



**LACSD-MWD Tertiary MBR Pilot  
Los Angeles, CA  
ZeeWeed 500 Ultrafiltration  
Equipment Rental  
Pilot Proposal #: PIL-485815 Ver2**

*submitted to:*

**LACSD**

*submitted by:*

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# 1 technology description

The following section presents descriptions of the technology being deployed for the pilot equipment rental.

## 1.1 ZeeWeed 500d membrane

ZeeWeed based water treatment is a low energy immersed membrane process that consists of outside-in, hollow-fiber modules immersed directly in the feed water. The small pore size of the membranes ensures that no particulate matter, including *Cryptosporidium* oocysts, *Giardia* cysts, suspended solids or other contaminants of concern, will pass into the treated water stream. In the illustration below is an individual ZeeWeed 500d membrane module, which is the basic building block and the smallest replaceable unit of a ZeeWeed 500 filtration system.



**ZeeWeed 500d Module**



**table 3-1: ZeeWeed 500d Membrane Module Characteristics**

<b>module dimensions</b>	<b>ZeeWeed 500d module</b>
height	2091 mm (81.6 in)
width	844 mm (32.4 in)
depth	56 mm (2.4 in)
<b>module weight</b>	
max. shipping weight	28 kg (61 lb)
lifting weight	28 – 75 kg (61 – 164 lb)
<b>membrane properties</b>	
material	PVDF
nominal pore size	0.04 micron
surface properties	Non-Ionic & Hydrophilic
flow path	Outside-In
<b>operating specifications</b>	
TMP range	-55 to 55 kPa (-8 to 8 psi)
max. operating temperature	40°C (104°F)
operating pH range	5.0 – 9.5
<b>cleaning specifications</b>	
max. cleaning temperature	40°C (104°F)
cleaning pH range	2.0 – 10.5
max. Cl <sub>2</sub> concentration	1,000 ppm

## 2 SUEZ technical scope of supply

The following section provides detailed information for the pilot equipment being supplied. Please note that the pilot equipment supplied is **not classified for explosion proof areas including Class 1, Div. 2 areas**. The pilot equipment being proposed is skid mounted and requires installation inside a building, tent or temporary structure with temperature maintained above freezing at all times.

### 2.1 ZeeWeed 500 pilot equipment

A ZeeWeed 500 pilot is a scaled-down version of a full-scale membrane filtration system. It is used to demonstrate treated water quality and to collect operational data for full-scale design. It uses up to three full-scale ZeeWeed 500 membrane modules and is automated with all the necessary components to perform operating procedures used by full-scale ZeeWeed 500 treatment plants.

#### Main ZeeWeed 500 pilot components

- 119 USgal (450L) SS Process Tank
- 132 USgal (500 L) PP Backpulse Tank
- Three (3) full-scale sized ZeeWeed 500 membranes
- Self-Priming Centrifugal Permeate Pump
- Regenerative Blower
- SCADA HMI, PLC-based
- Hach TU5300 Turbidimeters (Feed\* & Permeate)
- Chemical cleaning pumps
- All necessary piping, valves & instrumentation

**\*may need to be removed for the LACSD project**

#### Ancillary Components

- Air Compressor



#### Dimensions and Weight

Skid	Width	Length	Height	Weight
Pilot	56" (142 cm)	92" (234 cm)	102" (259 cm)* 123" (312 cm)	3800 lbs (1725 kg)
Air Compressor skid	52" (132 cm)	56" (142 cm)	53" (135 cm)	850 lbs (386 kg)

\*shipped height

#### Utility Requirements

<b>Electrical (main service)</b>	480 V, 60 Hz, 3 Phase, 30 A
<b>Additional Outlets</b>	2-3 120V, 15 A outlets should be available
<b>Compressed air supply</b>	2-3 scfm @ 120 psi (11-16 m <sup>3</sup> /h @ 830 kPa) Clean / dry / oil-free compressor

#### System Tie-Points

<b>Raw Water Feed Inlet</b>	2" MPT (2" male Camlock can be supplied)
<b>Potable Water Inlet</b>	1" MPT (1" male Camlock can be supplied)
<b>Non-chemical Waste</b>	2" MPT (2" male Camlock can be supplied)
<b>Chemical Waste</b>	2" MPT (2" male Camlock can be supplied)
<b>Permeate</b>	1 ½" MPT (1 ½" male Camlock can be supplied)

**System Process Streams**

<b>Stream</b>	<b>Typical Flow Rates</b>	<b>Typical Pressures</b>
Feed	7 – 25 gpm (26 – 95 Lpm)	20 – 50 psi (140 – 350 kPa)
Permeate *	7 – 25 gpm (26 – 95 Lpm)	Dispose to gravity drain
Reject	Max 35 gpm (132 Lpm)	Dispose to gravity drain

\* Permeate flow rate dependent on feed water quality, very likely to be lower for LACSD while operating in tertiary MBR mode

***While conducting this equipment rental, SUEZ does not provide any treated water quality guarantees or that any specific flow rates can be achieved with the pilot equipment.***

**Required Equipment Footprint**

- 8 ft wide x 12 ft long x 15 ft high. Footprint includes three (3) feet of free space around all sides of pilot for operations and maintenance

**PLC manufacturer data and remote connectivity capability**

- Allen Bradley Compact Logix Processor
- Allen Bradley LAN Modem with 4-port Ethernet switch

**Data Management**

- On-board .CSV data log files available for download directly from SCADA
- Dial-in and out capability via modem connected to internet for remote monitoring and data transfer
- Web-based data management and InSight graphing tool available for client access

## 2.2 SUEZ scope of supply

SUEZ will provide the equipment as outlined in this document at the LACSD facility, for a minimum period of 26 weeks and a maximum of 60 weeks. SUEZ's direct scope of supply throughout the pilot equipment rental will include:

- SUEZ will supply a ZeeWeed 500 pilot skid. Typical pilot equipment specifications are listed in Section 2.1 – SUEZ technical scope of supply. These specifications are subject to change and will be confirmed upon receipt of the signed Pilot Rental Agreement.
- Pilots are allocated to Customers on a first come first served basis. Upon receipt of the executed Pilot Rental Agreement and PO, four (4) to six (6) weeks before the planned delivery date, and not before June 27, 2022. This schedule is subject to change and can be expedited in certain circumstances or may need to be extended. Please note that if the notification of award is delayed, pilot availability may be delayed by the same amount of time.
- SUEZ will arrange a kick-off meeting with the CLIENT upon receipt of the signed agreement and PO to discuss logistics and decide on a firm shipping date.
- SUEZ will coordinate and be responsible for the cost of the shipment of the pilot to and from site.
- SUEZ will provide an air compressor and on-board air-drying system for the ZeeWeed 500 pilot system.
- SUEZ will provide five to ten (5-10) days of on-site support for pilot system installation, commissioning and operations training. Such site support will commence within five (5) working days from confirmation that the pilot equipment has arrived at site and that the site is fully prepared; 'Fully prepared' is defined as: power has been supplied to the pilot equipment, the source water and drain lines are available to be plumbed, source water is ready to be supplied and drain facilities are ready to receive discharge.
- SUEZ will provide remote equipment troubleshooting support via telephone and e-mail during the rental period.
- SUEZ will be responsible for providing replacement parts, which fail under normal operation.
- SUEZ will provide on-site assistance for decommissioning the pilot equipment at the conclusion of the pilot equipment rental.



## 3 Client Scope of Supply

### 3.1 General

The Client will have the following responsibilities throughout the proposed pilot rental period:

- The Client will notify SUEZ of acceptance of its equipment for use in the pilot program at least four (4) to six (6) weeks before the expected equipment delivery date.
- The Client will prepare the site for installation and provide a hard, level surface (i.e. pavement, cement, packed gravel) for the pilot to be situated. The location for the pilot equipment will be in a safe and secure working environment.
- The CLIENT will supply a shelter for the pilot equipment. The temperature in the shelter must be maintained above freezing and at less than 104°F (40°C). The shelter shall protect the equipment from environmental elements, is equipped with proper lighting and ventilation and is in a safe working environment.
- The Client will provide a forklift or crane and qualified operator for unloading the system from the shipping truck, and the proper placement of the pilot equipment and membranes near the associated utilities required for the pilot rental. The equipment crates should remain on site for the purpose of shipping the equipment back to SUEZ and should not be disposed of.
- The Client will supply and connect to the pilot system an electrical power supply of the correct voltage and amperage rating as described in section 2.1.
- The Client is responsible for bringing feed water and drain connections to within 10 ft of the location of the pilot equipment.
- The Client will supply feed water at the correct flow rates and pressure as specified in section 2.1.
- The Client is responsible for any pretreatment chemicals (coagulants, acid, base, nutrients), if required.
- The Client will provide all membrane cleaning chemicals.
- The Client will provide chemical containment for all chemicals.
- The Client will be responsible for daily operation of the full pilot system. Operations typically requires 1-2 hours per day for equipment checks and daily maintenance plus 1-4 hours per day for analytical sampling, transport and analysis.
- The Client is responsible to receive waste and effluent streams and dispose of these streams in compliance with local regulations.
- The Client is responsible to obtain any necessary permits, including but not limited to, those required for withdrawing water and discharging water to receiving body (including chemicals), building permits and electrical permits.
- SUEZ personnel will not be deployed to site for start-up and commissioning services until all site preparations are completed by the Client and SUEZ is notified in writing that these tasks are completed. This will ensure that SUEZ personnel will be able to complete all start-up and commissioning tasks upon arrival at the project site. In the event that preparation tasks identified as being complete are found to be incomplete upon arrival at site, SUEZ will be entitled to back charge the Client for delays

associated with incomplete site preparation tasks. Charges will be billed as SUEZ field service labor rates provided below.

All currency figures are in US dollars	Week Days		Weekend Days, Holidays	
	/ Hour	/ Day	/ Hour	/ Day
<b>On Site</b>				
Service Representative	\$ 120	\$ 1,200	\$ 170	\$ 1,700
Programmer or Process Engineer	\$ 135	\$ 1,350	\$ 190	\$ 1,900
<b>Off Site – including trip preparation, travel time, telephone support, and reporting</b>				
Service Representative	\$ 105		\$ 145	
Programmer or Process Engineer	\$ 125	\$ 1,250	\$ 165	\$ 1,650
<b>Hotel, airfare, flight change fees, car rental, and related travel expenses</b>	1.15 times the cost			
<b>Meals</b>	\$52.00 per day			

- The Client shall provide any on-site safety training required for the SUEZ field service personnel.
- The Client will be responsible for collection, shipment and laboratory analysis of all water samples required for the pilot rental and any associated costs.
- The Client will provide an internet connection to the pilot computer to facilitate remote access and data collection. If an internet connection is not available, SUEZ can provide a cellular modem if the site location has a consistent and strong cellular signal.
- The Client will be responsible for the proper disposal of any unused chemicals at the completion of the pilot equipment rental period.
- The Client will bear the cost of repairs for any damage to the pilot equipment or membrane modules, directly caused by the Client, which resulted from improper handling or operation of the unit and not the result of ordinary wear and tear. Ordinary wear and tear shall mean only the normal deterioration caused by reasonable and proper use of the Equipment. If the Equipment or its reusable shipping crate are returned damaged or with parts missing, the Client shall pay SUEZ the greater of the cost of repairing the Equipment/crate, or \$1,000 USD.
- The Client will be responsible for assisting SUEZ with the pilot equipment decommissioning procedure. It is expected that the pilot equipment be returned to SUEZ in the same condition as it arrived, excepting normal equipment wear and tear (as defined by SUEZ).
- The Client will provide a forklift or crane and qualified operator for loading the system on to the shipping truck at the completion of the pilot equipment rental period for return to SUEZ.

## 4 Commercial Offer

### 4.1 Pricing Table

Pricing for the proposed equipment and services is summarized in the tables below.

<p><b>LACSD-MWD pilot equipment rental</b></p> <ul style="list-style-type: none"> <li>• Equipment supplied:             <ul style="list-style-type: none"> <li>○ One (1) ZeeWeed 500 Ultrafiltration pilot system</li> </ul> </li> <li>• Services supplied:             <ul style="list-style-type: none"> <li>○ One commissioning trip of 5 to 10 days</li> <li>○ Remote equipment support</li> </ul> </li> <li>• Freight to and from site</li> </ul>	<p>One-time \$18,000 USD mobilization fee upon PO acceptance.</p> <p>\$1,800 USD per week* upon arrival of equipment at client's delivery site.</p>
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\*minimum 26-week rental

### 4.2 Invoicing and payment terms

The duration of the rental period is expected to be 26 to 60 weeks, including installation/commissioning/ start-up and decommissioning activities.

The duration of the rental is a minimum of 26 weeks.

The invoicing structure will be set up as follows:

- \$18,000 USD upon acceptance of Purchase Order.
- \$7,200 USD invoiced every 4<sup>th</sup> week after the equipment has arrived at the delivery address.
- Payment terms are net 30 days from date of invoice.

### 4.3 Pricing notes

- All prices quoted are in USD.
- Any sales or value added tax is not included.
- The customer will pay all applicable local, provincial or federal taxes and duties. If the Client claims to have tax exemption status, a copy of their tax exemption certificate must be provided to SUEZ with the signed agreement and purchase order.
- The proposal and the rates provided herein are subject to final site, environmental, and financial due diligence by SUEZ.
- This proposal supersedes all previous proposals and correspondence.

### 4.4 Equipment shipment and delivery

The cost of shipment of the pilot to and from the site has been included in the price above.

Pilots are allocated to customers on a first come, first served basis. **Based on the current pilot equipment schedule, delivery in late June or early July 2022 can be met for this project.** Due to the complications of international shipping, fixed dates cannot be provided as part of this proposal and will be determined once an agreement to pilot has been fully executed. To secure a spot on the schedule the signed rental agreement in appendix a and purchase order must be received within the validity period of this document. If the notification of award is delayed, the equipment delivery date may also be delayed. SUEZ will do their best to expedite the shipping schedule if at all possible. Upon receipt of the signed agreement and purchase order for the pilot equipment rental SUEZ will arrange a kick-off meeting with all parties to develop a firm shipping schedule and discuss any required logistics details.

Both parties recognize that with the current exceptional circumstances under the COVID 19 Pandemic situation, SUEZ may not be in a position to guarantee and comply with the planned schedule for project delivery or performance and that should there be any new measures taken by any governmental authority which may impede or delay the said schedule or performance, SUEZ reserves the right to modify the schedule / contract accordingly.

#### 4.5 Conditional offering

Client understands that this proposal has been issued based upon the information provided by Client, and currently available to SUEZ at the time of proposal issuance. Any changes or discrepancies in site conditions (including but not limited to system influent characteristics, changes in Environmental Health and Safety (“EH&S”) conditions, and/or newly discovered EH&S concerns), Client’s financial standing, Client’s requirements, or any other relevant change, or discrepancy in, the factual basis upon which this proposal was created, may lead to changes in the offering, including but not limited to changes in pricing, warranties, quoted specifications, or terms and conditions. SUEZ’s offering in this proposal is conditioned upon a full SUEZ EH&S, and Client’s financial review.

## appendix a pilot rental agreement

This agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between SUEZ WTS Systems USA, Inc., and \_\_\_\_\_ (CLIENT).

### a.1 duration and pricing

The Client agrees to all pricing, availability, and scope divisions, specifically scope of supply and pilot schedule as listed in SUEZ's proposal #PIL-485815Ver1, dated December 21, 2021.

The comprehensive pilot equipment rental period is for a minimum duration of 26 consecutive weeks, calculated from the date of arrival of the pilot unit on site to the date of shipment from the site and includes all time dedicated to commission and optimization, as well as decommissioning time.

### a.2 repair

1. The Client will bear the cost of repairs for any damage to the pilot equipment or membrane modules, except caused by SUEZ, which resulted from improper handling or operation of the unit and not the result of ordinary wear and tear. Ordinary wear and tear shall mean only the normal deterioration caused by reasonable and proper use of the Equipment. If the Equipment or its reusable shipping crate are returned damaged or with parts missing, the Client shall pay Seller the greater of the cost of repairing the equipment/crate, or \$1,000 USD. The time needed for such repair will be charged as rental period.

### a.3 confidentiality

1. The Client is authorized to disclose confidential Seller information to the Client's own employees or agents but only to the extent the Client's employees or agents need to know such information. Seller will require the Client, and any of the Client's employees or agents who need access to confidential SUEZ information, to execute a non-disclosure agreement to maintain and protect the confidential SUEZ information as confidential. Where the Client is a public body, test results, excluding confidential SUEZ information, may be published in accordance with freedom of information law in the Client's jurisdiction.
2. Should the Client decide to use the pilot for testing purposes only, where the Client is not obliged to publish the test results, the Client undertakes not to provide the results of such tests to Seller's competitors and their agents. Where the Client is a public body, test results, excluding confidential SUEZ information, may be published in accordance with freedom of information law in the Client's jurisdiction.
3. Unless otherwise agreed upon in writing between Client and Seller, any and all inventions, patentable or un-patentable, made by the Client or jointly by the Client and Seller pursuant to this agreement and concerning applications potentially involving the

use of SUEZ's membrane technologies in the process application to be investigated during this rental shall be the exclusive property of Seller. The Client shall assign and hereby does assign all rights, title, and interest in and to any such inventions to Seller. Further, the Client hereby agrees to sign and to require any of the Client's employees to sign all documentation necessary for SUEZ to obtain all patents on such patentable inventions.

4. The Client, having access to Seller's membranes, shall under no circumstance, analyze the chemical content of the membrane, or provide a sample of the membrane to an individual who is not an employee of SUEZ.
5. Nothing herein shall be construed to grant to the Client any license or other right or any option for any such license or other right in Seller information or the use thereof or under any patent Seller may now have or later obtain thereon.

#### a.4 liability

1. Seller will provide insurance for the pilot unit while in SUEZ's custody and during shipment.
2. The Client is responsible for providing insurance for the pilot unit and auxiliary equipment up to \$250,000 USD from the date of arrival of the pilot unit on-site to the date of its shipment from site. If an insurance claim is required, the Client is responsible for the payment of the deductible as per the terms of their insurance certificate.
3. The Client is responsible for providing insurance for the Client's own employees working on the pilot unit from the date of arrival of the pilot unit on-site to the date of its shipment from site.
4. Seller is not liable for any injuries to personnel, property damage or delays relating to the shipment, installation, or use of its pilot equipment.
5. Seller's liability for damages shall not exceed the payment, if any, received by SUEZ for the materials or services furnished or to be furnished, as the case may be, which is the subject of claim or dispute. In no event will SUEZ be liable for incidental, consequential or special damages, of any kind, however caused, arising out of, or in any way connected with, the materials or services furnished by SUEZ to the Client.
6. The Client is responsible for providing spill containment where required to meet applicable local or plant specific requirements.
7. SUEZ will maintain general liability insurance including provisions for contractual liability, independent Contractors, and broad form property damage coverage. This insurance shall have an endorsement listing the Client as an additional insured but only in respect of work performed by or on behalf of the named insured and only to the extent that the additional insured is held liable for the negligence or other culpability of SUEZ. Coverage under SUEZ's policy does not extend to liability arising out of the additional insured's own negligence. Shall contain a standard cross liability clause or endorsement. The limit of

insurance shall be \$3,000,000 per occurrence combined single limit for bodily injury and property damage.

#### **a.5 assignment and termination**

1. Neither party to this agreement may assign any portion or all of its interest in this agreement without the prior written consent of the other party.
2. Seller may terminate agreement if the Client does not fulfill their obligations as defined within the section detailing the Scope of Supply by Others or if their account is past due.
3. The Client may only terminate agreement by mutual agreement in writing.

#### **a.6 dispute resolution**

1. All disputes between Seller and the Client arising from this agreement shall be resolved in a court of competent jurisdiction for the location of the pilot rental.

## appendix b Acceptance

### b.1 how to place an order

To ensure accurate and prompt order entry, product delivery, billing and accounts receivable processing, please ensure your Purchase Order contains the following information:

1. **Legal Entity:** Please identify SUEZ WTS Systems USA, Inc. as the ‘Seller’ on any Purchase Order(s).

<b>Legal Entity:</b>	SUEZ WTS Systems USA, Inc 4636 Somerton Rd. Trevose, PA 19053-6742
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2. **Submit:** SUEZ requires a hard copy of the PO with full customer and order details – by postal mail, e-mail, or fax. Communicate your PO to our central order processing department at:

<b>E-Mail:</b>	<a href="mailto:WTS.equipmentpo@suez.com">WTS.equipmentpo@suez.com</a> ; <a href="mailto:jason.kizer@suez.com">jason.kizer@suez.com</a>
<b>Fax:</b>	(905) 465-3050
<b>Postal Mail:</b>	SUEZ Water Technologies & Solutions Canada 3239 Dundas Street West Oakville ON L6M 4B2 Canada

3. **Details:** Ensure your Purchase Order contains the following information:
  - a. **Proposal Number:** Please reference the Proposal # PIL-485815Ver2, dated **January 12, 2021** in any purchase orders.
  - b. **Quantity** with units of measure (UOM) needs to be stated for each item listed in the PO.
  - c. **Unit Price and / or Total Price** need to be stated alongside the information so that the Purchase Order can be cross checked against any proposal detail.
  - d. **Delivery Location (Ship-to Address):** Please clearly define the delivery location.
  - e. **Delivery Date:** Please include your requested delivery date in your PO. Upon receipt of the PO the requested delivery date will be reviewed, if that date is achievable based upon current factory loading it will be confirmed back to you via the confirmation information indicated on your PO, if the requested delivery date is not achievable a representative will contact you to discuss how to proceed. If a delivery date is not included in your PO the next available production capacity will be utilized and confirmed back to you.





- 4. **Execute:** Please sign and date below and include this page with your purchase order. Upon acceptance of the PO, SUEZ will sign and date this page and return it to the CLIENT.

**SUEZ**

By: \_\_\_\_\_  
Name  
Title

**COUNTY SANITATION DISTRICTS  
OF LOS ANGELES COUNTY**

By: \_\_\_\_\_  
Chairperson

**ATTEST:**

By: \_\_\_\_\_  
Secretary

**APPROVED AS TO FORM:**

Lewis Brisbois Bisgaard & Smith, LLP

By: \_\_\_\_\_  
District Counsel

---

## appendix c    conditions of sale and warranties

**SELLER:**

SUEZ WTS Systems USA, Inc.  
4636 Somerton Rd.  
Trevose, PA 19053-6742

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**BUYER:**

CLIENT:  
CLIENT ADDRESS:

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**As used in the Terms and Conditions of Sale, the term “Goods” shall mean materials as outlined in the SUEZ Scope of Supply section of this proposal.**

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## c.1 terms and conditions of sale

1. **Definitions.** All terms not defined herein shall be defined in the Form of Agreement or the Special Conditions.
2. **Exclusive Terms and Conditions.** Together with any other terms the parties agree to in writing, these General Terms and Conditions form the exclusive terms (“Agreement”) whereby CLIENT & SUEZ (Seller) agree to rent the Pilot Equipment and to provide advice, instruction and other services in connection with the rental of that Equipment (“Services”). Notwithstanding any provisions communicated in any way by CLIENT to Seller prior to this Agreement including any terms contained in any request for quote by CLIENT, CLIENT agrees that this Agreement will control the relationship by accepting Equipment and Services from Seller, even if CLIENT sends to Seller other terms and conditions to which Seller may not respond. This Agreement may only be revised by a change order approved in writing by both parties.
3. **Equipment and Services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement.
4. **Prices and Payment.** CLIENT shall pay Seller for the Equipment and Services in accordance with the Payment Schedule. Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. If Seller shall have any doubt at any time as to CLIENT’s ability to pay, Seller may decline to make deliveries except on receipt of satisfactory security. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by CLIENT in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and CLIENT shall deliver the adjusted guarantee within five (5) days of request by Seller. CLIENT agrees to reimburse Seller for collection costs, including 2% interest per month, should CLIENT fail to timely pay. CLIENT shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.
5. **Taxes and Duties.** Unless expressly stated, the prices quoted herein do not include any taxes or duties. CLIENT shall be directly responsible, and reimburse Seller, for the gross amount of any present or future bond, sales, use, excise, value-added, or other similar tax or duty applicable to the price, sale or delivery of any Equipment or services furnished hereunder. CLIENT shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable.
6. **Delivery.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to CLIENT FCA (Incoterms 2000) Seller’s facility. The time for delivery of the Equipment to CLIENT 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 CLIENT may notify Seller no later than 45 days prior to the scheduled shipment date of the Equipment of an alternate point of delivery. Provided the parties agree to a change order to take into account any additional cost or delay incurred by Seller in implementing this change, the alternate place of delivery shall become the agreed place of delivery for all purposes under this Agreement. Failure by CLIENT to take delivery of the Equipment shall be a material breach of this Agreement.
7. **Title and Risk of Loss.** At all times SUEZ retains Title to the provided Equipment and risk of loss to the Equipment shall be the responsibility of the CLIENT while the Equipment is onsite and with SUEZ for all other periods. CLIENT shall provide suitable proof of insurance coverage to SUEZ upon request.

8. **Warranties and Remedies.** Seller warrants that the Equipment shall conform to any specifications set out in this Agreement and shall be free from defects in material and workmanship; and that the Services shall be performed with the degree of skill which can reasonably be expected from a seller engaged in a comparable business and providing comparable services under comparable circumstances. Seller's warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by CLIENT or third parties, repairs or alterations made by CLIENT 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:

- (a) for chemicals and Services, for 6 months from their date of delivery or the provision of Services;
- (b) for consumables, including Filters and Membranes, 12 months from their date of delivery,
- (c) for Equipment other than chemicals and consumables, the earlier of, 15 months from delivery or shipment to storage, or 12 months from start-up/first use.
- (d) for Equipment other than chemicals and consumables,
- (e) for 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 CLIENT shall make the defective item available to the Seller, or the claim will be void. Seller's sole responsibility and CLIENT's exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair or (at Seller's option) replacement of defective items of Equipment, and re-performance of defective Services. CLIENT shall make maintenance and operation records available to the Seller upon request during the warranty period.

CLIENT is not entitled to extend or transfer this warranty to any other party. The foregoing warranties and remedies 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.

9. **CLIENT's Responsibilities.** Unless otherwise stipulated in this Agreement, the unloading, handling, storage and installation of the Equipment shall be the responsibility of the CLIENT. Seller will not control the actual operation of either CLIENT's systems or the Equipment at the Site. CLIENT shall also:
- (a) provide Seller with complete and accurate data concerning all relevant conditions at the Site, including but not limited to any existing CLIENT facility, equipment or

- processes, influent water or other substances to be treated or measured with the Equipment;
- (b) operate and maintain its facility and all related systems in good operating condition and within the agreed parameters or, if no parameters have been agreed, within generally accepted industry practice;
  - (c) operate and maintain the Equipment in accordance with Seller's operations and maintenance manuals or where such manuals are silent, in accordance with generally accepted industry practice.

If CLIENT's fails to fulfill the foregoing obligations, Seller shall be relieved of any obligations with respect to warranties or any other commitments under this Agreement and Seller shall have no liability for any loss, damage or injury which CLIENT may sustain as a result.

10. **General Indemnity.** Seller shall indemnify and hold harmless CLIENT 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 Contract. Purchaser 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 CLIENT, 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 CLIENT, the loss shall be borne by each Party in proportion to its negligence. "Third party" shall not include CLIENT or any future owner of the Equipment, their subsidiaries, parents, affiliates, agents, successors or assigns including any operation or maintenance contractor, or their insurer. No portion of the Equipment is "third party property" for the purposes of this Article.
11. **Compliance with Laws and Permits.** All permits and licenses which are required to construct, install and/or operate CLIENT's facility or equipment, to use the Equipment, or to manage and dispose of any wastes and residues resulting from CLIENT's use of the Equipment, shall be obtained and maintained by CLIENT at CLIENT's sole expense. CLIENT 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 and residues. If any change in applicable laws, codes or standards occurring after the date of Seller's proposal to CLIENT requires a change to the Equipment or to the performance of the Services, and it is technically feasible to comply with such change, the Seller shall be entitled to an equitable adjustment to price and schedule.
12. **Site Conditions.** Seller shall be entitled to assume that any data furnished by the CLIENT concerning conditions at the Site is accurate and complete, and 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 CLIENT of (1) any conditions at the Site which materially differ from those indicated in the data furnished by CLIENT, (2) any previously unknown physical conditions at the 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 Contract, and (3) the presence of any Hazardous Materials (as defined below), 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 Contract Price and an extension in the time for performance.

13. **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 the Site, other than Hazardous Materials introduced by Seller or that are otherwise the express responsibility of Seller under this Agreement, CLIENT 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 disposal of any wastes, Hazardous Materials, influent water, any resultant product streams, wastewater streams, cleaning materials, or any other materials or substances processed by the Equipment or otherwise located at the Job Site or the Project Site. Seller does not take responsibility for and hereby expressly disclaims responsibility for the characterization of wastes, Hazardous Materials, or for the identification or selection of disposal facilities for any wastes.
14. **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 CLIENT or CLIENT's suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay or non-performance, plus such additional time as may be necessary to overcome the effect of the delay or non-performance. If 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 for Cause". If Seller is delayed by any acts (or omissions) of CLIENT, or by the prerequisite work of CLIENT's other contractors or suppliers, Seller shall be entitled to an equitable adjustment in schedule, price and/or performance, as applicable.
15. **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.
16. **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. CLIENT 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 supplied or developed under this Agreement. CLIENT acknowledges that Seller is in the business of selling the Equipment subject to this Agreement and agrees that it will not file patent applications on the Equipment, or processes and methods of using the Equipment, without Seller's express written permission. CLIENT further agrees that in any event any such patents will not be asserted against Seller or its other CLIENT's based upon purchase and use of such Equipment. Seller grants to CLIENT a non-exclusive, non-terminable, royalty free license to use the intellectual property embedded in Equipment delivered to and paid for by the CLIENT, as well as any drawings, design or data delivered to and paid for by the CLIENT, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at the Site. Such license may only be assigned to a future 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 CLIENT or third parties.

Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to CLIENT a limited, non-exclusive and terminable royalty free project-specific license to such software for the term of this Agreement. CLIENT agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software. Unless otherwise expressly agreed by Seller, this license shall terminate and the software shall be returned to Seller upon termination of this Agreement, or the material breach of the terms in this section.

Seller shall indemnify and hold harmless CLIENT from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, an EU member state or country of delivery (provided there is a corresponding patent issued by the USA or an EU member state), or U.S. copyright or copyright registered in the country of delivery. If the CLIENT 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, either (i) settle or defend the claim and pay all damages and costs awarded in it against the CLIENT, or (ii) procure for the CLIENT 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 Equipment which is manufactured to the CLIENT'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 states the entire liability of the Seller for patent infringement of any Equipment or Service.

17. **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 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 CLIENT 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 CLIENT UNDER THIS AGREEMENT;
- (b) SELLER SHALL NOT BE LIABLE FOR ANY ADVICE, INSTRUCTION, ASSISTANCE OR ANY SERVICES THAT ARE NOT REQUIRED UNDER THIS AGREEMENT OR FOR WHICH SELLER DOES NOT CHARGE CLIENT;
- (c) 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 CLIENT'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;
- (a) ALL LIABILITY ON THE PART OF SELLER SHALL TERMINATE AT THE EXPIRY OF THE APPLICABLE 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 CLIENT is supplying Seller's Equipment or Services to a third party, CLIENT shall require the third party to agree to be bound by this clause. If CLIENT does not obtain this agreement for Seller's benefit for any reason, CLIENT shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this clause.

18. **Suspension by Seller.** Seller shall have the right to suspend performance upon written notice to CLIENT in any case where Seller would have the right to terminate the Agreement under the following 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 CLIENT 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.
19. **Termination for Cause.** This Agreement and any performance pursuant to it may be terminated or suspended by either Party, and the consequences of such termination shall be as set out in the next Article, 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.



20. **Consequences of Termination.** Upon the termination of this Agreement by Seller for cause, or by CLIENT without cause, CLIENT 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, CLIENT shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.
21. **Governing Law and Dispute Resolution (US Sales).** This Agreement shall be governed by the substantive laws of the State of 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 may seek remedies through court. The seat of court shall be the federal district court in Los Angeles, CA
22. **No Nuclear Use.** Save as expressly permitted by this Agreement, the CLIENT warrants that it shall not use or permit the use of the Equipment in connection with any nuclear installation or activity. Seller shall have no liability whatsoever for any nuclear or other damage, injury or contamination arising in connection with any such use.
23. **Export Control.** CLIENT acknowledges that all US-origin equipment, software and data are potentially subject to US export control laws and undertakes not to divert or re-export such items from the agreed final destination except in accordance with those laws.
24. **Global Sourcing.** Seller may manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing, provided that the Equipment complies with all the requirements specified in this Agreement.
25. **Changes.** 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.
26. **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 our intended agreement. This Agreement may be assigned by Seller to any affiliate of Seller, but 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.
27. **No third party beneficiary.** Except as specifically set forth in the Article entitled "Limitations on Liability", 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.
28. **Entire Agreement.** This Agreement embodies the entire agreement between CLIENT 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.