in the installation and start-up of ANDRITZ Separation Inc. equipment. This service is provided with the understanding that ANDRITZ Separation Inc. will function only as technical consultants and coordinators in an advisory capacity, and shall have no responsibility for the supervision or the quality of workmanship of such an installation and/or start-up. Such responsibility will be that of the purchaser.

Certain types of ANDRITZ Separation Inc. equipment, such as that with mechanical seals, require the check out of the equipment by experienced field personnel before the equipment is put into operation. In these instances, the equipment is so tagged upon time of shipment. The failure to have proper mechanical check out by ANDRITZ Separation Inc. field personnel will void our mechanical warranty. For the check out, power and all necessary utilities for the operation of equipment must be available.

### Service Rates (Rates/Pricing are in US currency)

Service Rates are applicable for all the time the field service employee spends on the job. This includes traveling to or from either our designated plant or point of residence of the employee. Any holdover time, i.e. time where the employee is required to stay on the job site because time does not permit travel home, or for the convenience of the customer, shall be at regular rates, listed below:

Description	Standard Rates	Overtime Rates
Monday - Friday		
Service Technician	\$1,400.00/ 8 hr. day	\$262.50/ hr. up to 4 hrs
Saturday	\$2,100.00/ 8hr. day	\$262.50/ hr. up to 4 hrs
Sunday	\$2,800.00/ 8hr. day	\$350.00/ hr. up to 4 hrs
Holidays	\$2,800.00/ 8hr. day	\$350.00/ hr. up to 4 hrs
Travel Days:		
Monday - Friday	\$850.00/ day up to 8 hrs	\$225.00/ hr. after 8 hrs
Saturday Travel Day	\$1,250.00/ day up to 8 hrs	\$225.00/ hr. after 8 hrs
Sunday & Holiday	\$1,500/ day up to 8 hrs	\$300.00/ hr. after 8 hrs
Phone Support	\$175.00/ 1 <sup>st</sup> hr.	\$150.00/ per additional hr.

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#### Travel & Holiday Service

If travel and work requirements carry through weekends and holidays, the premium rates above will be charged. (For example, if a customer requires field service personnel to be on site early Monday, necessitating the need to travel Sunday or a Holiday, the Sunday/Holiday rate will be charged. If work continues through a weekend and/or holiday, the Sunday/Holiday rate will be charged.)

#### Cancellation Notice

In an effort to keep costs down for our customers, service personnel will book advanced, non-refundable tickets as quickly as possible after the request for service is received. This is a conscientious effort to keep costs to the customer, for air travel, as low as possible. If such expenses have been incurred in good faith, and the customer must cancel, we must invoice for those expenses to be fairly reimbursed.

#### Other Considerations

Because our Field Service employees are away from home for extended periods for most of the year, we feel they should be with their families over the Christmas and New Year holidays. Except for breakdowns or comparable and equally critical service requirements, our personnel are not available at these times.

When our field service personnel travel international and required on site for periods in excess of four weeks, they are allowed to return home to be with their families. The allowable time period is determined on a case-to-case basis. The cost only of transportation to the employee's home and return will be included with the service charges.

It is required that our service personnel have single rooms in first class hotel or motel accommodations where these are available. The charges for all living and travel expense will be for the account of the customer. Travel, if by public conveyance or rented automobile, will be at cost. Travel, if by employee-owned or company owned automobile will be at the rate of US \$ 0.56.5 per mile plus all toll and parking charges. A 15% administrative fee will apply only to travel and living expenses incurred.



It is the responsibility of the purchaser to provide for all necessary permits, clearances, visas, and other pertinent information required for our personnel to travel to the job site. In the event that public facilities are not available near the job site, it is the purchaser's responsibility to provide the equivalent of first class facilities in single rooms for our personnel at the site. For overseas jobs intended to be of an extended duration in excess of thirty (30) days, special arrangements will

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be negotiated immediately (and prior to the requirement for personnel to be at the job site) with regard to visits home with their families.

#### **Service Requirement Notification**

Our objective is to provide the best service possible. Experience has proven that one of the best ways to accomplish this is for our employees to arrive on the job site when they are needed - but not before. Our personnel are in short supply from time to time and personnel with the special skills you may require may not be available on short notice. We request, therefore, that for projects requiring extended service (in excess of thirty (30) days) and/or special skills, ANDRITZ Separation Inc. be given at least sixty (60) days notice as to when field service personnel are required on site. We also ask that this be confirmed within fourteen (14) days of the start of their services. In other instances, for a shorter duration of service, we request that at least a minimum of ten (10) days notice be given prior to requirement of our service personnel. After receipt of such advance notice, while we endeavor to comply with all requested time schedules, purchaser should be aware that on rare occasions we may not be able to meet all demands immediately. Negotiations will continue until the best schedule is attained. In the event that emergencies arise, we will work to meet the customers' needs as quickly and as completely as possible.

**Please Note:** If time is scheduled and the customer must cancel on short notice, there is no guarantee of the immediate availability of field service personnel for rescheduling.

#### **Insurance & Warranty**

ANDRITZ Separation Inc. service personnel are fully covered by Worker's Compensation Insurance. ANDRITZ Separation Inc. makes no warranty either express or implied or by trade usage in connection with the services of its field personnel and shall have no liability direct, indirect or for any loss, damage, injury or expense resulting from or arising out of their services other than by reason of their negligence, and in no event for consequential injury or damage or for any amount in excess of the cost of repair or replacement of specific part damaged by their negligence

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**TABLE 11-2. RECOMMENDED SPARE PARTS LIST TO BE PURCHASED INDIVIDUALLY.**

PART NUMBER	DESCRIPTION	QUANTITY
<b>Lubricants</b>		
Grease: SKF LGMT2	Feed and Drive End Bearing Grease	10 14-oz cartridges
Grease: SKF LGMT2	Scroll Thrust Bearing Grease	Included 5
Grease: BP LS EP 0	Cyclo Reducer Grease	1 15-kilogram drum
V-Belts 131326129	V-Belt (4 belts = 1 set), SPB-1850	1 set
<b>Front Pillow Block Assembly – 32141-1</b>		
131128797	O-Ring, BUNA N	1
131046431	V-Ring	2
131128744	O-Ring, BUNA N	2
100023455	Lip Ring	1
131045577	Deep groove ball bearing	1
131128785	O-Ring, BUNA N	1
131073758	Seal, copper	2
131128824	O-Ring, BUNA N	1
131459444	Roller bearing	1
131320443	O-Ring, BUNA N	1
131127989	Feed Sight Glass, Pyrex®	1
131128827	O-Ring, BUNA N	2
<b>Bowl Assembly – 37785</b>		
131128826	O-Ring, BUNA N	1
131456471	O-Ring, BUNA N	1
201830122	Nozzle, Ceramic & Duplex	8
<b>Scroll Assembly – 41192-1</b>		
131128792	O-Ring, BUNA N	1
131128746	O-Ring, BUNA N	1
132062590	O-Ring, BUNA N	1
207821916	Nozzle, Ceramic	4
<b>Cover and Frame Assembly – 33788</b>		
131127436	Seal	4
131171782	Plastic seal	1
<b>Cyclo Reducer &amp; Rear Pillow Block Assembly – 43554</b>		
131128743	O-Ring, BUNA N	2
131320356	O-Ring, Viton®	1
131045575	Deep groove roller bearing	1
131205714	O-Ring, BUNA N	2
131434395	O-Ring, BUNA N	1
131205717	O-Ring, BUNA N	1
Redex 131130399	RDX/SR20.3-K2	1

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**ANDRITZ**

Send to:

Attention: Alex Gamino

Issued by:

ERIC HELIN

Our ref.

**SOLE SOURCE**

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Date: 9-25-2017

**SUBJECT: City of Santa Fe  
Sangre De Cristo Water Treatment Plant**

Andritz Job # 807217

### **SOLE SOURCE SUPPLIER**

Andritz Separation, Inc. is an original equipment manufacturer (OEM) of the liquid/solid separation equipment and hold the sole rights and ownership to the Andritz-Ruthner, Bird Machine, Netzsch, R & B and Humboldt product lines. We are the sole source for all replacement parts, accessories and service.

All manufacturing components are based on Andritz's proprietary drawings. Commercial items are based on Andritz engineered specifications, they hold the highest manufacturing tolerances and we strive to achieve and maintain the most optimized efficiency in all of our products.

Andritz Separation, Inc. is the exclusive supplier of these components and we do not operate with local distributor networks. We have multiple facilities throughout North America and regional Sales Engineers available to handle all of your service needs. Please feel free to contact Andritz Separation, Inc. directly or visit our website at [www.usa.Andritz.com](http://www.usa.Andritz.com).

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