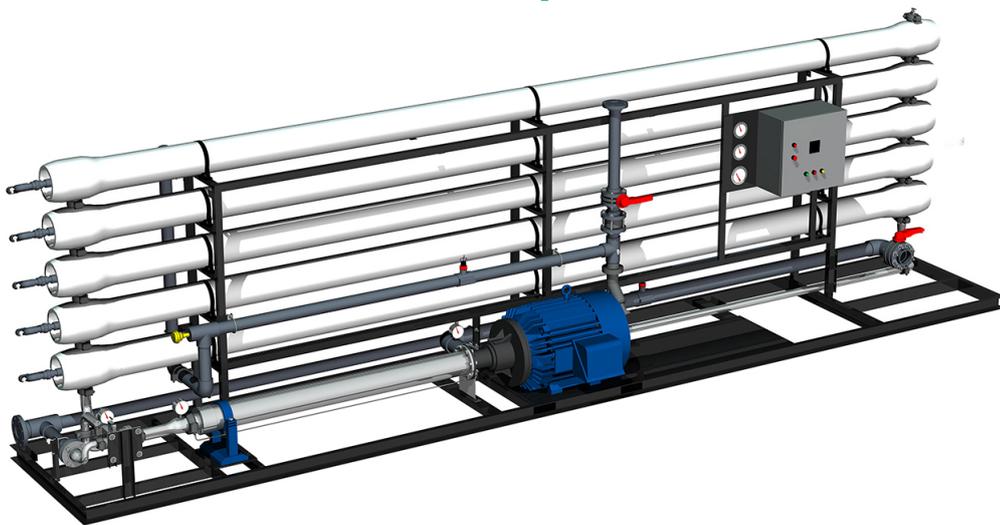




**IN STOCK**

Seawater Desalination Plant  
**Commercial Proposal**



# Model 60S

60,000 USGPD (227 m<sup>3</sup>/d)

Contact Name: Sales  
Organization: ISI-Water  
Project Name: In Stock 60S RO Plant  
Country: United States  
Date: 21FEB18



Thank you for your interest in ISI-Water desalination systems. The following proposal is for a 60,000 US gal per day reverse osmosis plant. The equipment is offered as a ready-to-ship, turnkey system. This equipment is currently in stock at our facility. It has been professionally configured by our engineers to be used in a variety of applications. Details of the system including a list of major components, can be found in Section A, Pricing and Options Summary.

If you have any questions or require further information, our engineers would be pleased to review your project with you. We can offer suggestions on design, implementation, spare parts, consumables or any other aspect of the system, per your requirements. In addition, we can discuss custom design work or features that are not currently included in the proposed equipment. In order to best assist you it is important you have a well-defined scope.

This proposal provides up-to-date pricing and specifications for all equipment included. The systems will perform as indicated assuming "typical" feedwater quality. If detailed water analysis information is available, it is recommended that this be submitted to our engineering group in order to further refine the design and performance of the equipment.

In comparing our systems to those of other equipment suppliers, keep in mind that Industrial Services Inc. provides high quality equipment suitable for long term, highly reliable operation. Our designs are the culmination of years of experience in the design and operation of desalination plants around the world. We look forward to working with you.

Sincerely,

Scott Shumway  
President  
Industrial Services Inc.



## Commercial Summary

### Proposed Equipment

#### SWRO Equipment

- Model 60S - 60,000 USGPD (227 m<sup>3</sup>/d) SWRO Skid
  - Energy Recovery: Turbine
  - HP Piping: Duplex 2205
  - Instrument Package: Standard
  - Valve Package: Standard
  - Power: Standard 460/380/415 VAC, 60/50 Hz
  - Control Accessories: Touchscreen

#### Pretreatment Equipment

- Manual Multimedia Filtration System
- Cartridge Filter

#### Optional Subsystems

- RO Cleaning System
- Antiscalant Dosing System
- Surface Mount Duplex Feed Pump Skid

#### Services Included

- None Selected
- Commissioning & on site training available at \$1200/day + associated travel fees.

**Total Price (USD)**  
**\$221,338.00**

#### Note

- All prices are in U.S. Dollars.
- Pricing Valid for 30 days after quotation date.
- Unless otherwise agreed in writing, orders are accepted on the condition that delivery will be made at the price current at the date of quotation.
- In Stock. Freight not included in pricing.
- Industrial Services, Inc. reserves the right to correct any time stenographic or clerical errors contained in any quotation.



# ISI Warranty

In providing services under this agreement, Industrial Services Inc. (hereafter referred to as "ISI") warrants each new membrane system to be free from defects in materials and workmanship under normal use, if installed and operated according to design, under the conditions listed below.

## **Hardware Limited Warranty**

For a period of twelve months from the actual date of installation or (18) months from the date of shipment from factory or supplier, whichever period expires first, Industrial Services, Inc. will repair or replace, at its option, any part of the hardware that we find to be defective because of faulty materials or workmanship. "Hardware" does not include disposable components such as filter cartridges, membranes, chemicals, seals, gaskets, elastomers or other consumables.

Any equipment, hardware, devices, instrumentation, or materials manufactured by others and provided by ISI are warranted only to the extent of the manufacturer's original Warranty. In the event that the manufacturer's Warranty period is past, ISI bears no responsibility for repair and replacement costs associated with the device failure. Industrial Services makes no independent Warranty or representation with respect to these products.

## **Labor Limited Warranty**

For a period of twelve months from the actual date of installation or (18) months from the date of shipment from factory or supplier any defect in workmanship due to labor will be repaired for that period of time at no cost to the client. All Warranty work must be approved by ISI and performed by ISI designated personnel or approved designate. Full payment (including retainage, if any) for delivered hardware or services must be received prior to any Warranty work being performed. Failure to receive payment does not extend Warranty period indicated above. Failure to comply with any of these conditions will void all warranties in their entirety.

## **Condition of Warranty**

Damage to any part of the RO system because of misuse, misapplication, neglect, alteration, accident, physical damage, power surge, feed contamination, chemical/oil, installation or operation contrary to written specifications or instructions, or damage caused by hot water, freezing, flood, fire or Act of God is not covered by this Warranty.



Any accessory equipment used in connection with any ISI supplied RO system, which was not sold by ISI, is not covered under any specific or implied Warranty. Any such accessory equipment, which adversely affects the operation of the ISI supplied system, will void ISI's Warranty. A reasonable assessment is incumbent on both parties in such a case.

ISI cannot control the characteristics of Purchaser's water supply. For this reason, ISI assumes no liability for determination of proper equipment to meet Purchaser's requirements unless ISI has provided a proposal in writing for the RO system, which states that the System will meet purchaser's particular requirements based on the water chemistry at the time of purchase.

Even in this case, this liability does not extend to feed water excursions that might impact the performance of the plant.

In no event shall ISI be liable for any loss, damage, injury, or expenses resulting from use or operation of, or from the erosion or corrosion of the goods, or from ordinary wear and tear of the goods, unless otherwise agreed in writing.

Purchaser must give written notice to ISI of any defects in material or workmanship of warranted goods within ten (10) days of the date when any defects are first manifest. Upon such notice, the sole responsibility of ISI under the limited Warranty shall be to repair or replace, at its option, a defect in the material or workmanship during the Warranty period. All field labor required to make such repairs or replacement shall be supplied by the purchaser and at purchaser's expense unless otherwise agreed in writing.

This limited Warranty is void unless the installation, operation and maintenance of the goods are performed in accordance with original construction or ISI's instructions. Further, ISI's Warranty is void if Purchaser makes any repairs or alterations to the goods without ISIs' prior written authorization.

In the case of project delay, if not caused by ISI, the Warranty term may be modified. Examples include but are not limited to: Installation delay whether caused by contractor, client or Acts of God, payment delay to ISI whereby the terms and milestones agreed to in the Terms and Conditions of the Contract are not honored or late, any stop/start work notice that results in job interruption, modifications to the original project scope or services whereby the original shipment date is delayed, then the ship date shall be the original ship date and not the new delayed ship date with respect to the Warranty duration.



### **Freight, Field Labor, Travel and Living Expenses**

**Freight** - Before shipping any part or unit back to ISI, Purchaser must contact ISI's purchasing department to obtain a Return Authorization Number that must be displayed prominently on the outside of the carton being returned. Cartons that do not have a Return Material Authorization Number will not be accepted. Any defective part must be shipped freight pre-paid to ISI's factory. Replacement parts approved and provided by ISI under the Warranty will be sent freight pre-paid by ISI back to the customer.

**Field Labor** - The cost of labor to repair an RO system, at the customer's location by Industrial Services, Inc. personnel or authorized service agent is not included in the Warranty, unless an agreed upon in writing, that includes the cost of labor. ISI and the customer shall agree in advance on the labor charges for any repairs at the customer's location.

**Travel & Living Expenses** - The cost of travel and living expenses to get to and from the customer's location to repair or replace RO unit parts therein, by ISI's personnel or authorized service agents, is not included in the Warranty. ISI and the customer shall agree in advance on the amount of travel and living expenses for any repairs at the customer's location.

The foregoing Warranty is exclusive and in lieu of all other expressed or implied warranties, guaranties, agreements, conditions or representations made by any person with respect to the goods covered by this offer, including any implied Warranty of merchantability or fitness for a particular purchase which are hereby specifically disclaimed. In no case will ISI be liable for any direct, indirect, special, incidental or consequential damages resulting from a breach of Warranty or any other cause including, but not limited to, loss of use of the product, loss of time, inconvenience, injury, loss or damage to person or property, commercial loss, loss of profits, liabilities of purchaser to its customers or third persons or other matters not specifically stated, whether based on contract, tort or any other legal theory.

It is specifically agreed that any action for breach of Warranty or other action against ISI under this contract shall be commenced within one (1) year and one (1) day after such cause of action accrued. Please refer to the specific Contract Terms and Conditions for more information.



## **Warranty Service Policy**

In the event of a Warranty Claim, we ask that you adhere to the below policy to ensure efficient service.

1. Please contact ISI at 802-482-4006 USA and ask for the Service Department.
2. When calling ISI, be prepared to provide the following information.
  - a. The specific problem you are having with the product
  - b. The date, serial number and model number of the part in question
  - c. Pictures, data or other information pertinent to the problem.
3. You may be given a Return Authorization Number and requested to complete and return a Return Authorization Form. Any parts sent back to Industrial Services, Inc. must be sent freight pre-paid and identified using the Return Authorization Form and Number. ISI will not accept any returned items without this information. When ISI receives the damaged part, we will determine whether it is covered under Warranty. Please note that in many cases ISI must forward the part to its manufacturer for Warranty determination. Warranty determination can take from one to six weeks, depending on the circumstances.
4. If possible, please provide as much backup material as possible including time of failure, description of failure, photographs or other evidence that will assist us in evaluation of the Warranty claim. Supporting information can greatly speed up the Warranty replacement process.
5. Some equipment may not be in stock, and it may be necessary to ship parts on emergency order. This may entail additional costs. These costs are the responsibility of the Owner. It is better to stock spare parts rather than rush-ship equipment.
6. ISI reserves the right to repair or replace any part, at its option, that is determined to be under Warranty and is defective due to faulty material of factory workmanship. If a damaged part is repaired or replaced under Warranty, it will be returned to the customer freight prepaid. For international returns, customer is responsible for freight, duty, wharfage, taxes or any other import fees. In the event a customer wished to order a new part prior to Warranty determination, the part will be shipped and the customer will be invoiced. Should the original part under Warranty and unable to be repaired, a credit will be issued for the new part previously shipped. Note that the customer is responsible for the cost of any new parts that are sent pending Warranty determination if the parts are covered under Warranty and repaired for return or found not to be covered under our Warranty.
7. A warranty for parts and equipment is not the same as having spare parts on hand. We would recommend that a comprehensive spare parts inventory be maintained in case of parts failure. This will ensure that the system remains online during the repair or replacement process. It is possible, depending on the problem, that the procurement time for replacement parts may be lengthy. ISI can often find work-arounds or expedite parts, however a spare parts inventory is recommended in all cases. Acceptance of warranty terms includes ISI exclusion of liability for downtime, penalty or loss as a result of system production shortfall.



# General Terms and Conditions

The terms and conditions of Industrial Services Incorporated aka ISI ("Seller") are to govern any sale. Any offer is made expressly contingent upon Purchaser's acceptance of the terms and conditions included herein. Seller reserves the right to reject the inclusion of any inconsistent, different or additional terms proposed by Purchaser in its purchase order or other response to an offer. Acceptance by Purchaser is limited to Seller's terms and conditions and Purchaser upon placing an order for any goods quoted by seller, agrees to be bound by the terms and conditions set forth herein. Any additional or different terms and conditions contained in Purchaser's purchase order or Purchaser's response to Seller's quotation shall be construed as a counteroffer and shall not be effective or binding unless specially consented to in writing by an authorized representative of Seller. Neither Seller's commencement of performance nor delivery shall be deemed or construed as acceptance of Purchaser's additional or different terms and conditions.

## **Pricing Policies**

All prices are subject to change without notice and shall not be binding on Seller until reduced to writing and signed by Seller. All orders are subject to written acceptance and approval by an authorized representative of Seller. Unless otherwise agreed to in writing by seller all prices are F.O.B. Sellers plant, and do not include transportation which costs and charges shall be solely the responsibility of Purchaser. Prices include standard packing according to Seller's specifications. All costs and taxes for special packing requested by Purchaser, including packing for exports, shall be paid by Purchaser as an additional charge.

## **Taxes**

The price for the goods does not include any applicable sales, use, excise, GST, VAT, or similar tax. The purchaser shall have the responsibility for the payment of such taxes if applicable.

## **Payment Terms**

Unless different payment terms are expressly set forth in Seller's proposal or quotation of the confirmation of sale, goods will be invoiced upon shipment. Payment in full is due within thirty (30) days from the invoice date. In the event payment is not made when due, Purchaser agrees to pay Seller a service or finance charge of one and one-half percent (1.5%) per month (18% per annum) on the unpaid balance of the invoice from and after the invoice due date. Purchaser is responsible for all costs and expenses associated with any checks returned due to insufficient funds. All credit sales are subject to prior approval of Seller's credit department. Export shipments will require full payment prior to shipment or an appropriate letter of Credit.



### **Effect of Purchaser's Financial Condition**

If, during the performance of the contract with Purchaser, the financial responsibility or condition of Purchaser is such that Seller in good faith deems itself insecure, or if Purchaser becomes insolvent, or if a material change in ownership of the Purchaser occurs, or if Purchaser fails to make any payments in accordance with the terms of its contract with Seller, then in any such event, Seller is not obligated to continue performance under the contract and may stop goods in transit and defer or decline to make delivery of goods, except upon receipt of satisfactory security or cash payments in advance, or Seller may terminate the order without further obligation to Purchaser whatsoever. If the purchaser fails to make payments or fails to furnish security satisfactory to Seller then Seller shall also have the right to enforce payment to the full contract price of the work completed and in process upon default by Purchaser in payment when due, Purchaser shall immediately pay to Seller the entire unpaid amounts for any and all shipments made to Purchaser irrespective of the shipments are made pursuant to this proposal or any other contract of sale between Seller and Purchaser, and Seller may withhold all subsequent shipments until the full amount is settled. Acceptance by the Seller or less than full payment shall not be a waiver of any of its rights hereunder.

### **Risk of Loss, Title**

The risk of loss of the goods shall pass to the Purchaser as soon as they are deposited with the carrier for shipment to the Purchaser, but title to the goods shall remain in the Seller until the full purchase price has been paid, unless otherwise agreed by Seller.

### **Shipment**

Any stated shipment or delivery dates are approximate only. Seller will use every reasonable effort to meet estimated shipment or delivery dates. Once the equipments is ready to ship, the Purchaser has thirty (30) days to arrange shipment. After this period, the Purchaser will be charged storage fees of \$50 per day. Seller's obligation with respect to shipment of the goods shall not extend beyond a) putting the goods in the possession of a suitable carrier and making a contract for the transportation thereof as may be reasonable, having due regard for the nature of the goods and b) delivering, within a reasonable time, such documents as may be necessary for Purchaser to obtain possession of the goods. Seller shall have the right to ship all of the goods at one time or in portions from time to time within the shipment period. This contract shall be deemed separable as to the goods sold. Purchaser may not refuse to accept any lot or portion of the goods shipped hereunder on the grounds that there on the grounds that there has been a failure to ship any other lot or that goods in any other lot were nonconforming. Any such default by Seller will not substantially impair the value of this contract as a whole and will not constitute a breach of the contract as a whole.



### **Testing, Inspection and Acceptance**

Purchaser shall have the right to inspect the goods upon their receipt. Purchaser's failure to inspect the goods or failure to notify the Seller in writing that the goods are nonconforming with the packing slip within fourteen (14) days from the arrival date to the port of destination, shall constitute a waiver of Purchaser's right to inspect and/or reject the goods for nonconformity and shall be equivalent to an irrevocable acceptance of the goods by Purchaser.

### **Seller's Performance**

Seller shall not be responsible or liable for any delay directly or indirectly resulting from or contributed by limitations on Seller's production capabilities beyond its reasonable control, or to delays due to fires, explosions, acts of God, strikes or other differences with workers, shortage of utility, facility, components or labor, delay in transportation, breakdown or accident, war and acts of war, compliance with or actions taken to carry out the intent or purposes of any law or regulation, changes in goods or materials, or any other causes or contingencies not caused by Seller or over the Seller had no reasonable control. In the event that any one or more deliveries hereunder is suspended or delayed by reason of any one or more of the occurrences or contingencies stated above, any and all deliveries so suspended or delayed shall be made after such occurrences or contingencies have ceased to exist and nothing herein contained shall be construed in any way as lessening the full amount of goods herein being purchased and sold, but only as deferring delivery and payment in the event(s) and to the extent herein provided for. Neither shall any delay in shipment be considered as a default under this contract nor give rise to any liability on the part Seller for any incidental, special or consequential damage. Estimated delivery times are subject to change and are based on current vendor supply schedule.

### **Liquidated Damages and Vendor Selection**

ISI will not accept contracts that include liquidated damages. ISI will work diligently with the Purchaser to provide equipment on time, and in the case of delay, will seek remedy through alternate suppliers and vendors. Changes to the design or vendor selection based on delivery shall be only to the approval of the Seller after contract start.

### **Statement of Limited Warranty**

Please refer to ISI General Warranty for more specific information on warranty terms and conditions.

### **Arrears and Warranty**

In the case where outstanding invoices exceed 30 days past due, based on invoice date, including interim payments, the client shall be considered in Arrears. If the Arrears period exceeds 30 days with no resolution of outstanding account obligation, in such case the Warranty Period shall expire. No further remedy is available for reinstating the Warranty, even if payment is subsequently received after the Arrears period. This may be due to fees associated with Late Payments or Delay, Change Orders or Other.



### **Late Payments**

The contract terms and conditions between Seller and Purchaser may include a payment schedule. In the case that the payment schedule, including interim payments, is not adhered to by the Purchaser whereby payments are late, then in such case a late fee shall apply. Failure to pay the late fee may result in voided Warranty.

### **Letter of Credit and Financial Instruments**

The Purchaser and Seller may agree to having part or all of the contract value remuneration by Letter of Credit. In such case, the terms shall explicitly not include any negative control clauses that prevent the Seller from completion of the transaction. ALL bank costs associated with a letter of credit shall be paid by Seller, including any fees that result in actual payment received being short of invoiced amount. In addition an administration fee of 0.5% shall apply to LC value due to legal overhead associated with the execution of the documentation.

### **Currency**

All transactions shall be USA dollars (\$).

### **Installation and Start-up**

Unless otherwise agreed to in writing by Seller, installation shall be the sole responsibility of Purchaser. Where start-up service is required with respect to the goods purchased hereunder, it must be performed by Seller's authorized personnel or agents; otherwise, Seller's limited warranty is void. In the event Purchaser has engaged Seller to provide an engineer(s) for start-up supervision such engineer will function in a supervisory capacity only and Seller shall have no responsibility for the quality of workmanship of installation. In any event, Purchaser understands and agrees that it shall furnish, at Purchaser's expense, all necessary foundations, supplies, labor, startup chemicals, filters, power and facilities which might be required to install and operate the equipment.

### **Cancellation**

No order may be cancelled unless requested in writing by either party and accepted in writing by the other. In the event of a cancellation by Purchaser, Purchaser shall, within thirty days of such cancellation, pay Seller a cancellation fee which shall include all costs and expenses incurred by Seller prior to the receipt of the request for cancellation including, but not limited to, all commitments to its suppliers, subcontractors and others, all labor and overhead expenses by Seller in the preparation of the Equipment prior to the cancellation, plus an amount equal to 25% of the aggregate of all the foregoing. In the case where warranty bonding or other terms that extend beyond the delivery of equipment as required by Seller, then a reciprocal bond or LC shall be required to cover cancellation or delay fees by Purchaser.



### **Delay**

In the case of project Delay, as defined by any request to suspend work as issued by Purchaser to Seller, then a grace period of two weeks shall be available. After this time period, the project will be considered Delayed, and will be demobilized. Equipment that has been purchased on behalf of the Seller shall be subject to a storage fee of \$300 per day. If the Delay extends more than 2 months without remedy, then the Seller has the right to Cancel the project and claim remedy. In the case that the project is restarted after Delay has been declared, then a mobilization fee will apply. Mobilization fees may be up to 5% of project value.

### **Specifications**

Changes in specifications requested by Purchaser are subject to approval in writing by Seller. In the event such changes are approved, the price for the goods and the delivery schedule shall/may be changed to reflect such changes.

### **Change Orders**

Change orders shall be accepted only with written approval on company letterhead from supervisory personnel between Seller and Purchaser.

### **Drawings**

All drawings are the property of Seller. Seller does not supply detailed or shop working drawings of the goods; however, Seller will supply necessary installation drawings. The drawings and bulletin illustrations submitted with Seller's quotation show general type arrangement and approximate dimensions of the goods to be furnished. Seller reserves the right to alter such details in design or arrangement of its goods with, in its judgment, constitute an improvement in construction, application or operation. All engineering information necessary for installation of the goods shall be forwarded by Seller to Purchaser upon written acceptance of Seller's quotation. After acceptance of the quotation, any changes in the type of goods, the arrangement of the goods, or application of the goods requested by Purchaser will be made at Purchaser's expense. Instructions necessary for installation, operating and maintenance will be supplied when the goods are shipped.

### **Patents**

The goods being provided by Seller may be covered by patents pending or issued. Seller grants Purchaser a license and the right to use these goods without further charge. Seller does not grant Purchaser the right to use the goods, or protection against patent infringement claims arising from use of the goods, in any patented processes controlled by others, unless specifically set forth in this quotation.

### **Assignment**

No right or interest in this contract shall be assigned by Purchaser without the prior written permission and consent of Seller.



**Indemnification.**

Purchaser hereby agrees to indemnify and save Seller, its directors, officers and employees, harmless from all loss, liability damages, costs and expenses (including attorney’s fees and other expenses of litigation), resulting from any claim or action for personal injury or death or damage to or loss of property or violation of or failure to comply with any applicable law, regulation, rule or order arising from the use by Purchaser, its employees, agents, customers, invitees or by other third parties of the goods and services to be provided under this contract. Purchaser, at its expense, shall defend any such claim or suit against Seller and /or its directors, officers and employees and shall pay any judgment resulting therefrom. Seller shall have the right, but not the duty, to participate in the defense of any such claim or suit with attorneys of its own selection without relieving Purchaser of any of its obligations hereunder. This indemnity shall survive delivery of the goods or performance of the services under this contract.

**Entire Agreement**

The terms and conditions contained herein and in any accompanying quotation or proposal of Seller, shall constitute the entire and complete agreement between Seller and Purchaser and shall supersede all prior oral or written statements or understandings of any kind whatsoever made by the parties or their representatives. No modifications or additions to these terms and conditions shall be binding on Seller unless specifically agreed to in writing and is signed by an authorized representative of Seller. Further, no oral or written statement made subsequent to the acceptance of Purchaser’s order by Seller which purports to modify in any way these terms and conditions shall be binding upon Seller unless such statement is clearly adopted and agreed to in writing by a duly authorized representative of Seller.

**Limited Authority of Sales Agents**

The sales agents and representatives of Seller have no authority to enter into agreements, contracts or understandings, or to bind or incur any liability or obligation on behalf of Seller. Orders and contract proposals taken by the sales agents and representatives of Seller are subject to written approval by an authorized representative of Seller.

**Interpretation of Contract**

This offer and any related confirmation or contract of sale shall be governed by and construed in accordance with the laws of the State of Vermont and is intended also as a complete and exclusive statement of the terms of the contract. No prior course of dealing between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this contract. Acceptance or acquiescence in course of performance rendered under this contract shall not be relevant to determine the meaning of this contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. Waiver by Seller of a breach by Purchaser of any provision of this contract shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect. If any portion of these terms and conditions is deemed invalid by a court having jurisdiction over the parties, the remaining provisions shall remain fully effective. Any term used in this contract which is not defined herein shall have the same definition as that contained in the uniform Commercial Code.

**Language**

Any correspondence, contracts agreements, documentation, notifications and letters shall be in the English language unless otherwise agreed.

**Purchaser Contingency Clause**

No contract or agreement, purchase order, change order or payment schedule between Seller and Purchaser shall include contingency language, whereby the Purchaser is not obligated to fulfil the terms of this contract to Seller due to an external event such as contract cancellation, late payments to Purchaser by a third party, or force majeure. Such remedies are available on the marketplace including contract insurance and other instruments, and no contingency language shall be included in any contract agreement language between ISI and Purchaser