

# Membrane Replacement & Upgrade Proposal

<b>To:</b>	City of Visalia, also referred to here as Buyer	<b>Date:</b>	November 11, 2025	
		<b>No. of Pages:</b>	35 including cover	
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<b>Subject:</b>	Single Train Replacement & Upgrade	<b>Proposal No.:</b>	385225-3	
		<b>Original Project No.:</b>	U-500243	
<b>Plant Data:</b>	Please provide corrections if inaccurate Visalia Water Conservation Plant (WCP), municipal sewage treatment. Phase 1 : 10 trains, 7 fully populated cassettes (48M) + 1 x 46/48M LEAPmbr cassettes per train (trains 1-8); 7 fully populated (48M) + 1 x 44/48M LEAPmbr cassettes per train (trains 9-10) ; all trains with ZW500D 370ft² modules; all trains with 3 empty cassette slots. Substantial completion: January 2017			

## Proposal Provisos

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# 1. Introduction

Veolia Water Technologies & Solutions is pleased to present this proposal at the request of City of Visalia to provide wastewater membrane modules to replace and upgrade a full train at the Visalia Water Conservation Plant (WCP).

Current membranes in the plant are ZW500D 370ft<sup>2</sup> modules. This product has been retired and with this proposal Veolia will provide our latest and most advanced wastewater membranes and cassettes, the ZW500EV-RX 56M LEAPmbr cassettes with 460ft<sup>2</sup> modules. Replacement using the higher surface area membranes will allow for a reduction in operational cassettes, creating spare space for future expansion or flux management and allow for lower energy consumption.

Veolia is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver **solutions** that help our clients meet their critical business objectives.

Through long-acquired technical experience, Veolia has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are ready to serve and support City of Visalia through this next membrane lifecycle.

*Veolia would like to note that under the current exceptional circumstances across global supply chains and logistics networks, Veolia may not be in a position to guarantee and comply with the planned schedule for product / project delivery or performance. Veolia reserves the right to modify the schedule / contract accordingly. Veolia will promptly inform you of any changes which may impact the contract or the project.*

## 2. Veolia Scope & Price

Veolia’s scope includes the material and services outlined in the table below. The sections that follow provide additional detail regarding each scope item.

Item Description	Part #	Quantity	Price
ZW500 EV-RX 460ft² WW modules under GMRP replacement, section 2.1 and 3.1		308	\$849,577
2-year full replacement membrane warranty, section 11		incl.	
ZW500EV-RX 56/56M cassette frames	3224501	5	
ZW500EV-RX 28/56M cassette frames	3226529	1	
Installation equipment, section 3.2		lot	
Off-site support, project management, drafting, controls section 4.1		incl.	\$23,000
InSight hardware and connectivity	3193147 3110633	incl	
InSight Process Analyst Services, Attachment A	3110634	1 year	
International shipment <sup>Note1</sup> , and fees section 6		incl.	\$82,035
Freight <sup>Note1</sup> , DDP project site, section 6	3095534	incl.	
<b>Material, off-site labor, delivery</b> <sup>Note 2</sup>		<b>Sub-total</b>	<b>\$954,612</b>
On-site support, 5x10-hr days on-site plus travel & living, section 4.2	135491	1 FSR	\$14,850
<b>On-site support</b>		<b>Sub-total</b>	<b>\$14,850</b>
Performance Bond, section 5 & Attachment B		incl.	\$11,778
<b>All figures are in USD and exclude taxes, which will be applied at the time of invoicing. Please make purchase order to ZENON Environmental Corporation.</b>		<b>Total Price</b>	<b>\$981,240</b>

**Note 1:** The above shipment and freight charges for the membrane modules are an estimated cost associated with module/cassette delivery + 10% markup per the system purchase contract. The final project value and invoice will be adjusted accordingly based on actual shipment costs. If freight costs at time of shipping are less than the amount estimated, City of Visalia will get a credit and if more than what is estimated additional costs will be passed along to City of Visalia.

**Note 2:** As of the date of this proposal, ZeeWeed membranes and components manufactured in Hungary imported to USA are subject to a 15% tariff imposed on EU products; tariffs and costs to administer tariffs have been included herein. Veolia reserves the right to adjust our pricing at the time of order and/or importation based on any material changes to tariffs, duties, or other government-imposed costs that directly impact our pricing.

## 2.1. Contractual Basis for Membrane Replacement Price

The base price of replacement ZW500D 370ft<sup>2</sup> membrane modules for this project is \$1,036 US per module.

Veolia has guaranteed this price for 20 years subject to adjustment for inflation (CPI: US consumer price index (CPI) - All Urban Consumers, not seasonally adjusted) or a maximum equivalent price per gallon of treatment capacity in the event that the module area/permeability etc. changes such that the same amount of feed water can be treated with fewer modules of the next generation design.

GMRP price escalation - calculation of inflation begins on June 10,2010 (capital sale bid opening date). GMRP validity will expire at the end of business on January 24, 2037 (20 years following substantial completion).

To benefit from guaranteed membrane replacement pricing (GMRP) within the contracted time limits, Buyer must submit an acceptable purchase order based on a valid proposal or quote prior to the GMRP expiry date, with the expectation of taking membrane delivery within Veolia's standard lead time (provided in section 5).

Membrane replacement prices are quoted FCA Oroszlány, Hungary, with packaging, freight, and taxes extra as the cost of shipping and packaging the membranes to site will depend on the quantity per shipment. Membrane replacement prices are quoted without taxes.

Non-Warranty Adjusted Membrane Replacement Price to November 2025	
Contractually guaranteed membrane replacement price	\$1,036
Inflation index value from June 2010	217.97
Current forecasted inflation index value – November 2025	326.22
Inflation index factor	49.67%
Surface area adjustment factor (370ft <sup>2</sup> vs. 460ft <sup>2</sup> )	24.32%
Adjusted membrane replacement price for this proposal – USD	\$1,927.69
Significant time delays between the date of this proposal and the submission of customer PO may lead to further adjustment to the membrane price.	

## 2.2. Proposal Notes & Invoicing

- Given the evolving geopolitical landscape and the potential for changes in tariffs, duties, and trade regulations, Veolia's pricing is based on the laws, regulations and tariffs in effect as of the date of this proposal. If any material changes to tariffs, duties, or other government-imposed costs directly impact our pricing or time of performance, Veolia reserves the right to adjust our proposal pricing and schedule accordingly.

At Veolia, we remain committed to our customers. Veolia assures you that we are taking proactive measures to mitigate any impacts caused by any increase in tariff rates. We will continue to communicate any impacts as they become known.

- Shipment/Collection Delays:** The membrane/equipment sale will be subject to price adjustment if not collected within 1 month of Readiness for Shipment. After the one month of Readiness for Shipment if Purchaser does not send agreement to receive or collect the membranes/equipment (depending on Incoterms), Seller is entitled to reallocate the membranes/equipment to another customer.

Invoicing Schedule	Approximate % of Sub-Total	Invoice Value, Excluding Tax
An invoice will be issued upon acceptance by Veolia of customer purchase order. Approximate percent calculation based on the <b>material, off-site labor, delivery sub-total</b> of the purchase order. Shipment of membranes is contingent on receipt of this initial milestone payment.	30%	\$289,920
An invoice for the balance of the <b>material, off-site labor, delivery sub-total</b> will be issued when membrane module shipping documents are supplied to the carrier.	70%	\$676,470
A final invoice for the <b>on-site support sub-total</b> will be issued upon completion of installation.	100%	\$14,850
		<b>\$981,240</b>

### 3. Material Description

#### 3.1. Membrane Modules

Veolia will supply 308 x ZeeWeed 500EV-RX 460ft<sup>2</sup> wastewater membrane modules factory installed in 5 x ZW500EV-RX 56/56 + 1 x ZW500EV-RX 28/56M LEAPmbr cassettes.

#### 3.2. Installation Hardware

- 6 sets x 6” cassette permeate SS spool, includes three (3) Straub couplings per set;
- 6 sets x 3” cassette aeration CPVC spool, includes two (2) Straub couplings per set;
- 6 sets x hanger arms with braces and replacement hardware;
- 1 x ZW500EV-RX lifting bracket;
- 1 x ZW500EV module removal tool;
- 1 set x safety hoist rings (4) for up righting ZW500EV cassettes.

#### Spares and consumables

- 1 x ZW500EV-RX spare part kit;
- 1 x o-ring lubricant (food grade);
- 2 x anti-seize lubricant (food grade).

## 4. Veolia Support

### 4.1. Off-Site Support

#### Controls

Provide minor system controls programming adjustments as required for the new membranes including adjustment of set points.

#### Documentation

The base level of documentation updates will include:

- **P&IDs** - Update the process (piping) & instrumentation drawings for the new train and reissue electronically;
- **GAs** - Update the general arrangement drawing for the new train and reissue electronically;
- Programmer's table of code changes (change description recorded by tag with one distinct marker bit per change) and updated CSC and OSC, if required, issued electronically

These updates should be filed in the O&M manual as interim documentation.

Due to the very high cost of comprehensive updating of plant documentation with each system upgrade, Veolia recommends planning a complete documentation update every 1-4 years to coincide with a selected system upgrade. Veolia will be pleased to develop a documentation update price quotation on request.

#### Project Management

Provide planning and off-site assistance during the membrane replacement and upgrade project.

### 4.2. On-Site Technical Services

The proposal includes a provision for technical services during installation and commissioning process to support City of Visalia's staff as outlined in section 2. Please see section 8.2 for recommendations on the number of plant staff necessary to perform the work.

The following activities will be completed by plant staff with Veolia oversight assistance:

- Remove existing membranes/cassettes;
- Install the new membrane modules/cassettes;
- Upload required revisions to the PLC program with adjusted set-points;
- Perform bubble test where applicable to test membrane integrity and review trans membrane pressure (TMP) on the installed membranes and compare to expected values for new membranes; complete repairs/adjustments necessary to provide new membrane performance.

**Operating Responsibility** - City of Visalia retains control of the work site and retains final responsibility for the installation and commissioning process.

Veolia will perform the services specified in the scope section of this document, but Veolia will not operate the system. For the purposes of this agreement, the term "operate the system" shall mean to run or control the functioning of the equipment or to otherwise conduct or manage the affairs of any aspect of water or wastewater treatment or other functions at City of Visalia's site, and shall include functions such as providing operators or laborers to adjust or control water



treatment (“WT”) equipment, wastewater treatment (“WWT”) equipment or sludge management facilities (“SMF”), providing program oversight or directing on-site or contract operators/laborers to adjust or control WWT or SMF, providing personnel responsible for or providing oversight of water treatment residual quality, wastewater effluent quality, sludge quality, waste characterization, or waste disposal activities, or providing personnel with continual or daily operational responsibilities with respect to water or wastewater treatment, influent or effluent compliance monitoring, process monitoring, government reporting or notification, or permit compliance.

**Waiting Time** - Any overtime or waiting times required due to unforeseen site events outside the control of Veolia will be invoiced according to the prevailing Veolia service labor rates sheet, available on request.

**Reporting** - Before leaving site, Veolia will record observations and discuss with operators concerning the condition of the equipment, tasks accomplished during the visit, and key operating and maintenance issues requiring further attention. Veolia will provide a copy of a written report before leaving site and/or provide a service visit report to the plant operator within a reasonable timeframe of the Veolia service representative’s return to the office. In any case, City of Visalia will be asked to sign a work order that describes the hours on site and tasks accomplished.

#### **Veolia Duties for On-Site Services**

- Veolia will coordinate its work under this agreement in a reasonable manner with the operating staff of the facility.
- Veolia will maintain public liability and property damage insurance covering all operations undertaken by Veolia and its sub-contractors with a limit of \$5,000,000 inclusive for any one accident or occurrence. If for any reason additional insurance coverage (e.g. general construction/erection all risk, general liability) is required above and beyond Veolia’s standard insurance terms for on-site commissioning supervision, City of Visalia must inform Veolia in writing 60 days prior to work commencement at site. City of Visalia will be billed for all additional insurance costs and processing fees.
- Veolia will maintain workers compensation and employers’ liability coverage as per statutory requirements.

## **5. Performance Bond**

Veolia will provide Visalia with a performance bond as a surety guarantee that Veolia will complete the project according to the terms of the contract, once initial payment has been received. If Veolia defaults, our surety company steps in to protect Visalia by providing financial compensation for the losses (see Attachment B for a sample performance bond)

## **6. Delivery**

- **Freight**
  - **DDP** - Delivery will be by standard ocean/ground on the basis of DDP Visalia WCP or other named place of destination; Incoterms 2020. DDP = delivery duty paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, City of Visalia shall specify an alternate, equivalent destination without delay.

Due to varying origins and availability, non-membrane items included in this proposal may be shipped separately from the membranes. Should separate shipments be required, where possible, Veolia will strive to provide these items on or before the delivery of the

membranes.

- **Title & Risk** - Title and risk of loss or damage to membrane modules, cassette frames and crating shall pass to City of Visalia upon delivery at the named place of destination.
- **International Shipment, Fees, and Duties**
  - **Origin:**
    - ZeeWeed membranes and components originate from the Veolia Water Hungary Kft, Bláthy Ottó u 4, Oroszlány, 2840 Hungary facility. Costs to transport membranes into North America are included in Veolia’s quoted price.
    - Fabricated equipment, spool components and ancillary parts originate from the Veolia Water Technologies & Solutions Canada facilities.
  - **Export Documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. Veolia will prepare and provide the required EPA documentation to the Carrier.
  - **MPF** - Merchandise processing fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD \$32 per formal entry and a maximum of USD \$614. On the basis of DDP terms, this fee will be paid by Veolia within the quoted price.
  - **Duty** - Any new duty imposed after the date of this proposal is the responsibility of City of Visalia.
  - **Tariff** – A US Tariff of 15% is applied to all materials that originate from the European Union. This tariff will be paid by Veolia within the quoted price. Any new or increased tariff imposed after the date of this proposal is the responsibility of City of Visalia.
- **Taxes** - All applicable local, state, or federal taxes are the responsibility of City of Visalia.
- **Temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing. If required, the price of temperature control will be included within the firm quote on freight by Veolia.
- **Packaging** – Factory-installed in operational cassettes.
- **Unloading** - may require one of or a combination of a loading dock, extended forks and an experienced forklift driver at delivery destination. Please consult with Veolia at the time of purchase order (PO) preparation on this.

Shipping crate information (estimated)

Quantity	Description	Dimensions (in)	Weight (lb)
6	ZW500EV 56M shipping crates	110 x 89 x 82	4,610

**Notes:**

- Only crates for membrane/cassette transport have been shown above to identify the largest and heaviest items that will need to be unloaded;
- Smaller crates/skids will be used for hardware items (hanger arms, spool connection components, etc.).
- **Handling** – ZW500EV membrane cassette frames are shipped and will arrive on-site on their sides. A safety hoist ring kit, included in this proposal, should be used to safely turn the

cassettes upright. Adequate work area and height and equipment will also be needed to be available to safely turn the cassettes upright for installation.

- **Availability** - Delivery of membrane modules/cassettes is typically 20-30 weeks after receipt of order. Definitive availability will be confirmed once a purchase order is received from City of Visalia and acknowledgement of a purchase order is issued by Veolia. Expediting options may be available for urgent needs.

## 7. ZeeWeed Configuration

Configuration Data	Units	Existing Plant Configuration		Proposed Configuration After Replacement & Upgrade		
Number of trains, plant		10		10		
Number of trains as configured		Trains 1 – 8	Trains 9 – 10	<b>Train 1</b>	Trains 2 - 8	Trains 9 - 10
Type of ZeeWeed membrane		ZW500D		<b>ZW500EV-RX</b>	ZW500D	
Module surface area	ft <sup>2</sup>	370		<b>460</b>	370	
Total number of cassette spaces per train		11		<b>11</b>	11	
Maximum number of modules per cassette		48		<b>56</b>	48	
Fully populated cassettes installed per train		7	7	<b>5</b>	7	7
Flex cassettes installed per train		1	1	<b>1</b>	1	1
Number of modules per flex cassette		46	44	<b>28</b>	46	44
Total module count, train		382	380	<b>308</b>	382	380
Total surface area in operation, train	ft <sup>2</sup>	141,340	140,600	<b>141,680</b>	141,340	140,600
Total module count, plant		3,816		<b>308</b>	3,434	
Total surface area in operation, plant	ft <sup>2</sup>	1,411,920		<b>1,412,260</b>		
surface area change from existing, plant	%	---		<b>0.02%</b>		
spare space, train	%	28%		<b>50%</b>	28%	

## 8. Scope - City of Visalia

### 8.1. Installation Preparation

- Receive, off-load, handle and provide temperature-controlled storage of the equipment and materials required for Seller to perform the duties outlined in the Seller's scope of supply. Prior to off-loading, Buyer to confirm temperature indicators have not been tripped.
- Membranes 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 at a temperature of 5-30°C (41-86°F). Membranes have a shelf life of 1 year before requiring re-preservation and should not be stored longer than necessary prior to installation. City of Visalia is responsible for risk of loss of Seller's parts while in storage at the customer's plant.
- Inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections prior to Veolia arriving at site.

- Provide all access structures (such as scaffolding) and mechanical lifting equipment including cranes, forklifts and scissor lifts.
- Assure availability of a copy of the operating manual, all process and instrumentation drawings, and all electrical drawings on site and accessible for reference.
- Maintain adequate insurance coverage for the risks of fire, theft, vandalism, floods and personal injury to authorized or unauthorized visitors.

## 8.2. Installation

- Provide 2 or more plant personnel to work continuously for the full duration of the Veolia site visits during installation and commissioning of the modules. Veolia recommends that at least one of the personnel be experienced with the ZeeWeed system.
- City of Visalia will afford Seller's personnel free access and egress of the facility for all authorized work. City of Visalia will provide reasonable access to workshop facilities with standard workshop tools and equipment as is necessary to meet any repair and maintenance requirements of the system during installation. City of Visalia will provide Seller's personnel reasonable access to the facility amenities, including washrooms and break rooms.
- Provide adequate illumination and emergency lighting for all areas in which the Seller will be executing the scope of supply. Provide all site utilities such as raw water, instrument quality air, potable water and power required for operation of the proposed equipment included in this scope of supply. Assure that adequate quantities of membrane cleaning and neutralizing chemicals are on hand for wash procedures including sodium hypochlorite, sodium bisulphite, citric acid and sodium hydroxide. Supply telephone/fax/modem access while Seller's staff members are on-site.
- City of Visalia will provide assistance to:
  - Remove cassettes from the system as required;
  - Install new cassettes with hanger arms, braces, and replacement spools;
  - Return the cassettes to the system.
- City of Visalia will:
  - Dispose of all retired membrane modules and cassette components;
  - Dispose of shipping and packaging materials unless specifically requested not to do so by Veolia.

## 9. Solution Design Notes

### 9.1. Permits

#### Regulatory Requirements

City of Visalia is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. Veolia will provide the necessary manufacturer's technical support on regulatory issues.

***Please speak with your regional lifecycle manager (RLM) if there are any regulatory requirements or concerns.***

### **Utilization**

Veolia understands that these modules are required as replacements for currently installed modules.

These modules are offered on the basis that the membrane modules will not be used to provide expanded flow beyond the current plant flow rating. Veolia makes no guarantees, implied or otherwise as to the performance of these modules in any other capacity than as replacement membranes.

Replacing the current 8 cassettes of ZW500D 370ft<sup>2</sup> modules with 6 cassettes of ZW500EV-RX 460ft<sup>2</sup> modules closely matches the current membrane surface area (141,340ft<sup>2</sup> vs. 141,680ft<sup>2</sup>) and leaves 50% space as spare for future module placement that could be used for flux remediation or for plant expansion subject to a review of the limitations of other equipment and hydraulic capacities.

### **Production Interruption**

During installation of the ZeeWeed cassettes, trains will be shut down which will affect City of Visalia treatment capacity. After the purchase order is acknowledged, Veolia's project manager for the installation will consult with City of Visalia to jointly develop the installation plan and work schedule with due regard for membrane delivery to the plant and plant preparation.

## **9.2. Maintenance Notes for Replacement Membranes**

At the time of any full plant or full train membrane replacement, it is recommended to evaluate whether it is the right time to address any tank coating repairs which may be required.

### **Preferential Flow**

Mixing a small proportion of new modules in trains with large amounts of older modules is not recommended as it creates a risk of over-fluxing of new modules, which can shorten their lives. Veolia recommends that City of Visalia plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules. In this case, by replacing all membrane modules in a train, this risk has been neutralized.

### **Membrane Slack**

Veolia's membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The pace of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant's membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

Maximum Operating Temperature	Recommended Slack Inspection Frequency
0-24 °C / 32-76 °F	every 2 years
25-30 °C / 77-86 °F	once per year
>30 °C / > 86 °F	twice per year

### Bubble Test Pressure

The bubble test pressure for the purchased membranes is 2 psi horizontally and 3 psi vertically.

## 9.3. Technical

### New Cassette Frames

There are considerable benefits that come with replacing cassette frames at the same time as membranes are replaced. Replacing membranes at the same time as cassettes can be cost competitive and lower risk compared to replacing modules alone from individual boxes for the reasons described below. In this case, as City of Visalia moves from ZW500D modules to ZW500EV-RX modules, a change to a new cassette frame is a necessity but the benefits still apply.

- Doubled packing density of modules in the cassettes reduces shipping costs.
- Reduce labor for installation.
- Shorten plant down-time.
- Plastic cassette components are subject to aging with time and exposure to chemicals. Replacing plastics with each new generation of membranes reduces the risk of cassette component repair events.
- Decrease the opportunity for module damage during installation.
- Reduce packaging waste and lower disposal cost.
- Replaced stainless steel frames can be sold for scrap.

Upgrading from the ZeeWeed 500D 370ft<sup>2</sup> module to ZeeWeed 500EV-RX 460ft<sup>2</sup> module offers the following advantages:

- 24% increase in membrane module surface area;
- Increased membrane module surface area in the same footprint as the existing cassettes;
- No increase in chemicals for recovery cleans due to increased surface area;

### Other Considerations

#### Blowers

No changes to blower operation are anticipated with this upgrade. Based on Veolia’s preliminary review, the ZW500EV-RX train can operate at the same aeration rates as the existing ZW500D trains. As additional trains are upgraded to ZW500EV-RX and the plant module count decreases, aeration rates may be reduced to allow for energy savings at the Visalia WCP.

#### Pre-Screen

Trash and non-biodegradable solids, such as hair, lint, grit and plastics may foul or damage the membranes if allowed to pass into the membrane chamber. Veolia recommends that an internally-fed screen with mesh or punched-hole openings less than or equal to 2 mm with no

possibility of bypass or carryover be operated upstream of the new membranes to ensure effective operation and to maximize membrane life.

## 10. Health & Safety

### City of Visalia

- City of Visalia will provide orientation to Seller's personnel to ensure site-specific safety protocols are known. City of Visalia will identify and inform Seller's personnel of any site-specific hazards present in the workplace that could impact the delivery of Seller's scope of supply and agrees to work with Seller to remove, monitor, and control the hazards to a practical level.
- City of Visalia will provide any site-specific or standard company operating procedures and practices for Seller's personnel to perform work on site, if required by City of Visalia's policies. Such programs may include, but are not limited to, general environmental health & safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. City of Visalia will provide a certificate of program completion for Seller's personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.
- If any type of lifting devices will be used on site, City of Visalia will provide proof of its maintenance, inspection and certification documentation upon request and will assist the Veolia service representative to complete a safety inspection checklist.
- Where confined space entry may be required, City of Visalia will provide early notice and will collaborate with Veolia in planning adequate staffing and in advising the local fire/rescue department as required.
- No time or cost provision has been made for preparations such as safety record clearances, drug testing, insurance confirmations or pre-job-training in excess of 1 hour. Prior to finalizing the Purchase Order and the work schedule, City of Visalia will advise Veolia of any pre-job or pre-mobilization requirements. Where these requirements exceed 1 hour, this time will be charged to City of Visalia at rates set out in the prevailing Veolia labor rate sheet.
- Where certain short duration activities require two people for safety and the Veolia Service representative is alone at site, City of Visalia will cooperate as required to assure that correct safety precautions are taken.
- City of Visalia is responsible for the following environmental provisions:
  - Environmental use and discharge permits for all chemicals at City of Visalia's facility either listed in this document or proposed for use at a later date;
  - Any special permits required for Seller's or City of Visalia's 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 Seller's system including waste materials generated during construction, start up and operation.
- City of Visalia is responsible for provision of health and safety facilities to Seller's field service representatives to the same extent that they are provided to City of Visalia's own employees, including provision of:
  - Eyewash and safety showers in the water treatment area;

- Chemical spill response;
- Security and fire protection systems per local codes.

### **Veolia**

- All work on site will be performed in accordance with applicable law and will be performed reasonably, in a clean and safe manner. The Veolia service representative will abide by the more stringent of the applicable health, safety and environmental policies and procedures of either City of Visalia or Veolia.
- Veolia will provide all applicable safety training required by Veolia policies or by state or national health and safety regulations. The Veolia service representative will have undergone workplace hazardous material information system (WHMIS) training and will come equipped with necessary personal protective equipment (PPE).
- Emergencies - In emergencies affecting the safety of persons, work or property at the site and adjacent thereto, Veolia will act, without previous instructions from City of Visalia, as the situation warrants. Veolia will notify City of Visalia immediately thereafter.

## **11. ZeeWeed Membrane Module Standard Warranty**

This schedule sets out the warranty with respect to ZeeWeed membrane modules (“membrane modules”). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer. This warranty is not transferable.

### **1. Definitions**

The following terms shall have the meaning set forth below when used in the warranty document:

- a. “Buyer” means the party purchasing the ZeeWeed Modules from the Seller
- b. “Seller” means a business component of, or legal entity within the Veolia Water Technologies & Solutions business which is selling the ZeeWeed membranes.

### **2. Warranty Product**

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the hollow fiber ultrafiltration membranes and the potted plastic headers. This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

### **3. Scope of Warranty**

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2020 FCA Veolia manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, certifications, brokerage, receiving, forklift services, storage at site, reattachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.



#### 4. Warranty Start Date

Membrane warranty will start on the earlier of:

- a. The date that installation of the original membrane module(s) has been substantially completed, or
- b. Three (3) months from the date of delivery of the original membrane module(s) to Buyer.

#### 5. Warranty Duration

**Total Warranty Duration:** a total of **24** months of full replacement warranty coverage.

#### 6. Notification Of Claim

All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.

Buyer shall provide the following information:

- a. A description of the defect giving rise to the claim;
- b. Photographs showing the manufacturing defect;
- c. The serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim; and
- d. Operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

#### 7. Verification of Claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination (see section 11). The Seller may also conduct reasonable tests and inspections at Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

#### 8. Satisfaction of Claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane modules with newer membrane module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

#### 9. Operating Information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail as applicable to verify the subject of a warranty claim and can include but is not limited to, operation data including information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module and the serial number for each

module. Buyer shall log its procedures performed related to a membrane module including relocation of membrane modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where membrane modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the membrane modules.

## 10. Limitation of Warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

- a. A material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to Buyer as part of the contract, including material failure to adhere to the Seller's specified membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents.
- b. Failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, in published product manuals and in specifications.
- c. Failure to adhere to all transportation and storage requirements. ZeeWeed membrane modules may be stored up to 12 months from date of receipt and must be transported and stored in original intact packaging out of direct sunlight in ambient temperatures between 5-35 Degrees Celsius. Storage beyond 12 months from date of receipt requires a written request to Veolia to maintain membrane module warranties.
- d. Introduction of destructive foreign materials and chemical agents into the membrane module.
- e. Failure to maintain and provide system operating data and repair history for the life of membrane modules which are the subject of a warranty claim.
- f. Physical abuse or misuse, incorrect removal or installation of membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of membrane modules or cassettes.
- g. Unauthorized alteration of any components or parts originally supplied by the Seller.
- h. Intentional damage.

## 11. Return Procedure

In the event that the return of a membrane module is required pursuant to this warranty, Buyer will first obtain a Return Goods Authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid in environmentally controlled freight and storage with ambient air temperature between 5-35 degree Celsius. If Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned membrane modules pursuant to this warranty is complete. Any membrane module examined by Seller as part of a warranty claim where the membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to Buyer, freight collect or disposed of by Seller and the cost associated with any membrane analysis and diagnostic work will be levied against the Buyer based on Veolia standard labor rates.

## 12. Disclaimer and Limitation on Liability

To the maximum extent permitted by law, in no event shall Seller be liable for any loss of profit or

revenues, loss of production, loss of use of equipment or services or any associated equipment, interruption of business, cost of capital, cost of replacement water or power, downtime costs, increased operating costs, claims of Buyer’s customers for such damages, or for any special, consequential, incidental, indirect, punitive or exemplary damages arising out of or relating to the performance or actual or alleged breach of the agreement, regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory.

## 12. Terms and Conditions of Sale

### A - Specific Terms and Conditions of Sale

These terms take precedence over the general terms and conditions of sale.

#### 1 Legal Entity for Contracting

**ZENON Environmental Corporation** is the name of the Seller, and means a business component of, or legal entity within the Veolia Water Technologies & Solutions business (Veolia).

Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up. We are keen to make the purchase process as convenient as possible for City of Visalia.

**short form:** Where a short reference is required in this document, for convenience, we are called simply **Veolia**.

#### 2 Payment

Veolia prefers to receive payment by wire transfer and will also accept payment by courier check.

<b>Wire transfer information for ZENON Environmental Corporation</b>	
send details to: SHD WATS REMIT-NAM <a href="mailto:vtc.vwts.remit-nam.all@veolia.com">vtc.vwts.remit-nam.all@veolia.com</a>	
Bank of America Merrill Lynch C/O ZENON Environmental Corporation 901 Main Street Dallas, TX 75202	ACCT# 4426318136 ABA# 026009593 SWIFT# BOFAUS3N ACH# 111000012

#### 3 Payment Terms

**On approved credit**, payment terms are **net 30 days** from customer receipt of invoice. Please see the invoicing schedule in the price section. In the event an invoice is issued on shipment of goods from a Veolia Hungarian production facility, payment terms will be extended by an additional 45 days to account for the additional transit time to the delivery location.

#### 4 Proposal Validity

Prices quoted and proposal terms are valid up to **thirty (30) days** after the date of issue of this proposal unless confirmed with a purchase order.

#### 5 Bonds

Performance or payment bonds are not included in the price. These bonds can be purchased on request but will be at an additional cost.

#### 6 Assignment of Membrane Warranty

The Buyer will be entitled to assign to a subsequent owner of the membranes the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer’s compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the membranes. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party.

#### 7 Flight Booking

Prices quoted for installation which include airfare are either based on timely confirmation of a visit schedule or based on receipt of a purchase order in time to book any flights seven days in advance. Additional airfare charges related to late arrival of a purchase order will be extra and billed through to City of Visalia without mark-up.

## 8 Purchase Order Guidelines

Please confirm that your purchase order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- **Documentation** – Our strong preference is to receive a hard or digital copy of your purchase order (PO) rather than a PO number alone. Your PO can be sent by email to [nam.service.pocentral@veolia.com](mailto:nam.service.pocentral@veolia.com). If you are not able to provide a PO, please contact us for alternatives.
- **Veolia legal entity** – Please be sure your purchase order is issued in the name of the specific Veolia legal entity outlined in the quote. We will be glad to work with your purchasing department to set this entity up as an approved supplier/vendor. Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up.
- **Quotation Number** – Please reference the quotation number in your PO.
- **Product** – Please note which product(s) you wish to purchase along with the quoted price, particularly if quantities or scope differ from the quotation.
- **Taxes** – Please provide any required tax exemption certificates. Please indicate if taxes have been added in your PO.
- **Payment Terms** – Please acknowledge the payment terms included with the quotation.
- **Bill-to Address** – Please include contact information for your accounts payable.
- **Ship-to Address** – Please clearly define the delivery location and the receiver's email & telephone. Please specify receiving hours and any special off-loading requirements.
- **Delivery Date** – Please include your requested delivery date.

## B – General Terms and Conditions of Sale

Veolia's standard terms and conditions apply. See Attachment B.

Note to purchasing agent: Veolia's standard set of commercial terms & conditions are written for moderate value transactions to allow an efficient and rapid provision of services and parts. Where corporate agreement terms have been previously agreed, these may be brought forward by either party and applied by mutual consent. If either of these terms sets are not immediately acceptable, please expect a typical 6-10 week cycle of mutual review to build agreement on changes.

## C – Data Provisions

1. **Use.** Buyer agrees to use the equipment only in accordance with Seller's instructions and shall only use Seller approved chemical products in connection with the equipment. To the extent that Buyer fails to do so, Buyer hereby agrees that any and all applicable warranties for the Equipment and Services, including, but not limited to, any accuracy or performance guarantees shall be waived.
2. **Data rights.** The parties acknowledge that in performance of the Services, Seller will be collecting data from Buyer relating to Buyer's processes, materials, equipment and other information ("Data"). Buyer hereby consents to the collection of such Data by the Seller. The following provisions will apply to Data.
3. **Network interface.** Buyer will install and maintain any and all equipment, systems, software and network interfaces at, and provide telecommunications access to, its facilities as may be required to gather and communicate Data to Seller's monitoring systems in conformance with Seller's interface specifications. Buyer shall maintain its equipment, systems, software and network interfaces to ensure that there are no viruses, Trojan horses, tracking or other cookies, malware or any other harmful software embedded in or attached to Data or such equipment, systems, software or network interfaces that are accessed by or otherwise affect Seller's equipment, systems or software. Upon reasonable request by Seller, Buyer shall perform testing or audits to verify compliance with this paragraph.
4. **Custodian.** Seller will be custodian of the Data. Seller will store and maintain the Data in a secure manner and logically separate from data belonging to other customers consistent with industry standards. Data will be stored and maintained by Seller during the term of any agreement with Buyer. However upon termination of the same, Seller may delete data in accordance with its then standard business practice. Periodic back-ups of Data will be maintained as necessary for Seller to perform its obligations herein. Seller may store such information in any location and in such a manner as it deems appropriate in its sole discretion in accordance with reasonable commercial practices.
5. **Seller access.** Seller will restrict access to Data to those employees, agents and contractors of Seller with a need to know. In addition to accessing Data through computers, tablets, and smartphones, such employees, agents and contractors may access Data through computer monitors disposed in monitoring laboratories or control rooms at sites operated by or on behalf of Seller. Access by

such individuals on behalf of Seller to stored Data shall be controlled through individual user names and passwords consistent with Seller's information technology policies and procedures. Access by such individuals on behalf of Seller to displayed Data on monitors shall be restricted through controlled access or other reasonable security measures determined by Seller in its sole discretion.

6. **Buyer access.** Seller may provide access to Buyer to Data during the period which Data is stored. For individual access, Buyer shall provide a request for authorization for each individual requesting such access. Authorized personnel of Buyer shall be issued a unique User ID and password that identifies and may be used by only a single user. All requests for access shall be through an officially approved and documented process of Buyer. Seller shall use reasonable commercial efforts to provide user access to Buyer in a timely manner. In the case that any employee or contractor no longer requires access or in the case where such employee or contractor is voluntarily or involuntarily terminated, Buyer shall notify Seller immediately at which time such User ID will be disabled and access terminated. Seller shall not be liable for any access by individuals based on whole or in part by the failure on the part of Buyer to provide timely notice of restrictions on or termination of access.

Upon reasonable request by Buyer and to the extent technically feasible or practical, copies of some or all of Buyer's Data shall be transferred to Buyer pursuant to mutually agreed upon protocols, procedures and schedules. Moreover, reports that summarize Data may be developed from time to time and provided to Buyer. Seller shall be compensated on a time and materials basis for any such transfer or report generation.

Buyer acknowledges that much of wireless network security is controlled by 3rd party carriers or network vendors and Seller shall not be liable for any security breaches based in whole or in part on services provided by such 3rd parties.

7. **Security/unauthorized access.** Buyer shall not reverse engineer, hack, access or attempt to access, or have anyone do so on its behalf, any data, systems, programming, or any other information maintained by Seller. In addition, Buyer or those acting on Buyer's behalf shall not develop or insert into any of Seller's systems, networks or data any back-door access, viruses, Trojan horses, tracking or other cookies, malware or any other unauthorized software.
8. **Rights to use data.** Buyer shall have unlimited rights to use the Data for any purposes not inconsistent with this Agreement. Seller may use the Data (1) for any and all purposes in furtherance of this Agreement; (2) for research and development and troubleshooting purposes; and (3) in the aggregate for statistical and other analysis, provided that in the case of (3) above, no information identifying Buyer shall be associated with such analysis. Seller may share Data with its affiliates, including its affiliates in other countries, for the purposes described above.

### 13. Signed Agreement

Through the issue of this proposal, Veolia signals their intent to enter into an agreement with City of Visalia. City of Visalia and Veolia acknowledge that they have read and understood this agreement and agree to be bound by the terms and conditions specified in it.

**Offered by** ZENON  
**Legal Entity:** Environmental Corporation

3600 Horizon Blvd.,  
Trevose, PA, 19053

**Accepted by** City of Visalia,  
**Legal Entity:** also known as City of Visalia or Buyer

**Authorized  
Signature by:**

\_\_\_\_\_

\_\_\_\_\_

**Title:**

**Signature  
Date:**

**Signature:** x

**Purchase Order No:**

**If options were available,  
which options selected**

Upon acceptance of this proposal, please forward the following by email with .pdf attachments referencing the legal entity above:

- 1) this signature page completed
- 2) a copy of your purchase order, and
- 3) any required tax exemption certificates

to: [nam.service.pocentral@veolia.com](mailto:nam.service.pocentral@veolia.com)

This agreement comes into force when Veolia has issued a formal acceptance of City of Visalia's Purchase order or formal acceptance of this City of Visalia signed agreement.

# Attachment A InSight Process Analyst



## Process Analyst Services

### FACT SHEET

A Veolia process expert as a key member of your operating team

#### What are Process Analyst Services?

Process Analyst Services pair you with a Veolia process expert to collaborate with you for continuous improvement of your treatment processes. Your process expert is specifically assigned to your plant and will provide you a level of personal attention that is currently not available in the market.

Your process expert will monitor key parameters using InSight®, Veolia's asset performance management (APM) solution that combines advanced data and analytics to maximize system reliability and availability, lower operating costs and optimize operations.

Your expert will be in touch frequently with your operations team to identify, discuss and resolve emerging performance, process and operational issues. While supporting your team's day-to-day operations, the process expert will also use InSight to focus on long-term trends and offer specific recommendations that will help reduce costs and increase the life of your production assets (equipment and/or membrane).

As part of your Process Analyst Services package, you will also receive regular performance reports that contain analysis of key trends and recommendations to improve plant performance, optimize process parameters and avoid operational downtime.

If the need for troubleshooting does arise, you will have your process expert available, deeply familiar with your system and empowered with information to assist.



Your process expert will use the InSight platform to monitor your plant and provide you with key insights.

#### The Veolia Process Expert Team

Veolia's process expert team is comprised of water technologists and engineers with a wide range of backgrounds and expertise within Veolia's water team, and can provide you with practical recommendations based on strong theoretical understanding.

As a Process Analyst Services customer, you will be able to connect with your process expert via phone, email or video web-chat. When required, site visits can be arranged as well.

The process expert team serves hundreds of customers operating various ultrafiltration, MBR, Reverse Osmosis, electro-separation and Thermal-based Veolia systems.

**WATER TECHNOLOGIES**

## The Performance Report

The process expert will gather information from the InSight platform and discussions with your operations team. Performance reports will be tailored to your plant and delivered to your team.



Excerpt from a sample Performance Report for an Ultrafiltration drinking water plant.

The report will include analysis of key operational data from your site, a review and discussion of the trends, and practical recommendations to help optimize operations, reduce costs and increase performance. The performance reports are an excellent source of information and provide your operations team with key process and product specific insights from your Veolia expert.

Twice a year you will receive a management report which reviews operations over the past six months. The report focuses on asset performance, cleaning and long-term trends.

**Veolia Water Technologies**  
Please contact us via:  
[www.veoliawatertechnologies.com](http://www.veoliawatertechnologies.com)



Your process expert will help you improve plant performance, optimize process parameters and avoid operational downtime.

## Process Analyst Services Scope

While your process expert is able to view and monitor your trends remotely, you have complete control of all plant, set point and operational decisions. You, as the customer, remain in full control and own all the data being collected. The process expert will advise you on optimizing and fine-tuning your parameters and set points; however, only you can make changes locally at your site.

Process Analyst Services provides your operations staff with a Veolia process expert that can advise them and help ensure a high level of system performance in the long run.

The process expert will log in and check your site's data frequently. When one of your plant parameters falls outside its normal operating range, an alarm is automatically sent to your process expert.

As a Process Analyst Services customer, you will also have full access to the InSight platform to monitor your own data and generate reports whenever needed.

## Take Action

For more information about Process Analyst Services and for all your water treatment needs, contact your Regional Sales Manager or Regional Lifecycle Manager to discuss your options.



# Attachment B Sample Performance Bond

## PERFORMANCE BOND FOR PROCUREMENT CONTRACTS

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Any singular reference to Seller, Surety, Buyer, or other party shall be considered plural where applicable.

SELLER (Name and Address):

SURETY (Name and Address of Principal  
Place of Business):

BUYER (Name and Address):

### CONTRACT

Date:

Amount:

Description (Name and Location):

### BOND

Date (Not earlier than Contract Date):

Bond Number:

Amount:

Modifications to this Bond Form:

Surety and Seller, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

### Seller as Principal

Company: (Corp. Seal)

Signature:  
Name and Title:

### Surety

Company: (Corp. Seal)

Signature:  
Name and Title:  
(Attach Power of Attorney)  
Address:

Telephone Number:

(Space is provided below for signatures of additional parties, if required.)

### Seller as Principal

Company: (Corp. Seal)

Signature:  
Name and Title:

### Surety

Company: (Corp. Seal)

Signature:  
Name and Title:  
Address:  
Telephone Number:

1. Seller and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to Buyer for the performance of the Contract, which is incorporated herein by reference. For purposes of this bond, Buyer means Buyer's assigns, if and when Buyer has assigned the Contract.
2. If Seller performs the Contract, Surety and Seller have no obligation under this Bond, except to participate in conferences as provided in Paragraph 3.1.
3. If there is no Buyer Default, Surety's obligation under this Bond shall arise after:
  - 3.1. Buyer has notified Seller and Surety pursuant to Paragraph 10 that Buyer is considering declaring a Seller Default and has requested and attempted to arrange a conference with Seller and Surety to be held not later than 15 days after receipt of such notice to discuss methods of performing the Contract. (If Buyer, Seller, and Surety agree, Seller shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive Buyer's right, if any, subsequently to declare a Seller Default); and
  - 3.2. Buyer has declared a Seller Default and formally terminated Seller's right to complete the Contract. Such Seller Default shall not be declared earlier than 20 days after Seller and Surety have received notice as provided in Paragraph 3.1; and
  - 3.3. Buyer has agreed to pay the Balance of the Contract Price to:
    - a. Surety in accordance with the terms of the Contract;
    - b. Another seller selected pursuant to Paragraph 4.3 to perform the Contract.
4. When Buyer has satisfied the conditions of Paragraph 3, Surety shall promptly and at Surety's expense take one of the following actions:
  - 4.1. Arrange for Seller, with consent of Buyer, to perform and complete the Contract; or
  - 4.2. Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
  - 4.3. Obtain bids or negotiated proposals from qualified sellers acceptable to Buyer for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by Buyer and a seller selected with Buyer's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the Bonds issued on the Contract, and pay to Buyer the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by Buyer resulting from Seller Default; or
  - 4.4. Waive its right to perform and complete, arrange for completion, or obtain a new seller, and with reasonable promptness under the circumstances, either:
    - a. determine the amount for which it may be liable to Buyer and, as soon as practicable after the amount is determined, tender payment therefor to Buyer; or

- b. deny liability in whole or in part and notify Buyer citing reasons therefor.
5. If Surety does not proceed as provided in Paragraph 4 with reasonable promptness, Surety shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from Buyer to Surety demanding that Surety perform its obligations under this Bond, and Buyer shall be entitled to enforce any remedy available to Buyer. If Surety proceeds as provided in paragraph 4.4, and Buyer refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice Buyer shall be entitled to enforce any remedy available to Buyer.
6. After Buyer has terminated Seller's right to complete the Contract, and if Surety elects to act under Paragraph 4.1, 4.2, or 4.3, then the responsibilities of Surety to Buyer shall not be greater than those of Seller under the Contract, and the responsibilities of Buyer to Surety shall not be greater than those of Buyer under the Contract. To a limit of the amount of this Bond, but subject to commitment by Buyer of the Balance of the Contract Price to mitigation of costs and damages on the Contract, Surety is obligated without duplication for:
  - 6.1. the responsibilities of Seller for correction or replacement of defective Goods and Special Services and completion of the Contract;
  - 6.2. Additional legal, design professional, and delay costs resulting from Seller's Default, and resulting from the actions of or failure to act of Surety under Paragraph 4; and
  - 6.3. Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of Seller.
7. Surety shall not be liable to Buyer or others for obligations of Seller that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than Buyer or its heirs, executors, administrators, successors, or assigns.
8. Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders and other obligations.
9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location of the Point of Destination, and shall be instituted within two years after Seller Default or within two years after Seller ceased working or within two years after Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
10. Notice to Surety, Buyer or Seller shall be mailed or delivered to the address shown on the signature page.
11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Point of Destination, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

## 12. Definitions.

- 12.1. *Balance of the Contract Price:* The total amount payable by Buyer to Seller under the Contract after all proper adjustments have been made, including allowance to Seller of any amounts received or to be received by Buyer in settlement of insurance or other Claims for damages to which Seller is entitled, reduced by all valid and proper payments made to or on behalf of Seller under the Contract.
- 12.2. *Contract:* The agreement between Buyer and Seller identified on the signature page, including all Contract Documents and changes thereto.
- 12.3. *Seller Default:* Failure of Seller, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
- 12.4. *Buyer Default:* Failure of Buyer, which has neither been remedied nor waived, to pay Seller as required by the Contract or to perform and complete or comply with the other terms thereof.

## Attachment C Veolia Standard Terms and Conditions

- 1. Exclusive Terms and Conditions.** Together with any other terms the Parties agree to in writing, these General Terms and Conditions – together with the last proposal in order of time issued by the Seller – form the exclusive terms (“Agreement”) whereby Buyer agrees to purchase, and Seller agrees to sell products and equipment (jointly “Equipment”) and to provide advice, instruction and other services in connection with the sale of that Equipment (“Services”). If Buyer sends to Seller other terms and conditions to which Seller may not respond, including but not limited to those contained in Buyer’s purchase order, such shall not apply. This Agreement may only be revised by a change order approved in writing by both Parties. All terms not defined herein shall be defined in Seller’s proposal.
- 2. Equipment and Services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement. Unloading, handling, storage, installation, and operation of Buyer’s systems or the Equipment are the responsibility of Buyer. Buyer shall not require or permit Seller’s personnel to operate Buyer’s systems or the Equipment at Buyer’s site.
- 3. Prices and Payment.** Buyer shall pay Seller for the Equipment and Services in accordance with the payment schedule (as set forth in Seller’s proposal or, if applicable, in any special conditions agreed to in writing by the Parties). Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by Buyer in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and Buyer shall deliver the adjusted guarantee within five (5) days of request by Seller. Buyer agrees to reimburse Seller for collection costs, including 2% (two percent) interest per month (not to exceed the maximum amount permitted by applicable law), should Buyer fail to timely pay. Buyer shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.
- 4. Taxes and Duties.** Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement (“Seller Taxes”). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Seller Taxes (“Buyer Taxes”). The Agreement prices do not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Agreement price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes. Buyer shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable, prior to execution of the Agreement by both Parties or issuance by the Seller of the order acceptance. Buyer’s failure to provide evidence of exemption at time of order will relieve Seller of any obligation to refund taxes paid by Seller.
- 5. Delivery, Title, Risk of Loss.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to Buyer FCA (Incoterms 2020) Seller’s facility. The time for delivery of the Equipment to Buyer shall be specified in this Agreement. Seller’s sole liability for any delay in delivery of the Equipment shall be as expressly set out in this Agreement. The place of delivery specified herein shall be firm and fixed, provided that Buyer may notify Seller no later than forty-five (45) days prior to the scheduled shipment date of the Equipment of an alternate point of delivery, Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Seller, Buyer shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation. Failure by Buyer to take delivery of the Equipment shall be a material breach of this Agreement.

Title and risk of loss to the Equipment shall be transferred from Seller to Buyer at the point of delivery upon handover in accordance with this Agreement. Title and risk of loss to the Services shall pass as they are performed.
- 6. Warranties and Remedies.** Seller warrants that Equipment shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications. Seller’s warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by Buyer or third parties, repairs or alterations made by Buyer without Seller’s written consent, influent water which does not comply with agreed parameters, or fair wear and tear.

Unless otherwise expressly provided in this Agreement, the foregoing warranties are valid for:

- (a) Chemicals and services, for six (6) months from their date of delivery or the provision of Services;
- (b) Consumables, including filters and spiral wound membranes (other than spiral wound membranes for process treatment), the earlier of twelve (12) months from date of first use or fifteen (15) months from their date of delivery;
- (c) Spiral wound membranes for process fluid treatment, ninety (90) days from their date of first use;
- (d) Ultrafiltration membranes (ZW500, ZW700B, ZW1000, ZW1500), twelve (12) months from their date of delivery;
- (e) Equipment other than chemicals and consumables, the earlier of, fifteen (15) months from delivery or shipment to storage, or twelve (12) months from start-up/first use;
- (f) Software, ninety (90) days from the date of receipt;
- (g) Equipment 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, and Buyer shall make the defective item available to the Seller, or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair at Seller's facility or (at Seller's option) replace at Seller's facility the defective item of Equipment and re-perform defective Services. In performance of its obligations hereunder, Seller will not control the actual operation of either Buyer's systems or the Equipment at the Buyer's site.

Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.

The warranties and remedies are conditioned upon (a) proper unloading, handling, storage, installation, use, operation, and maintenance of the Equipment and Buyer's facility and all related system in accordance with Seller's instructions and, in the absence, generally accepted industry practice, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Equipment or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void.

The Buyer will be entitled to assign to a subsequent owner of the Equipment the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the Equipment. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party. The warranties and remedies set forth in this article are in lieu of and exclude all other warranties and remedies, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

Unless otherwise expressly stipulated in this Agreement, Seller gives no warranty or guarantee as to process results or performance of the Equipment, including but not limited to product quality, flow, production, capacity, membrane life, chemical consumption, regulatory compliance or energy consumption.

**7. General Indemnity.** Seller shall indemnify and hold harmless Buyer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of Seller or its officers, agents, employees, and/or assigns while engaged in activities under this Agreement. Buyer shall likewise indemnify and hold harmless Seller from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of the Buyer, its officers, agents, employees, and/or assigns. In the event such damage or injury is caused by the joint or concurrent negligence of Seller and Buyer, the loss shall be borne by each Party in proportion to its negligence. For the purposes of this article (i) "Third party" shall not include Buyer or any subsequent owner of the Equipment, their subsidiaries, parents, affiliates, agents, successors or assigns including any operation or maintenance contractor, or their insurer; and (ii) no portion of the Equipment is "third party property".

**8. Compliance with Laws and Permits.** All permits, authorizations, and licenses which are required to construct, install and/or operate Buyer's facility or equipment, to use the Equipment, or to manage and dispose of any wastes, discharges, and residues resulting from Buyer's use of the Equipment, shall be obtained and maintained by Buyer at Buyer's sole expense. Buyer is responsible for compliance with all laws and regulations applicable to the storage, use, handling, installation, maintenance, removal, registration, and labeling of all Equipment after delivery of the Equipment, as well as for the proper management and disposal of all wastes, discharges, and residues.

**9. Buyer's Site Conditions.** Buyer warrants that any data furnished to the Seller concerning conditions at Buyer's site (including but not limited to any existing Buyer facility, equipment or processes, influent water or other substances to be treated or measured with the Equipment) is accurate and complete, and the Seller reserves the right to utilize the most appropriate design compatible with generally accepted engineering practices, and to make changes in details of design, manufacture and arrangement of Equipment unless precluded by any limitations specified in this

Agreement. Seller shall notify Buyer of (1) any conditions at Buyer's site which materially differ from those indicated in the data furnished by Buyer, (2) any previously unknown physical conditions at Buyer's site of an unusual nature, not revealed by previous investigations and differing from those ordinarily encountered in the type of work provided for in this Agreement, and (3) the presence of any Hazardous Materials (as defined below), the existence of a contaminated soil, unexploded ordinance, or archaeological remains. If such conditions cause an increase in Seller's cost or in the time required for the performance of Seller's obligations, Seller shall be entitled to an equitable adjustment in the Agreement price and an extension in the time for performance.

**10. Hazardous Materials and Wastes.** In the event that Seller encounters any Hazardous Materials (meaning 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 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 Materials so that the Seller's work under this Agreement may safely proceed. At no time shall Seller be deemed to have taken title to or the responsibility for the management or disposal of any wastes, Hazardous Materials, influent water, any resultant product streams, wastewater streams, discharges, cleaning materials, or any other materials or substances processed by the Equipment or otherwise located at Buyer's site. Seller does not take responsibility for and hereby expressly disclaims responsibility for the characterization or disposal of wastes, Hazardous Materials, or for the identification, selection, or management of disposal facilities for any wastes.

**11. Excusable Delays.** 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, natural disasters, unusually severe weather, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Buyer or Buyer's contractors/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 delivery or performance is delayed for a period exceeding 180 (one hundred and eighty) days, either Party may terminate this Agreement without further liability provided that Seller shall be paid an amount equal to that which would be payable to Seller under the article entitled "Termination". 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 adjustment in schedule, price and/or performance, as applicable.

**12. Emergencies.** If the safety of Seller's personnel is threatened or likely to be threatened by circumstances outside the reasonable control of Seller, including but not limited to war, armed conflict, civil unrest, riots, terrorism, kidnapping, presence of or exposure to hazardous materials, unsafe working conditions, or by the threat of such circumstances or a lack of adequate protections against such circumstances, Seller shall be entitled to take all necessary steps to ensure the security and safety of its personnel including the evacuation of personnel until such circumstances no longer apply. Any such occurrence shall be considered an excusable delay event. Buyer shall reasonably assist in the event of any such evacuation.

**13. Confidentiality, 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 Equipment 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 (including the Equipment) supplied or developed under this Agreement. Buyer agrees that it will not file patent applications on the Equipment or any development or enhancement of the Equipment, or of processes and methods of using the Equipment, without Seller's express prior written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its other buyers based upon purchase and use of such Equipment. Seller grants to Buyer a non-exclusive, non-terminable, royalty free license to use the intellectual property embedded in Equipment delivered to and paid for by the Buyer, as well as any drawings, design or data delivered to and paid for by the Buyer, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at Buyer's site. Such license may only be assigned to a subsequent owner of the Equipment or to an operations and maintenance subcontractor. Such license does not extend to the re-creation of the Equipment or the manufacture of spares or consumables by Buyer or third parties.

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 royalty free project-specific license to such software for the use, operation or maintenance at Buyer's site of any Equipment purchased hereunder to which the software is a necessary component. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software.

Seller shall indemnify and hold harmless Buyer from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, or country of delivery (provided there is a corresponding patent issued by the USA), or USA copyright or copyright registered in the country of delivery. If the Buyer notifies the Seller promptly of the receipt of any such claim, does not take any position adverse to the Seller regarding such claim and

gives the Seller information, assistance and exclusive authority to settle and defend the claim, the Seller shall, at its own expense and choice, either (i) settle or defend the claim and pay all damages and costs awarded in it against the Buyer, or (ii) procure for the Buyer the right to continue using the Equipment or Service, or (iii) modify or replace the Equipment or Service so that it becomes non-infringing, or (iv) remove the infringing Equipment and refund the price. The above paragraph shall not apply to any misuse of Equipment or Equipment which is manufactured to the Buyer's design, or to alleged infringement arising from the combination, operation, or use of any Equipment or Services with other equipment or services when such combination is part of any allegedly infringing subject matter. The foregoing list of sub-sections (i), (ii), (iii), and (iv) and related terms state the entire liability of the Seller for intellectual property infringement by any Equipment or Service.

**14. Limitations on Liability.** Notwithstanding anything else contained in this Agreement, to the maximum extent permitted by law, and regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory:

(a) THE TOTAL LIABILITY OF THE SELLER AND OF ITS INSURER FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY EQUIPMENT OR SERVICES SHALL NOT EXCEED THE TOTAL PRICE PAID BY BUYER UNDER THIS AGREEMENT OR (IN THE CASE OF AN AGREEMENT FOR SERVICES WITH A TERM OF MORE THAN ONE YEAR) THE ANNUAL PRICE PAYABLE BY BUYER UNDER THIS AGREEMENT;

(b) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCTION, LOSS OF USE OF EQUIPMENT OR SERVICES OR ANY ASSOCIATED EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF REPLACEMENT WATER OR POWER, DOWNTIME COSTS, INCREASED OPERATING COSTS, CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;

(c) SELLER'S LIABILITY SHALL END UPON EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, PROVIDED THAT BUYER MAY CONTINUE TO ENFORCE A CLAIM FOR WHICH IT HAS GIVEN NOTICE PRIOR TO THAT DATE BY COMMENCING AN ACTION OR ARBITRATION, AS APPLICABLE UNDER THIS AGREEMENT, BEFORE EXPIRATION OF ANY STATUTE OF LIMITATIONS OR OTHER LEGAL TIME LIMITATION BUT IN NO EVENT – TO THE EXTENT PERMITTED BY APPLICABLE LAW – LATER THAN FIVE (5) MONTHS AFTER EXPIRATION OF SUCH WARRANTY PERIOD.

For the purposes of this article, "Seller" shall mean Seller, its affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, individually or collectively. If Buyer is supplying Seller's Equipment or Services to a third party, Buyer shall require the third party to agree to be bound by this article. 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 article.

**15. Termination.** This Agreement and any performance pursuant to it may be terminated by either Party, and the consequences of such termination shall be as set out in the next paragraph, if the other Party

(a) Becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws; or

(b) Fails to make any payment when due or to establish any payment security required by this Agreement or commits a material breach or defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days of written notice from the other Party.

Upon the termination of this Agreement by Buyer for cause (i) Seller shall reimburse Buyer the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Agreement price allocable to Equipment completed, and (b) amounts for Services performed before the effective date of termination. Upon the termination of this Agreement by Seller for cause Buyer shall pay to Seller within thirty (30) days of receipt of invoice the price of all Equipment or Services delivered at the date of termination, plus an amount equal to all costs and expenses incurred in the engineering, sourcing, financing, procurement, manufacture, storage and transportation of the Equipment including materials, work in progress and any cancellation charges assessed against Seller by Seller's suppliers including reasonable overhead and profit on all such costs and expenses. Alternatively, if any schedule of termination payments has been agreed between the Parties, Buyer shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.

Seller shall have the right to suspend performance upon written notice to Buyer in any case where Seller would have the right to terminate the Agreement under this article, without prejudice to Seller's right to terminate this Agreement for cause. Any cost incurred by Seller in accordance with any such suspension (including storage costs) shall be payable by Buyer upon submission of the Seller's invoice(s). Performance of the Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of such suspension.



**16. Governing Law, Dispute Resolution.** This Agreement shall be governed by the substantive laws of the State of ~~Michigan~~ California. 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 closest to the Buyer and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this article.

Notwithstanding the foregoing, each Party shall have the right to commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Agreement, in order to seek and obtain a restraining order or injunction to enforce the confidentiality intellectual property provisions set forth in the first two paragraphs of article 13; nuclear use restrictions set forth in article 17, or to seek interim or conservatory measures not involving monetary damages.

**17. No Nuclear Use.** Equipment and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, the Buyer warrants that it shall not use or permit others to use the Equipment or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability.

**18. Export Control.** Seller's obligations are conditioned upon Buyer's compliance with all USA and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Equipment (including software and technical data) other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

**19. Changes.** Each Party may at any time propose changes in the schedule or scope of Equipment or Services. All changes to the Equipment or Services shall be subject to mutual agreement via a written change order or variation, which shall only become effective once signed by both Parties. The scope, Agreement price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. It shall be acceptable and not considered a change if Seller delivers Equipment (including Equipment replacement under warranty) that bears a different, superseding or new part or version number compared to the part or version number listed in the Agreement, provided that in no circumstance shall this affect any other of Seller's obligations including those set forth in article 6.

**20. 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 this Agreement 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 this Agreement shall be interpreted and implemented in a manner which best fulfills Parties' intended agreement. Those provisions which by their nature remain applicable after termination shall survive the termination of this Agreement for any reason. Seller may assign or novate its rights and obligations under the Agreement, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Agreement to any party without Buyer's consent, and the Buyer hereby agrees, by signing this Agreement, to such assignment and to execute any document that may be necessary to complete Seller's assignment or novation. This Agreement shall not otherwise be assigned by either Party without the other Party's prior written consent, and any assignment without such consent shall be void.

Seller may (i) manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing; and (ii) may subcontract portions of the Services, so long as Seller remains responsible for such.

**21. No Third Party Beneficiary.** Except as specifically set forth in the article entitled "Limitations on Liability" and "No Nuclear Use", this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

**22. Entire Agreement.** This Agreement embodies the entire agreement between Buyer and Seller and supersedes any previous documents, correspondence or agreements between them. No modification, amendment, revision, waiver, or other change shall be binding on either Party unless agreed in writing by the Party's authorized representative. Any oral or written representation, warranty, course of dealing, or trade usage not specified herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement.

# Attachment D ZENON Environmental W-9

Form <b>W-9</b> (Rev. March 2024) Department of the Treasury Internal Revenue Service	<b>Request for Taxpayer                  Identification Number and Certification</b> Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.	Give form to the requester. Do not send to the IRS.
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**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type.	See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) <b>Zenon Environmental Corporation</b>	
		2 Business name/disregarded entity name, if different from above.	
		3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . . Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions)	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) <b>5</b>  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)
		3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	(Applies to accounts maintained outside the United States.)
		5 Address (number, street, and apt. or suite no.). See instructions. <b>3600 Horizon Blvd</b>	Requester's name and address (optional)
		6 City, state, and ZIP code <b>Treose, PA 19053</b>	
		7 List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

<b>Social security number</b>	
[ ] [ ] [ ] - [ ] [ ] - [ ] [ ] [ ] [ ] [ ] [ ]	
<b>OR</b>	
<b>Employer identification number</b>	
3 8 - 2 5 4 9 3 2 6	

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date <b>01/15/2025</b>
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

### What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

**ZENON ENVIRONMENTAL CORPORATION**

**ADDENDUM TO FORM W-9**

Zenon Environmental Corporation owns or leases various properties in its business activities in addition to the Trevose, PA property listed as the official Tax mailing address on lines 5 and 6 of Form W-9.

Specifically, Zenon Environmental Corporation operates from the following address:

3239 Dundas Street West  
Oakville, Ontario, L6M 4B2 Canada

This address should be used for your billing records.