



Proposal for

Wellington Turbines

Wellington Turbines
Maiquetia, Vargas



Proposal No. 217554, Revision #3
February 12th, 2009

Carla Casanova



Wellington Turbines

Wellington Turbines

USA

02/12/2009

For the Attention of: William Linares

Our Reference:

Dear Mr. Linares,

GE Water & Process Technologies is pleased to provide Wellington Turbines with the attached proposal for the Wellington Turbines project in Maiquetia, Vargas. In developing this quotation, GE worked with Wellington Turbines in an effort to understand your project and business needs. The attached proposal outlines the solution we feel will best meet these objectives.

We greatly appreciate your consideration of GE for this project. Our measure of success is how well we deliver solutions that help our customers meet their critical business objectives. We hope to have the opportunity to demonstrate this with Wellington Turbines.

I will be calling you to discuss our proposal and provide any additional information that may help your evaluation. Until then, please contact me if you have any questions.

Yours sincerely,

Carla Casanova
Commercial Developer Venezuela

cc:

Unless expressly agreed otherwise in writing, all our proposals, sales and order confirmation are subject to our terms and conditions of sale. These terms and conditions can also be accessed at www.ge.com/water.



GE Water& Process Technologies
Confidential and Proprietary Information

GE submits the information contained in this document for evaluation by Customer only. Customer agrees not to reveal its contents except to those in Customer's organization necessary for evaluation. Copies of this document may not be made without the prior written consent of GE Water & Process Technologies Management. If the preceding is not acceptable to Customer, this document shall be returned to GE.

This proposal is valid until 03/12/2009. If a formal purchase order is not received and accepted within this Validity Period, both the pricing and delivery schedule are subject to review and adjustment.



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1 GE Water & Process Technologies

1.1 Company Overview

GE Water & Process Technologies is a leading global solutions provider of water, wastewater, desalination and process systems. GE delivers customer value by improving performance and product quality, by reducing operating costs and by extending equipment life. A broad range of products and services are used to optimize total water/process system performance, safeguard customer assets from corrosion, fouling and scaling, and protect the environment through water and energy conservation. With over 2500 field engineers bringing onsite expertise, we are able to deliver value by solving our customers' most challenging problems and improving the bottom line.

Headquartered in Trevose, Pennsylvania, Water & Process Technologies employs over 6500 people worldwide. Global Centers Of Excellence conduct leading edge research in our fields of expertise. Sites include Minnetonka, Minnesota; Watertown, Massachusetts; Norfolk, Virginia; The Woodlands, Texas; Guelph, Ontario; Oakville, Ontario; Heverlee, Belgium; Sao Paulo, Brazil and the GE Global Research Centers in Niskayuna, New York, Bangalore, India and Shanghai, China.

1.2 Fields of Expertise

GE is unique in the industry, bringing a full array of products and service offerings to our customers. Our core competencies include:

- ❑ Reverse Osmosis, Nanofiltration, Ultrafiltration and Microfiltration membrane systems for removing suspended and dissolved solids from fresh water, waste water and sea water, or to separate and concentrate product, improving yield and quantity
- ❑ Electrodeionization (EDI) for producing ultrapure water without chemical regenerants
- ❑ Electrodialysis reversal (EDR), widely used to treat water supplies which are challenging for other technologies to process and where water recovery up to 95% is required
- ❑ Mobile water treatment solutions for short-term and emergency use including deionization, filtration, reverse osmosis and EDI trailers in the industry's largest fleet
- ❑ Electrodialysis (ED) to demineralize cheese whey
- ❑ Bipolar Electrodialysis (BPED) to produce acid and caustic from salt solutions
- ❑ Service agreements to Design, Build, Own, Operate and Maintain water treatment systems, allowing customers to focus their resources on their key operations
- ❑ Water treatment chemicals and application engineering for raw and wastewater clarification, process water and industrial boiler and cooling water
- ❑ Process chemicals and additives for improved performance in refining, pulp & paper, and metals processing applications





1.3 We don't just promise value. We prove it.

With GE, you know precisely how our water and process technologies help your bottom line. A Value Generation Plan quantifies how we enhance your key business results. To create your Value Generation Plan, we discuss your strategic objectives and suggest projects that can help you meet them. Then we monitor and manage all projects and report in detail how each one helped to:

- ❑ Improve productivity
- ❑ Optimize critical equipment life and performance
- ❑ Increase process uptime
- ❑ Drive out costs
- ❑ Reduce waste
- ❑ Improve regulatory compliance
- ❑ Ensure performance through continuous monitoring and preventative diagnostics
- ❑ Preserve your capital and protect your cash flow with flexible financing

1.4 Global Leadership

A comprehensive portfolio, innovative technology, application expertise and personal service are what made GE Water & Process Technologies a leader in water and process treatment. A passion for solving the world's most challenging water and process problems, being environmentally responsible and most importantly, **helping our customers win** guides our roadmap for the future.

Part of that future is ecomagination, (www.ecomagination.com) an aggressive, long-term initiative from GE to bring to market new technologies that address the world's biggest environmental challenges. As part of ecomagination, GE pledges to double its investment in cleaner technologies, introduce more products that provide significant environmental performance advantages to customers, and offer more products and services that help customers meet their pure water and wastewater demands, improve their product quality and yield, reduce greenhouse gas emissions and improve efficiency.





2 Technical & Engineering Details

2.1 Basis of Design

This proposal is offered based on the following water design values from City Well to be used for .

2.2 Influent Quality

The design solution proposed is based on the values below. All values are as mg/l as ion unless otherwise stated.

pH, standard units	8.08
Specific Conductance, at 25°C, $\mu\text{S}/\text{cm}$	230
Alkalinity, "P", as CaCO_3 , ppm	75
Sulfur, Total, as SO_4 , ppm	33.8
Chloride, as Cl, ppm	12.8
Hardness, Total, as CaCO_3 , ppm	120
Calcium Total hardness as CaCO_3 , ppm	92
Magnesium Total hardness as CaCO_3 , ppm	28
Barium, Total, as Ba, ppm	<0.05*
Strontium, Total, as Sr, ppm	<0.1*
Copper, Total, as Cu, ppm	0.01
Free Chlorine, ppm	<0.05*
Iron, Total, as Fe, ppm	0.05
Sodium, as Na, ppm	Undetectable*
Potassium, as K, ppm	Undetectable*
Aluminum, Total, as Al, ppm	<0.05*
Manganese, Total, as Mn, ppm	<0.05*
Nitrate, as NO_3 , ppm	2.95
Nitrite, as NO_2 , ppm	Undetectable*
Phosphate, Total, as PO_4 , ppm	<0.05*
Reactive Silica, Total, as SiO_2 , ppm	12.8
Colloidal Silica, Total, as SiO_2 , ppm	
Fluoride, as F, ppm	0.1
Total Organic Carbon (TOC)	< 1*
Dissolved Organic Carbon (DOC)	
Turbidity, NTU	
Feed Water Source	Municipal
Silt Density Index	< 3*
Total Suspended Solids	
Total Dissolved Solids	<129

Note: Parameters marked with an asterisk have been assumed. Please confirm these values.



2.3 Influent Flow Data

Flow rate, pressure and temperature required at inlet to the equipment.

	Minimum	Maximum
Inlet Flow rate (GPM each train)	110	330
Pressure (psi)	45	65
Temperature (°F)	77 °F	77 °F

2.4 Operation Basis

Hours per day of operation	20
Days per year of operation	355
System Redundancy	0%

2.5 Product Water / Effluent Quality

The following performance parameters are expected upon equipment start-up, based on the data listed in the influent quality table and design sections above.

Flow (GPM)	3 x 72 GPM
Conductivity, $\mu\text{S}/\text{cm}$	1.5
Silica as SiO_2 , ppm	0.1
Sodium as Na, ppm	0.1
Total Dissolved Solids (TDS)	3

Note: Parameters marked with an asterisk have been assumed. Please confirm these values.

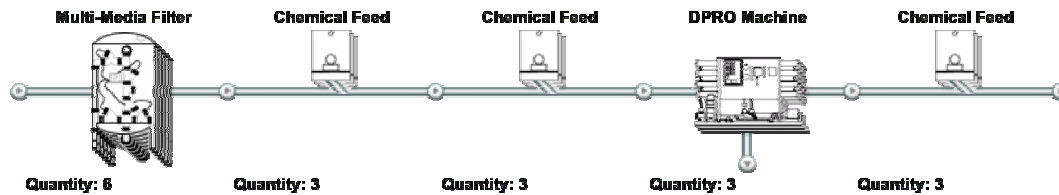
2.6 Inlet Water Variability

In the event that the influent water exceeds the specifications used in engineering this proposal or the water source changes, the ability of the water treatment system to produce the designed treated water quality and/or quantity may be impaired. Customer may continue to operate the system, but assumes the risk of damage to the system and/or additional costs due to increased membrane cleanings and consumable usage. Additional supplemental equipment can be purchased from GE, which in certain cases can restore normal production rates and minimize system damage. With the largest portfolio of Mobile Water solutions, GE can respond faster and more effectively than anyone to system upsets.



3 GE Scope of Supply

The proposed treatment system consists of the components described in this section.



3.1 Multi Media Filter

Model	PRO-M48-CS/PVC-STAGER-60HZ
Tank Assembly Part Number	3023927
Media Kit Part Number	3024686

Design Data

Number of Media Tanks	1
Minimum Flow	60 gpm
Peak Flow	110 gpm
Backwash Flow (per vessel)	160 gpm to 220 gpm
Drain Size	220 gpm
Minimum Pressure Drop	2 psi
Peak Pressure Drop	7 psi
Media	
<input type="checkbox"/> Anthracite	18 in, 18 ft ³
<input type="checkbox"/> Silica Sand	12 in, 12 ft ³
<input type="checkbox"/> Garnet	6 in, 6 ft ³
<input type="checkbox"/> Gravel Support	SUB FILL in, 18 ft ³
Operating Temperature	34 - 100°F (1 - 38°C)
Ambient Temperature	34 - 120°F (1 - 49°C)
Minimum Inlet Pressure	25 psi
System Pressure Rating	100 psi
Backwash Waste	3740 gal
Backwash Cycle Time	25 Min.



Materials of Construction & Controls

Piping – External/Internal	Sch. 80 PVC, Sch. 80 PVC
Enclosure	NEMA 4XFG fiberglass
Tank Exterior/Interior	Two coat epoxy painted carbon steel, Tnemec Series 20 epoxy lining
Pneumatic Tubing	Polypropylene
Valve(s)	Butterfly with stainless disc and EPDM seats
Valve type	Butterfly
Controller	962 Stager
Control Method	Time Clock
Backwash	Time clock or manual initiation
Instrumentation	Service/ backwash paddle wheel flow indicator Pre- and Post- filter pressure indication

Installation and Utility Requirements

Overall Height	121 in
Tank Sideshell Height	72 in
Tank Diameter	48 in
Service Inlet Connection	3.0-inch
Service Outlet Connection	3.0-inch
Backwash to Drain Connection	3.0-inch
Tank Manual Drain Connection	2.0-inch
Power Required	60 Hz / 1 phase / 120 VAC
Compressed Air	80 psi (5.5 Bar) minimum oil-free
Shipping Weight Estimate	3000 lbs
Media Weight Estimate	4540 lbs

Features Included

- ☐ Communication microswitch included
- ☐ Tank designed to ASME code at 100 psi
- ☐ Travel stops on service and backwash valves
- ☐ 4" media clean out port on side of tank
- ☐ Pneumatic actuator - air to open/spring to close
- ☐ Sight glass on backwash line



3.2 Chemical Feed System

Model	CFS-PVDF, 3 gpd, 26 gal tank
Part Number	2087796

Operation

Chemical	Bisulfite
Flow Rate	3 GPD

Component Specification

Output Capability	3 GPD
Pump Type	Electronic Metering
Pump Wetted Materials	PVDF
Tank Capacity	26 gal
Tank Materials	HDPE
Tank Diameter	20 in
Tank Height	30 in

Installation and Utility Requirements

Pump	Mount on day tank or independent pipe stand
Tubing	Connect from pump discharge to interior in feedwater piping
Power Wiring	60 Hz / 1 phase / 120 VAC - 50 Hz / 1 phase / 220 VAC

Features Included

- ☐ Solenoid driven diaphragm type Prominent gamma/L series pumps are supplied
- ☐ Microprocessor-based pump with output displayed in gph or lph
- ☐ Discharge tubing, in-line injector with self-contained check valve, suction tubing with foot valve and weight and integral priming bleed valve (all are PVDF)
- ☐ Flow monitoring switch on pump outlet
- ☐ Adjustable stroke and frequency controls
- ☐ Universal Communication Cable
- ☐ Alarm output communication
- ☐ CE Approved
- ☐ Low level tank switch



3.3 Chemical Feed System

Model	CFS-PVDF, 3 gpd, 26 gal tank
Part Number	2087796

Operation

Chemical	Antiscalant
Flow Rate	3 GPD

Component Specification

Output Capability	3 GPD
Pump Type	Electronic Metering
Pump Wetted Materials	PVDF
Tank Capacity	26 gal
Tank Materials	HDPE
Tank Diameter	20 in
Tank Height	30 in

Installation and Utility Requirements

Pump	Mount on day tank or independent pipe stand
Tubing	Connect from pump discharge to interior in feedwater piping
Power Wiring	60 Hz / 1 phase / 120 VAC - 50 Hz / 1 phase / 220 VAC

Features Included

- ☐ Solenoid driven diaphragm type Prominent gamma/L series pumps are supplied
- ☐ Microprocessor-based pump with output displayed in gph or lph
- ☐ Discharge tubing, in-line injector with self-contained check valve, suction tubing with foot valve and weight and integral priming bleed valve (all are PVDF)
- ☐ Flow monitoring switch on pump outlet
- ☐ Adjustable stroke and frequency controls
- ☐ Universal Communication Cable
- ☐ Alarm output communication
- ☐ CE Approved
- ☐ Low level tank switch



3.4 Two Pass Membrane System

Model PRO-80-DP-PRE
Part Number 4322466A

Performance Data

	<u>First Pass</u>	<u>Second Pass</u>
Design Permeate Flow	107 GPM	80 GPM
Feed Flow	116 GPM	107 GPM
Concentrate Flow Rate	36 GPM	27 GPM
Recycle Rate		
Recovery	75%	75%
System Operating Pressure	235 PSI	200 PSI
System Recovery	69%	
Design Temperature	60 °F	
Design pH	5.5 - 8.5	
System Inlet Pressure	30 PSI	

Components

Cartridge Filtration		
Housing Quantity	2	
Housing Model, Manufacturer	HX-0740-2.0-V-316, GE	
Cartridge Filter Model	ROSave.Zs®, RO.Zs 01-40-XK, Melt-blown polypropylene	
Rating, Length	1-micron nominal, 40-inches	
Filter Quantity	14	
Valves	Pre-filter manual isolation, post filter auto isolation, vent and drain	
TIES of Filter	56	
Membrane Element Housings	<u>First Pass</u>	<u>Second Pass</u>
Membrane Housing Model	804P-450	804P-450
Housing Manufacturer	GE	GE
Number of Housings	6	3
Housing Length	6	6
Housing Diameter	8	8
Banking Arrangement	3-2-1	2-1
High-Pressure Pump		
Model	AS21012	AS13511
Manufacturer	GE / Tonkaflo	GE / Tonkaflo
Quantity	1	1
Motor Hp and Type	40 HP, TEFC	25 HP, TEFC
Motor FLA		



Membrane Elements		
Model	OSMO PRO 365	OSMO PRO 365
Manufacturer	GE	GE
Quantity	30	18
Membrane Type	TFC (Polyamide)	TFC (Polyamide)

Materials of Constructions

Filter Housing	316 SS, Bead Blasted Finish
Feedwater Piping	Schedule 80, PVC,
High-Pressure Piping	Stainless Steel, Sch. 10, Mill Finish
Permeate Piping	Schedule 80, PVC,
High-Pressure Pump Housing	316 Stainless Steel,
High-Pressure Pump Internals	316 Stainless Steel
Membrane Element Housings	316 Stainless Steel, Mill Finish,
Frame	Carbon steel, Epoxy-coated blue finish
Pneumatic Tubing	Polyethylene Tubing
Fittings and Couplings	Zinc-plated,

Installation and Utility Requirements

Inlet	3.0-inch, Flange
Permeate	2.0-inch, Flange
Concentrate	1.5-inch, Flange
Inlet (CIP)	3.0-inch, Flange
Permeate (CIP)	2.0-inch, Flange
Concentrate (CIP)	1.5-inch, Flange
Compressed Air	0.25
Inlet Water Pressure	30, min PSI
Compressed Air Requirement	100 PSI, oil free
Drain to be Sized for	116 GPM
Motor Power	460VAC, 3-phase, 60Hz
Control Circuit	120V, 1-phase, 60Hz
Skid (H X W X D)	76 in, 274 in, 80 in
Operating Load	
Shipping Weight Estimate	9400 lbs

Control / Electrical System

Components

Processor:	PLC - AB SLC 5/04
Enclosure	NEMA 12 (painted blue), RO Skid Mounted
Operator Interface	PanelView Plus® 700
Communications	DH+
Conduit	Single and three-phase power wire in liquid-tight flexible conduit. Low voltage signal wire shall be provided in shielded multiconductor cable per NFPA 79.



Control Screens Included

- ☐ Security access screen
- ☐ System overview
- ☐ System data display
- ☐ Alarm history
- ☐ Individual component display of operational status, 4-20 mA instruments and control
- ☐ Alarm status and indication
- ☐ Alarm description
- ☐ Set point screens

Instrumentation

Instrument	Display	Manufacturer	Locations
Instrument Center		Thornton	Thornton 770 MAX
Flow Meters	HMI	Signet	Inlet, 1st pass concentrate, 2nd pass concentrate
Pressure Switch	HMI	United Electric	Feed, 1st pass permeate, 2nd pass permeate, 1st pass concentrate, 2nd pass concentrate
Pressure Transmitter	HMI	Endress+Hauser	Primary/Final, 1st and 2nd pass
Pressure Gauge	Local indication	ENFM	Pre-filter, post-filter, primary, final, permeate, concentrate, pump discharge (1st and 2nd pass)
Conductivity / Temperature	HMI	Thornton	Permeate, Feed
pH	HMI	Thornton	Feed, 1st Pass Permeate
ORP	HMI	Thornton	Feed
Chlorine Instrument			

Membrane System Alarms

Low Inlet Pressure
 High ORP
 High/Low pH
 High Temperature
 High Permeate Pressure
 High Concentrate Pressure



Features Included

- ❑ Allen-Bradley processor and components
- ❑ Battery back-up on processor
- ❑ Hard copy and electronic copy of program
- ❑ Pre-filter cartridge filter housing mounted on the membrane skid
- ❑ Pressure transmitters (Primary Final)
- ❑ Feed conductivity probe
- ❑ FRP encased membrane element
- ❑ High-pressure pump mounted on the membrane skid
- ❑ UL 508 Approval



3.5 Clean-In-Place System

Model	CIP-PRO-100
Tank Part #	1225257
Pump Part #	1269426

Operational Systems

CIP Manual Controls	On/off at RO PanelView
Mode of Operation	Semi-Automatic
Tank	Free Standing
Pump	Free Standing
Pump Power	230/460 VAC, 3-phase, 60 Hz

Component Specifications

Feed Flow Rate	135 GPM
Tank Capacity	250 gal
Pump Type	Single Stage Centrifugal
Motor Size (Type: TEFC)	7.5 HP, TEFC
Tank Height	70 in
Tank Diameter	47 in
CIP Outlet (IPS flange)	3 in
CIP Permeate (IPS flange)	3 in
CIP Con (IPS flange)	1.5 in

Operational Systems

Tank	HDPE, coned bottom with covered top and 16-inch manway
Pump Manufacturer	Goulds or equal, shipped loose for floor mount installation
Pump Materials of Construction	316 SS on all wetted components
Tank Skid	Carbon Steel, painted

Options Available (contact GE for pricing)

- ☐ IEC motor starter
- ☐ Stainless Steel Frame
- ☐ Integrated semi-automatic control with GE membrane systems



3.6 Chemical Feed System

Model	CFS-PVDF, 3 gpd, 26 gal tank
Part Number	2087796

Operation

Chemical	Caustic
Flow Rate	3 GPD

Component Specification

Output Capability	3 GPD
Pump Type	Electronic Metering
Pump Wetted Materials	PVDF
Tank Capacity	26 gal
Tank Materials	HDPE
Tank Diameter	20 in
Tank Height	30 in

Installation and Utility Requirements

Pump	Mount on day tank or independent pipe stand
Tubing	Connect from pump discharge to interior in feedwater piping
Power Wiring	60 Hz / 1 phase / 120 VAC - 50 Hz / 1 phase / 220 VAC

Features Included

- ☐ Solenoid driven diaphragm type Prominent gamma/L series pumps are supplied
- ☐ Microprocessor-based pump with output displayed in gph or lph
- ☐ Discharge tubing, in-line injector with self-contained check valve, suction tubing with foot valve and weight and integral priming bleed valve (all are PVDF)
- ☐ Flow monitoring switch on pump outlet
- ☐ Adjustable stroke and frequency controls
- ☐ Universal Communication Cable
- ☐ Alarm output communication
- ☐ CE Approved
- ☐ Low level tank switch



3.7 Equipment Startup Services

The proposed equipment is provided with 33 days of service as specified below:

DAYS	
6	Phase 1 – Equipment Installation Supervision: Includes <u>supervision only</u> of unloading the equipment, rigging the equipment into place, installing interconnecting piping, installing interconnecting wiring, installing power wiring, installing pneumatic lines, verifying adequate drainage, testing for adequate water and air pressure, testing power supply, and testing interconnecting wire circuitry. All actual labor is provided by others.
7	Phase 2 – Pre-start-up Inspection Visit: Includes time to inspect installation work, address questions, develop punch list of completion items necessary prior to return visit.
3	Phase 3 – Filter Media Loading / RO Membrane Loading: Includes <u>supervision only</u> of labor to load media (activated carbon, sand, resin, support gravel) and <u>supervision only</u> of labor to load membrane elements (if not loaded in factory).
15	Phase 4 – Equipment Start-up: Includes preparing the equipment to operate (flush, backwash, steam, regenerate, etc.), operating the equipment manually, operating the equipment automatically, testing control system, flushing preservative, and system sanitization (applies only to drinking water systems). Also includes informal, hands-on training conducted by the service technician in the water treatment room, in front of the equipment.
0	Phase 5 – Initial Production Run: Includes time to be present for special owner testing such as a time period free of alarms, production run of specific product, etc.
2	Phase 6 – Formal Training: This includes formal training that typical takes place after the equipment has been started up. This does not include informal training that takes place during Phase 4 with an operator being present and assisting the technicians performing start-up.
TOTAL 33	This total assumes no weekends or a holiday are required and is based on an eight-hour workday. Travel time to and from the job site for GE Field Service personnel is included in this estimate. Travel/living (T&L) expenses are also included where the field service representative is based within the country or region. For job sites in remote areas where additional T&L costs may be incurred to deliver the service, expenses such as airfare may be added as additional costs. To ensure personnel availability, GE Water & Process Technologies requires a minimum of two weeks' advance notice to schedule equipment start-ups.

The commissioning plan also allows for up to 2 hours of site safety training.

If additional service time is required due to any changes in scope or delays related to site issues, this time would be billed at our prevailing labor rates found in the Commercial Offer section.



4 Customer Scope of Supply

All delivery or services not specified in the GE Scope of Supply are included in the Customer Scope of Supply.

4.1 Safety and Environmental

- ☐ First aid and emergency medical response
- ☐ Eyewash and safety showers in the water treatment area
- ☐ Chemical spill response
- ☐ Security and fire protection systems per local codes
- ☐ Environmental use and discharge permits for all chemicals at the customer facility either listed in this document or proposed for use at a later date
- ☐ Any special permits required for GE or Customer employees to perform work related to the water treatment system at the facility
- ☐ All site testing, including soil, ground and surface water, air emissions, etc.
- ☐ Disposal of all solid and liquid waste from the GE System
- ☐ The Customer will identify and inform GE personnel of any hazards present in the work place that could impact the delivery of GE's scope of supply and agrees to work with GE to remove, monitor, and control the hazards to a practical level.
- ☐ The Customer will provide training to GE'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. Customer will provide a certificate of training for GE personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.

4.2 Jobsite and Installation Review

- ☐ Review of GE supplied equipment drawings and specifications
- ☐ Overall plant design, detail drawings of all termination points where GE equipment or materials tie into equipment or materials supplied by others
- ☐ All easements, licenses and permits required by governmental or regulatory authorities in connection with the supply, erection and operation of the system
- ☐ All applicable civil design and works, including any building, site preparation, grading, excavations, foundations, and trenches and accessories
- ☐ All electrical labor and supplies leading up to jobsite, including fittings, conduit, supports, cable trays, wire and hardware, and air conditioned panels as required for installation and ongoing operations
- ☐ All labor and supplies leading up to jobsite including fittings, conduit, supports, cable trays, wire and hardware required to appropriately ground / earth the equipment as required for installation and ongoing operations
- ☐ All mechanical labor and supplies leading up to the jobsite including interconnecting piping, heat tracing (if required), fittings, conduit, pipe supports, and hardware as required for installation and ongoing operations



- ☐ All instrumentation and automatic pneumatic valves including, but not limited to, air / sample line tubing, fittings, conduit, supports, isolating valves leading up to jobsite and between GE-supplied skids and hardware as required for installation and ongoing operations
- ☐ Loading, unloading and transportation of the equipment and materials required for GE to perform the duties outlined in the GE Scope of Supply to the jobsite and/or warehouse
- ☐ All access structures (scaffolding) and mechanical lifting equipment (cranes, forklifts, and scissor lifts)
- ☐ Providing a suitable site/shelter for the placement of the proposed equipment, either inside appropriate housing, or outdoors. Note: electrical equipment, including the PLC, may require air-conditioned rooms to prevent overheating of sensitive electronic equipment, depending on climatic conditions.
- ☐ Storage of cassette / membranes / stacks on site. These must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area, out of direct sunlight, and at a temperature of 5-30°C (39-86°F). It is recommended that the cassettes / membranes / stacks not be stored longer than necessary prior to installation. Coordinate with GE for appropriate shipment times. Maximum storage duration of a cassette / membrane / stack is 8 / 12 / 3 months from the date of shipment. If these timescales are exceeded GEWPT can provide instruction to extend the storage period.
- ☐ Bulk chemical storage and tanks, including secondary containment in accordance with local codes
- ☐ Receiving, off-loading, logging, and storing all chemicals and materials in accordance with Manufacturer's recommendation that are shipped to the site
- ☐ Compressed instrument air for pneumatic valves and instruments
- ☐ Equipment anchor bolts
- ☐ Telephone / fax / modem access for GE staff while on site
- ☐ Laboratory services, operating and maintenance personnel during equipment check out, start-up and operation
- ☐ Any on-site painting or touch-up painting of equipment supplied
- ☐ Variable frequency drives (VFD) and motor control center (MCC)
- ☐ SCADA / DCS to control GE-supplied equipment. GE shall supply a functional logic description (control narrative)
- ☐ Configuration of instrument and PLC signals from the water treatment system to the plant DCS or PLC

4.3 Start-Up and Commissioning

- ☐ Installation and removal of temporary screens (1 mm mesh / 0.5 mm mesh) on all process lines entering the membrane system / basins to prevent membrane damage (for UF systems only)
- ☐ Flushing and disinfection of all piping and membrane tanks (for UF systems only)
- ☐ Verification of removal of all residual debris from construction
- ☐ Supply raw materials, chemicals and utilities during start-up and operation
- ☐ Telephone / fax / modem access for GE staff while on site
- ☐ Laboratory services, operating and maintenance personnel during equipment checkout, start-up and operation
- ☐ Loading of media, membranes, stacks, modules, and resins
- ☐ Commissioning



4.4 Facility Management

- ☐ Warehouse storage space and facilities, as are available at the site, and are reasonably appropriate to store parts, consumables, tools, etc. in accordance with manufacturers' recommendations. Such warehouse storage space will be a segregated area, secured and protected from adverse climate as may be reasonably required. Customer will be responsible for risk of loss of GE's parts while in storage at the site. Customer will maintain GE's parts stored at the site free and clear of any and all liens of Customer and Customer's lenders, bondholders, contractors, and other creditors of any nature.
 - ☐ Free access and egress of the facility for all authorized work for GE staff
 - ☐ Workshop facilities with standard workshop tools and equipment, as is reasonably appropriate, that are necessary to meet the repair and maintenance requirements of the system. Such equipment includes, but is not limited to, benches, vices, drill press, electric saws, hand tools, power tools, pneumatic tools, etc.
 - ☐ All access structures (scaffolding) and mechanical lifting equipment (cranes, forklifts, and scissor lifts)
 - ☐ Adequate illumination and emergency lighting for all areas in which GE staff will be executing the scope of supply
 - ☐ Equipment for movement of chemical drums, totes, and resin, as is reasonable
- All site utilities such as raw water, instrument quality air, potable water, and power required



5 Documentation Package – Level 1

The following documentation and data package is provided to Wellington Turbines for information only. Any requested changes may result in additional charges and/or a delay in the delivery schedule.

Drawing and Data Submission Schedule			
AOA = After Order Acceptance			
CATEGORY	DESCRIPTION	ESTIMATED DATE	COMMENTS
PROCESS	P & I Diagram	2-4 weeks AOA	P&ID diagram for GE manufactured major components
	Operation and Maintenance Manual	Within two weeks after shipment	Includes the following components: <ul style="list-style-type: none"> <input type="checkbox"/> Storage procedures <input type="checkbox"/> Erection, commissioning and start-up procedures <input type="checkbox"/> Spare parts list, special tools list <input type="checkbox"/> Test-run procedure <input type="checkbox"/> Trouble shooting procedures <input type="checkbox"/> MSDS sheets (if applicable) <input type="checkbox"/> Control narrative* <input type="checkbox"/> Control logic summary chart* <input type="checkbox"/> Operation sequence chart*
MECHANICAL	General Arrangements	4-6 weeks AOA	Equipment drawings showing all piping & valves. These drawings provided for components manufactured by GE.
ELECTRICAL	Electrical Drawing	4-6 weeks AOA	Includes the following components: <ul style="list-style-type: none"> <input type="checkbox"/> PLC and control panel layouts <input type="checkbox"/> Electrical schematic diagrams <input type="checkbox"/> Electrical bill of material <input type="checkbox"/> Motor HP listing* <input type="checkbox"/> Terminal block layouts*
	PLC Ladder Logic	After customer acceptance	Includes a copy of the annotated PLC program. Customer responsible to purchase necessary software.

* Not included for all equipment types



6 Conditions of Sale and Warranties

GE Water & Process Technologies
Capital Equipment PO Processing and Acceptance
5951 Clearwater Drive
Minnetonka, MN 55343

BUYER:

Wellington Turbines
USA

As used in the Terms and Conditions of Sale, the term "Goods" shall mean materials as outlined in the GE Scope of Supply section of this proposal.



6.1 Terms and Conditions of Sale

1. Exclusive Terms and Conditions

Together with any other terms the parties agree to in writing, these Terms and Conditions of Sale form the exclusive terms ("Agreement") whereby Buyer agrees to purchase, and Seller agrees to sell Goods and provide advice, instruction and other services in connection with the sale of those Goods ("Services"). Notwithstanding any provisions communicated in any way by Buyer to Seller prior to this Agreement including any terms contained in any request for quote by Buyer, Buyer agrees that this Agreement will control the relationship by accepting Goods and Services from Seller, even if Buyer sends to Seller other terms and conditions to which Seller may not respond.

2. Buyer Obligations

Seller will not control the actual operation of either Buyer's systems or Goods at the site, and unless otherwise specifically agreed in writing, installation of Goods shall be the responsibility of Buyer. Goods and Services provided hereunder are based upon the information Buyer makes available to Seller, and Seller reserves the right to utilize the most compact and feasible design compatible with sound engineering practices, and to make changes in details of design, construction and arrangement of Goods unless precluded by limitations (including, but not limited to actual space and feed water/substance quality specifications) specified by Buyer in writing at the time an order is placed. If no such limitations are specified, Seller shall not be held responsible for incompatibility of the Goods and Services due to changes in feed water/substance quality specifications or site conditions nor for incompatibility with actual space or design limitations, which were not initially disclosed by Buyer and become apparent at a later date. For Services to be accurate and Goods to work as intended, Buyer must fulfill the following obligations ("Obligations"): (a) provide Seller complete and accurate information and data relevant to the scope of work to be provided, such as information related to Buyer's site conditions, systems, related equipment and processes, feed water or other substances to be treated or measured with the Goods, including any hidden, unapparent, or changing conditions that may affect the effectiveness of the Goods; (b) operate all related systems and the Goods within the agreed to control parameters or, if none, within industry customary operating conditions; (c) maintain all related systems and Goods in good operating condition and repair; and (d) maintain and handle Goods in a proper and safe manner. If Buyer fails to fulfill the foregoing Obligations, Seller shall be relieved of any obligations with respect to warranties or any other commitments made to Buyer in writing, and Seller shall have no liability for any loss, damage or injury which Buyer may sustain or for which Buyer may be liable.

3. Payment and Prices

Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller's invoice. If Seller shall have any doubt at any time as to Buyer's ability to pay, Seller may decline to make deliveries except on receipt of satisfactory security. The prices quoted herein do not include taxes. Buyer shall be directly responsible, and reimburse Seller, for the gross amount of any present or future sales, use, excise, value-added, or other similar tax applicable to the price, sale of delivery of any products or services furnished hereunder. Buyer shall furnish Seller with evidence of exemption acceptable to the taxing authorities if applicable. [For multi-year agreements, pricing stated shall remain firm for 12 months, after which Seller shall be entitled to adjust pricing upward on an annual basis according to the designated formula used by Seller in Buyer's country and which shall be notified to Buyer.] Unless otherwise specified, all prices are ExWorks Seller's facility. Buyer agrees to reimburse Seller for collection costs, including 2% interest per month, should Buyer fail to timely pay. Buyer shall have no rights to any setoffs of any nature relating to any payments due under the Agreement.

4. Payment for Excessive Usage; Lost and Damaged Goods

If payment for Goods is based on some factor other than the actual amount of Goods delivered (e.g., payment is for a fixed amount, or based on usage or production), then Buyer agrees to pay for all Goods (a) consumed as a result of Buyer's failure to comply with Obligations as set forth in Section 2; or (b) lost or damaged after delivery to Buyer. Buyer shall provide Seller all information necessary to calculate amounts due and enable Seller to audit those records.



5. Deliveries

Unless stated otherwise in the Proposal, Seller shall deliver all products to Buyer EXW Seller's facility, place of manufacture, or warehouse, according to INCOTERMS 2000. Shipment dates, if applicable, noted in this Proposal represent Seller's best estimate of probable delivery time considering conditions known at the time this Proposal was prepared. Upon acceptance of Buyer's Purchase Order or, where specified in the Purchase Order, upon receipt of Buyer's Notification to Proceed with Fabrication of Equipment that satisfies Seller's requirements for meeting the delivery schedule, Seller shall commence fabrication of equipment. The place of delivery specified therein shall be firm and fixed, provided that Buyer may notify Seller no later than 45 days prior to the scheduled shipment date of the products of an alternate point of delivery. Provided the parties agree a Variation to take into account any additional cost [or delay] incurred by Seller in implementing this change, the alternate place of delivery shall become the agreed place of delivery for all purposes under this Agreement.

6. Consigned Goods

Buyer shall bear all risk of loss and damage to all consigned Goods in Buyer's possession or control, notwithstanding Buyer's exercise of reasonable care. Seller shall have the right to enter Buyer's premises at all reasonable times to inspect such Goods and related records. Upon request, Buyer agrees to return such Goods to Seller pursuant to Seller's shipping instructions.

7. Limited Warranties

Seller warrants that the Goods shall conform to published specifications and shall be free from defects in material and workmanship when at all times operated in accordance with Seller's written instructions; and that the Services will be performed with the degree of skill which can reasonably be expected from a seller engaged in a comparable business and providing comparable services under comparable circumstances. Unless otherwise provided in any Warranty Schedule that may be attached hereto, the foregoing warranties are valid: (a) for Chemicals and Services, for 6 months from their date of delivery or the provision of Services; (b) for Consumables, including Filters and Membranes, 12 months from their date of delivery, (c) for Goods other than Chemicals and Consumables, the earlier of, 15 months from receipt, or 12 months from start-up/first use. Unless expressly agreed in a "Performance Warranty Document" signed between the parties on a separate basis, there is no performance warranty on Goods and Services or warranty on process results. For Goods not manufactured by Seller, the warranty shall be the manufacturer's transferable warranty only. Any claim for breach of these warranties must be promptly notified in writing or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Goods or Services or any breach of these warranties is limited to, at Seller's option: (a) replacement of non-conforming Goods or refund of purchase price of the non-conforming Goods; and (b) re-performance of the Services at issue, or a refund of the amount paid for the Services at issue. No allowance will be made for repairs or alterations made by Buyer without Seller's written consent or approval. Goods may not be returned to Seller without Seller's written permission. Seller will provide Buyer with a "Return Material Order" number to use for returned goods. Buyer, as the original purchaser, is not entitled to extend or transfer this warranty to any other party. The foregoing warranties are in lieu of and exclude all other warranties, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

8. Use of Equipment, Tanks, and Containers

Tanks and SBCs owned by Seller shall be used only for the storage of Goods approved by Seller and, at Seller's request, shall be returned to Seller within thirty (30) days.

9. Compliance with Laws; Permits

Buyer is responsible for compliance with all laws and regulations applicable to the storage, use, handling, installation, maintenance, removal, registration and labeling of all Goods from and after Buyer's receipt of the Goods, as well as for the proper management and disposal of all wastes and residues (including containers) resulting from Buyer's use of the Goods. Buyer agrees to ensure that all Goods and Services provided to Buyer for export are exported only in compliance with applicable export control laws and regulations. Permits and licenses of a permanent nature, or which are required to operate apparatus or equipment or to use the Goods, shall be procured by Buyer at Buyer's sole expense.



10. Installation

For equipment purchase if applicable, installation costs of the equipment and materials supplied shall be the responsibility of the Buyer, unless otherwise provided within the Seller's proposal. Otherwise, unless stipulated in the Seller's proposal, Buyer agrees to pay for start-up supervision and operator instruction, at the Seller's prevailing rate per day. Buyer also agrees to pay reasonable expenses for transportation room and board for Seller's personnel. Standard terms of sale include two sets of operating instructions. If additional sets are required, they are available at an additional charge. Upon receipt of request for additional sets, a price quotation will be forwarded.

11. Differing Site Conditions And Hazardous Materials

In the event that Seller encounters any Hazardous Materials (shall mean toxic substances, hazardous substances, pollutants, contaminants, regulated wastes, or hazardous wastes as such terms may be defined or classified in any law, statute, directive, ordinance or regulations promulgated by any applicable governmental entity) at the Buyer's site, other than Hazardous Materials introduced by Seller or that are otherwise the express responsibility of Seller under this Agreement, Buyer shall immediately take whatever precautions are required to legally eliminate such hazardous conditions so that the Seller's work under this Agreement may safely proceed.

12. Emergencies

In the event an emergency condition should occur where the protection of either the plant equipment, employees at site, or the surrounding community are threatened, Seller may procure the required and necessary equipment, personnel, or subcontract support. Seller must provide immediate notice to Buyer regarding the emergency and then provide a report after reviewing the events and itemizing all expenditures. Buyer will reimburse Seller for all emergency related expenses.

13. Excusable Delay/Non-Performance

Seller shall not be liable nor in breach or default of its obligations under this Agreement to the extent performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond the reasonable control of Seller, including, but not limited to: acts of God, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Buyer or Buyer's suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay or non-performance, plus such additional time as may be necessary to overcome the effect of the delay or non-performance. If Seller is delayed by any acts (or omissions) of Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, Seller shall be entitled to an equitable price and performance adjustment as applicable.

14. Confidentiality and Intellectual Property

Both parties agree to keep confidential the other party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Goods to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables supplied or developed under this Agreement, subject to Buyer's right to use such drawings and data for its own use without additional cost. Buyer acknowledges that Seller is in the business of selling the Goods subject to this Agreement and agrees that it will not file patent applications on the Goods, or processes and methods of using the Goods, without Seller's express written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its customers based upon purchase and use of such Goods. Buyer shall be fully liable for any infringement of patent rights of third parties arising out of the products supplied hereunder where the construction, and other characteristics of such products including modification of the Goods and Services, is prescribed to the Seller, or completed independently, by the Buyer or agent(s). Buyer shall fully defend and indemnify the Seller in case of such claim(s). Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to Buyer a limited, non-exclusive and terminable license to such software for the term of this Agreement. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software. Unless otherwise expressly agreed by Seller, this license shall terminate and the software shall be returned to Seller upon termination of this Agreement, or the material breach of the terms in this section.



15. Limitation on Liability

To the extent permitted by law, the total liability of the Seller for all claims arising out of or relating to the performance or breach of this Agreement or use of any Goods or Services shall not exceed the annual contract value of this Agreement. Seller shall not be liable for any advice, instruction, assistance or any services that are not required under this Agreement or for which Seller does not charge Buyer. In no event will either party be liable to the other for lost profits or revenues, cost of capital or replacement or increased operating costs, lost or decreased production, claims of Buyer's customers for such damages or any similar or comparable damages, or for any incidental, special, consequential or indirect damages of any type or kind, irrespective of whether arising from actual or alleged breach of warranty, indemnification, product liability or strict liability, or any other legal theory. If Buyer is supplying Seller's Goods or Services to a third party, Buyer shall require the third party to agree to be bound by this clause. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this clause.

16. Conflicts; Survival, Assignment

If there is any conflict between this Agreement and any written proposal or quotation provided by Seller, then the terms and conditions set forth in the proposal or quotation shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and the Agreement shall be interpreted and implemented in a manner which best fulfills our intended agreement. This Agreement may only be assigned by Seller to any affiliate.

17. Termination and Cancellation

This Agreement and any performance pursuant to it may be terminated or suspended by either party if the other party (a) is the subject of bankruptcy or insolvency proceedings; or (b) defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days. Upon the termination of this Agreement: (a) Buyer agrees to pay for all Goods in Buyer's possession or for which title has passed to Buyer, at current prices or at such other prices as have been agreed to in writing; and (b) all amounts owing, if any, for the equipment or tanks relating to those Goods shall immediately become due and shall be paid within thirty (30) days of receipt of an invoice. In the event of cancellation of an order by Buyer, a cancellation charge will be made against the Buyer, in proportion to the work completed by Seller, or obligated against the order, plus any cancellation charges assessed against Seller by Seller's suppliers.

18. Governing Law and Dispute Resolution

This Agreement shall be governed by the substantive laws of the State of New York. The UN Convention on the International Sale of Goods shall not apply. In the event of a dispute concerning this Agreement, the complaining party shall notify the other party in writing thereof. Management level representatives of both parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court in Atlanta, GA, and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this clause.



6.2 Three-Year Prorated Membrane Element Performance Limited Warranty

Limited Warranty

Covered membrane elements: OSMO PRO Series

GE Osmonics, Inc. (hereinafter "Seller") gives a warranty on materials, workmanship and performance of its spiral wound membrane elements listed above (hereinafter "Elements") when used in accordance with Seller's recommended design and operating instructions.

Initial Performances

The Seller warrants to the original buyer that the Elements shall have initial performance as defined in the specification sheet for the Elements.

Full Replacement Period

The Seller guarantees for 12 months from the date of shipment from a GE Osmonics facility the Elements to be free from defects in material or workmanship that affect the performance of the Elements, for 12 months from the date of shipment from a GE Osmonics facility.

Prorated Replacement Period

The Seller gives a 36 months prorated performance warranty for its Elements starting at the date specified in Section "Start of Warranty Period". During the pro-rated period, the Seller guarantees that when operated within the Operation and Storage Conditions stated in this Warranty under standard test conditions (see the element specification sheet) and after an appropriate cleaning cycle, the permeate flow rate of the Elements shall be at least 70 percent of the minimum value stated on the specification sheet and the salt passage shall not exceed 2 times the maximum value stated on the specification sheet.

Start of Prorated Period

The Warranty period starts at the date on the following list that occurs first:

- Operation of the Elements in a membrane system
- 3 months from the Elements ship date from the Seller's manufacturing facility to a location in North America. In this document, North America includes Canada, United States, Mexico and the Caribbean islands
- 6 months from the Elements ship date from the Seller's manufacturing facility to a location outside North America.

Storage Conditions

This Warranty is strictly subject to the following Storage Conditions and is void if they are not met.

The Elements shall be stored at a temperature never exceeding the maximum operating temperature that is stated in the specification sheet of the specific element.

The Elements shall not be exposed to direct sunlight for more than a few minutes that might be required when transferring the Elements from one site to another.

Before first use, the Elements shall be store in their original plastic bags.

Operating Conditions

This Warranty is strictly subject to the following Operating Conditions and is void if they are not met.

The feed water to the Elements should be free of oil, grease, colloidal, particulate matter or biological growth.

b) The feed water to the Elements should be free of ozone, permanganate, hexavalent chromium, free chlorine, hypochlorous acid, hypochlorite and other oxidizing agents harmful to the Elements.

c) The operating conditions, e.g. temperature, pressure, pH, Feed SDI15 and Turbidity shall not be outside the range described in the specification sheets of the Elements.

d) The Elements shall be maintained in good, clean condition. When the normalized permeate flow rate of the Elements have declined by 10%, the Elements must be cleaned using a to Seller's accepted cleaning procedure.

e) The membrane system design shall be consistent with sound engineering practice, and the Elements shall not at any time be exposed to water hammer or permeate backpressure. Permeate backpressure is here defined as a positive value of the permeate static pressure minus the concentrate static

f) The operating parameters and system performance of the membrane systems where the Elements are used shall be routinely 1) recorded, 2) normalized, 3) reviewed and 4) filed in an orderly format.

Operating parameters shall include, at a minimum, feed stream temperature and pH, feed stream and operating pressures, dates, durations and chemicals used of system cleaning.

g) In the event of an Element warranty claim, the collected data in section f) above shall be made available to the Seller upon request.

Upon request, the Buyer shall allow people representing the Seller to visit and examine the equipment and operating procedures where the Elements under the warranty claim are or were used.



Warranty Claim Procedure

The Buyer completes a Returned Goods Authorization (RGA) form (obtained from the Seller's Quality Assurance department) and sends it freight prepaid to the Seller's Quality Assurance department. The Seller has the option of making inspections and tests of the alleged defective Elements and the membrane system where these are or were used, or requesting Buyer to perform such inspections or tests and forward the results thereof to Seller, or requesting the Buyer to return all or some of the Elements under warranty claim to the Seller.

If during inspection at the membrane system, the Element failure is determined to be from a cause other than breach of Warranty as set forth above, Buyer shall pay to Seller a fee of US\$ 500.00 per day plus all direct expenses incurred by Seller's representatives in connection with any inspection and testing of such Elements and the membrane system.

If the Buyer is requested to return Elements to the Seller, the Buyer receives an RGA number and instructions how to ship the Elements (prepaid with the proper shipping documents, which includes the RGA number). If the Seller determines that the returned Elements perform as warranted, the Elements will be returned to the Buyer freight collect, and a charge of \$100.00 per element will be levied against the Buyer. The Elements perform as warranted if the average performance of the returned Elements is at or better than the warranted performance.

Repairs and Replacement

The Seller's obligation for discharging this warranty and Buyer's sole remedy for any breach is limited to and shall be fully discharged by the Seller, at Seller's sole discretion, repairing or replacing the defective Elements at the exworks membrane price current at the time of replacement, less a rebate. The rebate is 100% under the Material and Workmanship warranty, and prorated on the unrealized warranty period (1/36 per month) under the Prorated Performance Warranty. The repaired or replaced elements under the prorated warranty will be shipped to the Buyer prepaid, and carry the same Three-Year Prorated Membrane Element Performance Limited Warranty as did the Elements they replaced, starting from the date specified in Section "Start of Warranty Period", where the dates refer to the dates for the repaired or replaced elements.

The Seller's total liability shall not exceed the replacement value of the Elements that do not meet the guaranteed performance.

DISCLAIMER AND LIMITATION ON LIABILITY

THIS WARRANTY IS IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND THESE REMEDIES ARE THE SOLE REMEDIES WITH RESPECT TO THE WARRANTY.

IN NO EVENT WILL SELLER BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES ARISING FROM THE GOODS OR SERVICES, IRRESPECTIVE OF WHETHER THE CLAIM RISES FROM ACTUAL OR ALLEGED BREACH OF WARRANTY, INDEMNIFICATION, BREACH OF CONTRACT, PRODUCT LIABILITY, CONTRIBUTION OR ANY LEGAL THEORY AND IN NO EVENT WILL SELLER BE LIABLE FOR LOST PROFITS, COSTS OR LOSSES NOT ASSOCIATED WITH DIRECT PHYSICAL DAMAGE TO PROPERTY.

ASSIGNMENT

This Warranty may not be assigned or otherwise transferred by Buyer without the prior written consent of Seller.