



**PUBLIC SERVICE BOARD MEETING  
AGENDA ITEM  
REGULAR MEETING**

**Wednesday, October 10, 2018**

**SUBJECT**

Rehabilitation and overhaul of belt filter presses (BFP) and gravity belt thickeners (GBT).

**BACKGROUND**

The overhaul of the existing equipment will include roller and bearing assembly parts, hydraulic system parts, drive system parts, belt wash system parts, polywear items, etc. New components and equipment will facilitate proper operations of the BFP and GBT; enhancing the dewaterability of biosolids, producing a dryer cake that will save money on sludge hauling costs.

The BFP and GBT equipment are scheduled for rehabilitation over the next three fiscal years. Staff is requesting to immediately rehabilitate one BFP at the Haskell R. Street WWTP in the amount of \$302,392. As funds become available four additional BFP's will be rehabilitated (2 at Haskell R. Street, 1 at John T. Hickerson Waste Water Treatment Facility. and 1 at Roberto R. Bustamante WWTP) in the estimated total cost \$1,199,000. In addition, 3 GBT's at the Roberto R. Bustamante WWTP are scheduled for rehabilitation, subject to the availability of funding, in the estimated cost of \$297,354.

**STRATEGIC OBJECTIVES SUPPORTED**

Improve Efficiency

**EVALUATION PROCESS**

All original equipment manufacturer parts, service, installation and startup costs are included and will be performed by the sole source provider, Alfa Laval. Staff evaluated the equipment overhaul proposal and recommends purchase from Alfa Laval.

**FINANCIAL IMPLICATIONS**

Sufficient funds are available in Account Number 1740, and the funding sources are the Water and Sewer Revenue Bonds Series 2017 in the amount of \$140,000, the Improvement Fund in the amount of \$22,099, and the Commercial Paper Fund in the amount of \$140,293.

**PROPOSED ACTION REQUESTED**

Approve a sole source purchase for the parts, rehabilitation and overhaul of one belt filter press at the Haskell R. Street WWTP with Alfa Laval, Incorporated in the amount of \$302,392 and authorize future purchases to be made for additional refurbishing and rehabilitation at other plants, including replacement parts, in an estimated amount of \$1,736,000 provided that funding is available in the approved budget and authorize the use of commercial paper. Contract term will be 3 years, contingent upon Alfa Laval providing yearly documentation attesting to the status of its proprietary or patented technologies, processes, and parts.

**SUPPORTING DOCUMENTATION PROVIDED**

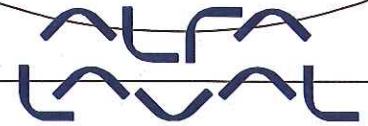
- Alfa Laval Quote
- Sole Source Affidavit

September 19, 2018

El Paso Water Utilities  
10001 Southside Rd.  
El Paso, TX 79927

Attention: Aide Zamarron

Reference: Alfa Laval Winklepress and Aquabelt  
Robert R. Bustamante WWTP  
Haskell R. Street WWTP  
Hickerson WWTP



Alfa Laval Inc.  
10470 Deer Trail Dr  
Houston, TX 77038  
USA  
Tel: +1 800-362-9041  
Fax: +1 281-449-1324  
[www.alfalaval.us](http://www.alfalaval.us)  
[www.as-h.com](http://www.as-h.com)

All parts are provided and many exclusively manufactured by Alfa Laval, Inc. the Original Equipment Manufacturer of your equipment. Whereby Alfa Laval purchased Ashbrook Simon-Hartley Operations L.P. and Ashbrook Simon-Hartley is now doing business as Alfa Laval, Alfa Laval from henceforth is the Original Equipment Manufacturer of the Winklepress® and Aquabelt® located at the El Paso Water Utilities Wastewater Treatment Plants referenced above. Thus, we are the sole source provider for O.E.M. replacement parts and spare parts.

Alfa Laval, Inc. continues to develop and bring technology to our industry. Due to the sensitive nature of Alfa Laval, Inc. technology our equipment and most replacement parts are either proprietary or patented, as each is designed specifically for your equipment, the application, and expected use; therefore, others cannot legally manufacture our equipment or offer Alfa Laval, Inc. replacement parts.

Constant investment in research and development, a commitment to quality, and improving our new equipment and our equipment currently in operation around the world, allows Alfa Laval, Inc. to bring the latest developments in technology to our industry and clients. This includes patented or proprietary items such as chicanes, wedge adjustments, cylinders, hydraulic systems, bearing housings, rollers, steering and tension systems, and so on. An illustration of this commitment is our quality assurance program.

Thank you for requesting this information and the opportunity to fully explain our commitment. If you have any questions I can be reached at 281-985-4405 or you can contact Alfa Laval's Regional Manager Marc Arquit at 713-882-1286.

Sincerely,

**ALFA LAVAL INC.**

  
Larry Packard  
Contracts and Bid Manager



EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

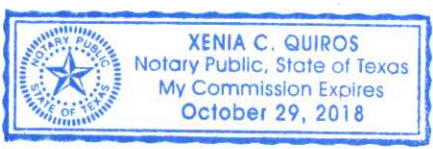
SOLE SOURCE AFFIDAVIT

Before me, the undersigned official, on this day, personally appeared a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

- 1. My name is Larry Packard. I am over the age of 18, have never been of a convicted crime and am competent to make this affidavit.
2. I am an authorized representative of the following company or firm: Alfa Laval Inc.
3. The above named company or firm is the sole source for the following item(s), product(s) or service(s): Supply of original equipment manufacturer (O.E.M.) parts, services and spare parts for site rebuilding of Alfa Laval Winklepress Type 84 and Aquabelt Type 85 located at El Paso Water Utilities WWTP's (Robert R Bustamante, Haskell R Street and Hickerson)
4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 252.022, Subchapter A of the Local Governmental Code 7A or as provided for under 7B-F of the same section. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).
5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.
6. Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the El Paso Public Utilities-Public Service Board.

Signature: [Handwritten Signature]

SUBSCRIBED AND SWORN to before me on this 20th day of September 20 18



NOTARY PUBLIC: [Handwritten Signature]
PRINTED NAME: XENIA QUIROS
MY COMMISSION EXPIRES: October 29, 2018

COMPANY NAME: Alfa Laval Inc.
ADDRESS, CITY, STATE & ZIP CODE: 10470 Deer Trail Drive
PHONE: 281-449-0322 FAX NUMBER: 281-449-1324
CONTACT NAME AND TITLE: Larry Packard / Contracts and Bid Manager
WEB ADDRESS: www.alfalaval.com EMAIL: larry.packard@alfalaval.com
FEDERAL TAX ID NUMBER: 13-1681631 TEXAS SALES TAX NUMBER: 1-13-1681631-0

September 26, 2018



El Paso Water Utilities  
Haskell R. Street WWTP  
4100 Delta Drive  
El Paso, TX.79905

Attention: Aide Zamarron

Reference: Haskell R. Street WWTP  
(3) Winklepress 84 Rebuild  
Alfa Laval Quote No. **081018A-MA**

Alfa Laval Inc.  
10470 Deer Trail Drive  
Houston, TX 77038  
USA  
Tel: +1 800-362-9041  
Fax: +1 281-449-1324  
[www.alfalaval.us](http://www.alfalaval.us)

Dear Ms. Zamarron,

Alfa Laval Inc is pleased to offer its firm proposal on site machine reconditioning of your existing (3) three Winklepress Type 84 2.0 meter at the above referenced location. Alfa Laval's experience in designing and building new belt filter presses and repairing/rebuilding earlier model belt filter presses, can only enhance our position in offering the services and parts needed to provide additional years of service to your existing unit(s).

Alfa Laval started its "Rebuild Program" to provide customers with "today's technology" on earlier model belt filter presses as an alternative to purchasing new replacement equipment. Over the past twenty years Alfa Laval has completed rebuild projects consisting of partial site repairs, complete site machine reconditioning, complete factory machine reconditioning, partial factory machine reconditioning and site machine upgrades.

Equipment on these projects includes Bellmer Winklepresses (German), English Belt Filter Presses, Alfa Laval's MKII, Type 85, and Type 94 Klampresses, Aquabelt gravity belt thickeners and other Belt Filter Presses.

All parts supplied by Alfa Laval for reconditioning your machine(s), shall meet Alfa Laval's latest O.E.M. design standards. All parts will be made to Alfa Laval's standard level of quality procedures. All labor shall be performed by qualified Alfa Laval trained service technicians who are experienced in the disassembly/reassembly of the Winklepress.

Alfa Laval's scope for reconditioning (3) Winklepress Type 84 2.0 meter includes using only new O.E.M. (Original Equipment Manufacturer) parts, reconditioned parts, site labor for disassembly/reassembly, and inbound/outbound freight charges.

Typical rebuilds will include roller and bearing assembly parts, hydraulic system parts, drive system parts, belt wash system parts, poly wear items, rubber seals, and possibly retrofit or upgrade items. The particular scope of supply depends on the actual condition of the customer's machine at the time of the rebuild. A firm proposal will be issued at that time to tie down a firm scope of supply and allow our customers to issue a contract or purchase order so that work may proceed on their equipment.

Firm costing is important to allow our customer's to plan for the future needs of their facility. As such we have constructed firm pricing that will provide guidance on the financial resources that will need to be in place for the reconditioning of our customer's machines. For this specific project we would like to propose a firm cost of **\$ See Below Pricing Summary \$**. The scope of supply on your project is as detailed on pages 3 and 4.

We appreciate the opportunity to be of assistance in the planning for the future of your facility's equipment. We hope that we have addressed your needs in a suitable manner. If you have any questions please feel free to contact your Alfa Laval representative, Marc Arquit at 713-882-1286 if you have any questions.

Best Regards,

*Marc Arquit*

Marc Arquit  
Business Development Manager

**Pricing Summary** (Scope of work is as detailed on page 3 and 4)

Winklepress #1: **\$ 335,166.00**

Winklepress #2: **\$ 302,392.00**

Winklepress #3: **\$ 302,392.00**

**Scope of supply:**

**Note; Folowing scope of work is the same for all 3 Winklepresses, unless otherwise noted.**

**The list below consists of all machine component needed to restore the machine in working condition.**

New carbon steel galvanised side frames and frame cross-members. **(Winklepress #1 only)**

New set of O.E.M 316 stainless steel clad rollers, less drive rollers.

New drive rollers coated with Buna-N rubber.

New stainless steel dandy roller

New set of O.E.M bearing assemblies

New set O.E.M steering valve/paddle assemblies

New steering pivot plate assemblies

New tension cylinder base plate weldments

New upper and lower scraper pivot poly blocks.

New 20 gallon hydraulic unit with interconnecting hoses.

New dual shaft mount belt drive gearmotors with torque arm kit

New tension valve

New fiberglass tension/steering cylinders

New hydraulic tubing,fittings and hoses

New stainless steel racks/pinion gears

New electrical j-box kit complete with switches and brackets

New upper and lower trip cord switches with pull cords

New poly scraper blades

New rubber seal

New vertical seals

New vertical wedeg poly wesr bars and poly plates

New poly chicane blade assemblies

New upper and lower washbox spray shower

New upper and lower 316 stainless steel washboxes

New gravity section poly grid strips

New poly belt slide plate

New 316 stainless steel drainage pans and SCH80 PVC drainage piping.

New 316 stainless steel gravity section grid weldments

New lower steering valve poly block, cover plate, valve bracket and hardware.

New lock collars with hardware (Qty 95)

New sludge spreader (Next to wedeg section)

New hyperbolic spreader (Next to feed chute end)

New wedge section splash guards (Qty 2)

New upper and lower transverse shaft pivot bearing assemblies

New belt broken switch mounting brackets

New 316ss flex hydraulic hoses

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New 316ss ball valves

New 316 ss scraper lock collars

New belt slide plate

New gravity section grid mounting angles

New gravity section chicane rod mounting angles

New upper and lower steering brackets

New upper and lower tensioning transverse shafts

New upper washbox mounting brackets

New upper and lower tensioning pivot bearings

New gravity section sludge restrainer side support angles and cross angles.

Site and labor expenses for two men three weeks

Freight: Inbound/outbound - off loading at site by others

## TERMS AND CONDITIONS OF SALE

These Terms and Conditions Apply to All Quotations, Orders, and Contracts for Alfa Laval Inc. Products (hereafter "Equipment"). As used in these Terms and Conditions of Sale, the word "Equipment" includes all hardware, parts, components, software and options.

1. **ACCEPTANCE:** Our sale to you is limited to and expressly made conditional on your assent to the terms and conditions of sale herein and, if applicable, on the attendant quotation, both of which form a part of this order and which supersede and reject all prior agreements, representations, discussions or negotiations, whether written or oral, with respect hereto and any conflicting terms and conditions of yours, or any statement therein, whether or not signed by you. We will furnish only the quantities and Equipment specifically listed on the face hereof or the pages attached hereto. We assume no responsibility for terms or conditions of, or for furnishing other equipment or material shown in, any plans and/or specifications for a project to which the Equipment quoted or ordered herein pertain or refer.
2. **PRICES:** Unless otherwise specified in writing, all quoted prices are firm for thirty (30) days from the date of offer. Stenographic, clerical and mathematical errors are subject to correction.
3. **DELIVERY:** Dates for the furnishing of services and/or delivery or shipment of Equipment are approximate only and are subject to change. Quoted lead times are figured from the date of receipt of complete technical data and approved drawings as such may be necessary. We shall not be liable, directly or indirectly, for any delay in or failure to deliver caused by carriers or delays from labor difficulties, shortages, strikes or stoppages of any sort, failure or delay in obtaining materials from ordinary sources, fires, floods, storms, accidents, or other acts of God or *force majeure*, by any statute, regulation, administrative order or decree or order or judgment of a court of law or other causes beyond our reasonable control. Unless otherwise specifically agreed in writing by us, in no event shall we be liable for any damages or penalties whatsoever, or however designated, resulting from our failure to perform or delay in performing due to any of the causes specified in this paragraph 3.
4. **SHIPMENT, RISK OF LOSS, TAXES:** Prices are in U.S. Dollars, F.O.B. Alfa Laval shipping point, unless otherwise noted. Duty, brokerage fees, insurance, packing and handling as applicable are not included unless otherwise noted. Our prices do not include federal, state, municipal or other government excise, sales, use, occupational, processing, transportation or like taxes now in force or enacted in the future. You shall pay any taxes we may be required to collect or pay now or at any time in the future (including interest and penalties imposed by any governmental authority), or any taxes you may be required to pay, that are imposed upon the sale, delivery or support of Equipment purchased or licensed as a part of this order, or you shall provide us with a tax exemption certificate acceptable to the appropriate taxing authorities.
5. **CREDIT AND PAYMENT:** Unless otherwise noted on the face hereof payment for Equipment shall be (30) days net. *Pro rata* payments shall become due with partial shipments. Any discount period which may be granted by us begins on the invoice date and all payments are due 30 days after the invoice date. All payments shall be made without deduction, deferment, set-off, lien or counterclaim of any nature. All amounts due not paid within 30 days after the date such amounts are due and payable shall bear interest at the lesser of 1.5 percent per month or the maximum rate of interest allowed by law. We reserve the right at any time to suspend credit or to change credit terms provided herein, when, in our sole opinion, your financial condition so warrants. Failure to pay invoices when such invoices are due and payable, at our election, shall make all subsequent invoices immediately due and payable irrespective of terms, and we may withhold all subsequent deliveries until the full account is settled. We shall not, in such event, be liable for delay of performance or nonperformance of contract in whole or in part subsequent to such event.
6. **CANCELLATIONS AND CHANGES:** Orders which have been accepted by us are not subject to cancellation or changes in specification except upon prior written agreement by us and upon terms that will indemnify us against all losses resulting from or arising out of such cancellation or change in specifications. In the absence of such indemnification, we shall be entitled to recover all damages and costs of whatever nature permitted by the Uniform Commercial Code.
7. **DEFERRED SHIPMENT:** If shipment is deferred at your request, payment of the contract price shall become due when you are notified that the Equipment is ready for shipment. If you fail to make payment or furnish shipping instructions we may either extend the time for so doing or cancel the contract. In case of deferred shipment at your request, storage and other reasonable expenses attributable to such delay shall be payable by you.
8. **EQUIPMENT WARRANTY AND REMEDY:**
  - (a) For new Equipment only, we warrant to you that the Equipment that is the subject of this sale is free from defects in design (provided that we have design responsibility), material and workmanship. The duration of this warranty is twelve (12) months from delivery to you (the "Warranty Period"). If you discover within the Warranty Period a defect in design, material or workmanship, you must promptly notify us in writing. Within a reasonable time after such notification, we will correct any such defect with either new or used replacement parts, at our option. Such repair, including both parts and labor, is at our expense.
  - (b) For repairs, parts and service provided by us, we warrant to you that the repairs parts and service we provide to you will be free from defects in material and workmanship. The duration of this warranty is ninety (90) days from as applicable (i) the date the machine which required the repairs, parts or service is returned to you by us, (ii) the date of your receipt of the part, or (iii) the date of repair,



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if performed at your facility. If during this ninety day period you discover a defect in the repairs, parts or service you must promptly notify us in writing.

(c) All warranty service is subject to our prior examination and approval and will be performed by us at your facility or at service centers designated by us. All transportation to and from the designated service center will be at our expense. If we are unable to repair the Equipment to conform to the warranty after a reasonable number of attempts, we will provide, at our option, one of the following: (i) a replacement for such Equipment, or (ii) full refund of the purchase price. These remedies are your exclusive remedies for breach of warranty. Unless otherwise agreed in writing by us, our warranty extends only to you and is not assignable to or assumable by any subsequent purchaser, in whole or in part, and any such attempted transfer shall render all warranties provided hereunder null and void and of no further force or effect.

(d) We will use all reasonable efforts to obtain for you any manufacturer's guarantees or warranties for any sub-assemblies included in the Equipment. To the extent such warranties are assignable, we hereby assign to you all warranties that are granted to us by our suppliers of any sub-assemblies contained in the Equipment.

(e) The warranties set forth above are inapplicable to and exclude (i) any product, components or parts not manufactured by us or covered by the warranty of another manufacturer, (ii) damage caused by accident or the negligence of you or any third party, normal wear and tear, erosion, corrosion or by disasters such as fire, flood, wind and lightning, (iii) damage caused by your failure to follow all installation and operation instructions or manuals or to provide normal maintenance, (iv) damage caused by unauthorized or improper installation of attachments, repairs or modifications, (v) damage caused by a product or component part which we did not design, manufacture, supply or repair, or (vi) any other abuse or misuse by you or any third party.

9. **LIMITATION OF LIABILITY:** In no event shall we be liable, and you hereby waive any claims against us and release us from liability to you, for any indirect, special, punitive, incidental, or consequential damages whatsoever based upon breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Excluded damages include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the Equipment or any associated equipment, cost of capital, cost of any substitute Equipment, facilities or services, downtime, the claims of third parties including customers, and injury to property. This limitation does not apply to claims for personal injury. Some states do not allow limits on warranties, or on remedies for breach in certain transactions. In such states, certain of the limitations in this paragraph and in subparagraph 8(c) may not apply.

10. **OWNERSHIP:** All drawings, designs and specifications supplied by us have been prepared or assembled by us and are solely our property. Such drawings, designs and specifications have been furnished in order to provide full documentation and on the condition that they shall not be reproduced or copied in any manner whatsoever, in whole or in part, except for your internal use as necessary, and upon the further condition that, as our sole property, they shall not be used, in whole or in part, for furnishing information to others or for any purpose not specifically authorized in a writing signed by one of our corporate officers. These ownership provisions shall not be superseded by any printed form used in connection with or arising out of a sale induced by a proposal or otherwise.

11. **PATENT INFRINGEMENT**

(a) We warrant that the Equipment in the condition sold to you is free of the rightful claim of infringement of any apparatus claims of any third-party U.S. patent issued as of the date of our acknowledgement and acceptance of your order, and we will defend, indemnify and hold you harmless from such claims; provided, however, we make no express or implied warranties of non-infringement and undertake no indemnification in respect of third-party rights where the alleged patent infringement is based upon or related to (i) any method, process or product claims in third-party U.S. patents; (ii) any combination of the Equipment with other equipment not supplied by us; or (iii) any modifications of the Equipment made by you and not approved by us.

(b) You shall notify us within 30 days of your receipt of notice of an alleged third-party patent infringement claim that would entitle you to patent infringement indemnification pursuant to paragraph 11(a), and we shall thereupon assume defense of the claim at our expense. We shall have the sole right to settle or otherwise compromise such a third-party claim, including but not limited to the right to either (i) modify the Equipment to avoid infringement if you are agreeable to the modification, (ii) repurchase the Equipment from you at a price equal to the then-current fair market value of the Equipment, or (iii) secure rights by assignment or license to permit continued use of the Equipment.

(c) If a third party charges us with patent infringement relating to Equipment sold by us to you, we shall have the right to either (i) modify the Equipment to avoid infringement if you are agreeable to the modification, (ii) repurchase the Equipment from you at a price equal to the then-current fair market value of the Equipment, or (iii) secure rights by assignment or license to permit continued use of the Equipment. If a third party charges us with patent infringement on the bases set forth in paragraph 11(a)(i), (ii) or (iii), you shall hold us harmless for all expenses and awards of damage assessed against us, and we shall also have the right to modify or repurchase the Equipment or to secure rights for continued use by way of assignment or license as set forth in this paragraph.

(d) Our total, cumulative liability under paragraphs 11(a), (b) and/or (c) is limited to 100% of the price paid to us by you for the Equipment.

12. **SAFETY AND HEALTH STANDARDS:** The Equipment described herein (or on the specifications provided herewith) complies with applicable safety and health standards issued pursuant to the Occupational Safety and Health Act of 1970 (the Act) and in effect on this date as such standards are interpreted and understood by us. These standards may be amended and/or their meaning may be clarified

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prior to shipment or performance, and if such change or clarification requires changes in the Equipment described herein, we shall make the necessary changes available to you. You shall pay for any and all such changes at our prices therefore in effect at time of shipment or performance, as the case may be. Because actual compliance by employers with the Act is beyond our control, we cannot and do not represent that the use of the Equipment described herein, nor the location, installation or maintenance thereof, will comply with the Act or regulations and standards issued pursuant thereto. We make no representation of compliance with safety and health standards contained in any statute, regulations or ordinance of any state or political subdivision thereof applicable to the Equipment described herein unless you have notified us of the existence and contents of such standards and we have agreed in writing to the incorporation of such standards in the specifications relating to such Equipment. Nothing in this provision shall operate to modify or affect in any manner whatsoever our disclaimer of any liability for consequential damages contained elsewhere in these terms and conditions of sale.

13. **INSPECTION:** Upon prior written notice, you may make reasonable inspections of Equipment at our facility. We reserve the right to determine the reasonableness of the request and to select an appropriate time and location for such inspection. You agree to execute appropriate confidentiality provisions upon our request prior to visiting our facility. All costs of inspection shall be solely determined by us and shall be payable by you. No inspection or expediting by you at the facilities of our suppliers is authorized.

14. **SOFTWARE PROVISIONS:** If software is provided hereunder, you are granted a nonexclusive, royalty free license only for your use of the software provided with our Equipment. Under this license you may: (i) use our software in machine readable object code only and only with the Equipment provided; (ii) copy our software into any machine readable object code form for back up purposes in support of your use of our software on the Equipment provided; and (iii) create one additional copy of the software for archival purposes only. This license may not be assigned, sublicensed or otherwise transferred by you without our prior written consent. You hereby recognize and acknowledge that the software provided to you hereunder comprises valuable trade secret and/or copyright property of Alfa Laval [or its licensor] and you covenant that you will take adequate precautions against access to the software by, or disclosure of the software to, anyone not authorized hereunder to use or have access to the software.

15. **TIME LIMIT FOR BRINGING SUIT:** Any action you file against us, whether for breach of contract, including but not limited to breach of warranty, or for negligence or strict tort, must be commenced within 90 days following the expiration of the Warranty Period.

16. **MODIFICATION OF TERMS:** The terms and conditions of sale set forth herein are an integral part of our proposal and/or confirmation of order. These terms shall not be deemed altered or modified by printed or other "standard" terms in a purchase order, acceptance or similar document. Our confirmation or acknowledgment of any order is with the express understanding that all printed or other "standard" language on any such documents submitted by you will be entirely disregarded to the extent that it varies from the terms and conditions of this proposal/order which may be modified only by typed or handwritten language in the body of your order, acceptance or similar document, together with a written acknowledgment and acceptance of such modification by us.

17. **LIMITATION ON WARRANTIES: THE WARRANTIES SET FORTH HEREIN ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AN IMPLIED WARRANTY OF MERCHANTABILITY, AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND AN IMPLIED WARRANTY OF NONINFRINGEMENT. WE HEREBY EXPRESSLY EXCLUDE FROM THIS CONTRACT THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND THE IMPLIED WARRANTY OF NONINFRINGEMENT. OUR WARRANTIES AND LIABILITIES HEREUNDER ARE LIMITED AS STATED HEREIN.**

September 26, 2018



El Paso Water Utilities  
10001 Southside Rd.  
El Paso, TX.79927

Attention: Aide Zamarron

Reference: Roberto R. Bustamante WWTP  
(3) Aquabelt Type 85 Rebuild  
Site Rebuild Proposal  
Alfa Laval Quote No. **082218A-MA**

Alfa Laval Inc.  
10470 Deer Trail Drive  
Houston, TX 77038  
USA  
Tel: +1 800-362-9041  
Fax: +1 281-449-1324  
[www.alfalaval.us](http://www.alfalaval.us)

Dear Ms. Zamarron,

Alfa Laval Inc is pleased to offer its firm proposal on site machine reconditioning of your existing (3) three Aquabelt Type 85 2.0 meter Gravity Belt Thickeners at the above referenced location. Alfa Laval's experience in designing and building new belt filter presses and repairing/rebuilding earlier model belt filter presses, can only enhance our position in offering the services and parts needed to provide additional years of service to your existing units.

Alfa Laval started its "Rebuild Program" to provide customers with "today's technology" on earlier model belt filter presses as an alternative to purchasing new replacement equipment. Over the past twenty years Alfa Laval has completed rebuild projects consisting of partial site repairs, complete site machine reconditioning, complete factory machine reconditioning, partial factory machine reconditioning and site machine upgrades.

Equipment on these projects includes Bellmer Winklepresses (German), English Belt Filter Presses, Alfa Laval's MKII, Type 85, and Type 94 Klampresses, Aquabelt gravity belt thickeners and other Belt Filter Presses.

All parts supplied by Alfa Laval for reconditioning your machine(s), shall meet Alfa Laval's latest O.E.M. design standards. All parts will be made to Alfa Laval's standard level of quality procedures. All labor shall be performed by qualified Alfa Laval trained service technicians who are experienced in the disassembly/reassembly of the Aquabelt.

Alfa Laval's scope for reconditioning (3) Aquabelt Type 85 2.0 meter includes using only new O.E.M. (Original Equipment Manufacturer) parts, site labor for disassembly/reassembly, and inbound/outbound freight charges.

Typical rebuilds will include roller and bearing assembly parts, hydraulic system parts, drive system parts, belt wash system parts, poly wear items, rubber seals, and possibly retrofit or upgrade items. The particular scope of supply depends on the actual condition of the customer's machine at the time of the rebuild. A firm proposal will be issued at that time to tie down a firm scope of supply and allow our customers to issue a contract or purchase order so that work may proceed on their equipment.

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"Firm Proposal – City of El Paso Water Utilities-Bustamante WWTP

Firm costing is important to allow our customer's to plan for the future needs of their facility. As such we have constructed firm pricing that will provide guidance on the financial resources that will need to be in place for the reconditioning of our customer's machines. For this specific project we would like to propose a firm cost of **\$ 99,118.00 per Aquabelt ( Total for (3) three Aquabelt Rebuilds is \$ 297,354.00)**. The scope of supply on your project is as detailed on page 3.

We appreciate the opportunity to be of assistance in the planning for the future of your facility's equipment. We hope that we have addressed your needs in a suitable manner. If you have any questions please feel free to contact your Alfa Laval representative, Marc Arquit at 713-882-1286 if you have any questions.

Best Regards,

*Marc Arquit*

Marc Arquit  
Business Development Manager

**Scope of supply:**

- New filter belt
- New set of O.E.M. rollers.
- New O.E.M. upgrade bearing assemblies.
- New bearing housing mounting hardware.
- New O.E.M. steering valve/paddle assembly.
- New O.E.M. adjustable stainless steel washboxes.
- New washtubes
- New washbox mounting brackets.
- New shaft mount drive unit (Eurodrive Varimot) and torque arm mounting brackets.
- New O.E.M fiberglass hydraulic tensioning and steering cylinders.
- New tension bar for tension cylinder.
- New gravity section grid mounting angles
- New machine mount electrical system.
- New hydraulic retrofit lid assembly for mounting on existing 20-gallon reservoir.
- New tension yoke bearings.
- New electrical switches consisting of the following:
  - New belt alignment switches.
  - New belt broken proximity switch.
  - New Babbitt high level switch.
- New wear parts consisting of the following:
  - New UHMWPE discharge scraper blade
  - New UHMWPE ramp scraper blade
  - New rubber feed tank seal
  - New rubber seal material
  - New UHMPE chicane blades
  - New UHMWPE grid wear bars
  - New UHMWPE belt slide plate
- New 3” pipe frame cross-members (Qty 3)
- New scraper blade weldment.
- New spring for scraper adjuster.
- Site labor and expenses for two technicians for 7 days to install above parts.
- Freight between Alfa Laval’s factory and jobsite (off-loading at site by customer).
- Local equipment rental to move parts in/out of building (fork-lift).

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**TERMS AND CONDITIONS OF SALE**

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1. **ACCEPTANCE:** Our sale to you is limited to and expressly made conditional on your assent to the terms and conditions of sale herein and, if applicable, on the attendant quotation, both of which form a part of this order and which supersede and reject all prior agreements, representations, discussions or negotiations, whether written or oral, with respect hereto and any conflicting terms and conditions of yours, or any statement therein, whether or not signed by you. We will furnish only the quantities and Equipment specifically listed on the face hereof or the pages attached hereto. We assume no responsibility for terms or conditions of, or for furnishing other equipment or material shown in, any plans and/or specifications for a project to which the Equipment quoted or ordered herein pertain or refer.
2. **PRICES:** Unless otherwise specified in writing, all quoted prices are firm for thirty (30) days from the date of offer. Stenographic, clerical and mathematical errors are subject to correction.
3. **DELIVERY:** Dates for the furnishing of services and/or delivery or shipment of Equipment are approximate only and are subject to change. Quoted lead times are figured from the date of receipt of complete technical data and approved drawings as such may be necessary. We shall not be liable, directly or indirectly, for any delay in or failure to deliver caused by carriers or delays from labor difficulties, shortages, strikes or stoppages of any sort, failure or delay in obtaining materials from ordinary sources, fires, floods, storms, accidents, or other acts of God or *force majeure*, by any statute, regulation, administrative order or decree or order or judgment of a court of law or other causes beyond our reasonable control. Unless otherwise specifically agreed in writing by us, in no event shall we be liable for any damages or penalties whatsoever, or however designated, resulting from our failure to perform or delay in performing due to any of the causes specified in this paragraph 3.
4. **SHIPMENT, RISK OF LOSS, TAXES:** Prices are in U.S. Dollars, F.O.B. Alfa Laval shipping point, unless otherwise noted. Duty, brokerage fees, insurance, packing and handling as applicable are not included unless otherwise noted. Our prices do not include federal, state, municipal or other government excise, sales, use, occupational, processing, transportation or like taxes now in force or enacted in the future. You shall pay any taxes we may be required to collect or pay now or at any time in the future (including interest and penalties imposed by any governmental authority), or any taxes you may be required to pay, that are imposed upon the sale, delivery or support of Equipment purchased or licensed as a part of this order, or you shall provide us with a tax exemption certificate acceptable to the appropriate taxing authorities.
5. **CREDIT AND PAYMENT:** Unless otherwise noted on the face hereof payment for Equipment shall be (30) days net. *Pro rata* payments shall become due with partial shipments. Any discount period which may be granted by us begins on the invoice date and all payments are due 30 days after the invoice date. All payments shall be made without deduction, deferment, set-off, lien or counterclaim of any nature. All amounts due not paid within 30 days after the date such amounts are due and payable shall bear interest at the lesser of 1.5 percent per month or the maximum rate of interest allowed by law. We reserve the right at any time to suspend credit or to change credit terms provided herein, when, in our sole opinion, your financial condition so warrants. Failure to pay invoices when such invoices are due and payable, at our election, shall make all subsequent invoices immediately due and payable irrespective of terms, and we may withhold all subsequent deliveries until the full account is settled. We shall not, in such event, be liable for delay of performance or nonperformance of contract in whole or in part subsequent to such event.
6. **CANCELLATIONS AND CHANGES:** Orders which have been accepted by us are not subject to cancellation or changes in specification except upon prior written agreement by us and upon terms that will indemnify us against all losses resulting from or arising out of such cancellation or change in specifications. In the absence of such indemnification, we shall be entitled to recover all damages and costs of whatever nature permitted by the Uniform Commercial Code.
7. **DEFERRED SHIPMENT:** If shipment is deferred at your request, payment of the contract price shall become due when you are notified that the Equipment is ready for shipment. If you fail to make payment or furnish shipping instructions we may either extend the time for so doing or cancel the contract. In case of deferred shipment at your request, storage and other reasonable expenses attributable to such delay shall be payable by you.
8. **EQUIPMENT WARRANTY AND REMEDY:**
  - (a) For new Equipment only, we warrant to you that the Equipment that is the subject of this sale is free from defects in design (provided that we have design responsibility), material and workmanship. The duration of this warranty is twelve (12) months from delivery to you (the "Warranty Period"). If you discover within the Warranty Period a defect in design, material or workmanship, you must promptly notify us in writing. Within a reasonable time after such notification, we will correct any such defect with either new or used replacement parts, at our option. Such repair, including both parts and labor, is at our expense.
  - (b) For repairs, parts and service provided by us, we warrant to you that the repairs parts and service we provide to you will be free from defects in material and workmanship. The duration of this warranty is ninety (90) days from as applicable (i) the date the machine which required the repairs, parts or service is returned to you by us, (ii) the date of your receipt of the part, or (iii) the date of repair, if performed at your facility. If during this ninety day period you discover a defect in the repairs, parts or service you must promptly notify us in writing.

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(c) All warranty service is subject to our prior examination and approval and will be performed by us at your facility or at service centers designated by us. All transportation to and from the designated service center will be at our expense. If we are unable to repair the Equipment to conform to the warranty after a reasonable number of attempts, we will provide, at our option, one of the following: (i) a replacement for such Equipment, or (ii) full refund of the purchase price. These remedies are your exclusive remedies for breach of warranty. Unless otherwise agreed in writing by us, our warranty extends only to you and is not assignable to or assumable by any subsequent purchaser, in whole or in part, and any such attempted transfer shall render all warranties provided hereunder null and void and of no further force or effect.

(d) We will use all reasonable efforts to obtain for you any manufacturer's guarantees or warranties for any sub-assemblies included in the Equipment. To the extent such warranties are assignable, we hereby assign to you all warranties that are granted to us by our suppliers of any sub-assemblies contained in the Equipment.

(e) The warranties set forth above are inapplicable to and exclude (i) any product, components or parts not manufactured by us or covered by the warranty of another manufacturer, (ii) damage caused by accident or the negligence of you or any third party, normal wear and tear, erosion, corrosion or by disasters such as fire, flood, wind and lightning, (iii) damage caused by your failure to follow all installation and operation instructions or manuals or to provide normal maintenance, (iv) damage caused by unauthorized or improper installation of attachments, repairs or modifications, (v) damage caused by a product or component part which we did not design, manufacture, supply or repair, or (vi) any other abuse or misuse by you or any third party.

9. **LIMITATION OF LIABILITY:** In no event shall we be liable, and you hereby waive any claims against us and release us from liability to you, for any indirect, special, punitive, incidental, or consequential damages whatsoever based upon breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Excluded damages include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the Equipment or any associated equipment, cost of capital, cost of any substitute Equipment, facilities or services, downtime, the claims of third parties including customers, and injury to property. This limitation does not apply to claims for personal injury. Some states do not allow limits on warranties, or on remedies for breach in certain transactions. In such states, certain of the limitations in this paragraph and in subparagraph 8(c) may not apply.

10. **OWNERSHIP:** All drawings, designs and specifications supplied by us have been prepared or assembled by us and are solely our property. Such drawings, designs and specifications have been furnished in order to provide full documentation and on the condition that they shall not be reproduced or copied in any manner whatsoever, in whole or in part, except for your internal use as necessary, and upon the further condition that, as our sole property, they shall not be used, in whole or in part, for furnishing information to others or for any purpose not specifically authorized in a writing signed by one of our corporate officers. These ownership provisions shall not be superseded by any printed form used in connection with or arising out of a sale induced by a proposal or otherwise.

11. **PATENT INFRINGEMENT**

(a) We warrant that the Equipment in the condition sold to you is free of the rightful claim of infringement of any apparatus claims of any third-party U.S. patent issued as of the date of our acknowledgement and acceptance of your order, and we will defend, indemnify and hold you harmless from such claims; provided, however, we make no express or implied warranties of non-infringement and undertake no indemnification in respect of third-party rights where the alleged patent infringement is based upon or related to (i) any method, process or product claims in third-party U.S. patents; (ii) any combination of the Equipment with other equipment not supplied by us; or (iii) any modifications of the Equipment made by you and not approved by us.

(b) You shall notify us within 30 days of your receipt of notice of an alleged third-party patent infringement claim that would entitle you to patent infringement indemnification pursuant to paragraph 11(a), and we shall thereupon assume defense of the claim at our expense. We shall have the sole right to settle or otherwise compromise such a third-party claim, including but not limited to the right to either (i) modify the Equipment to avoid infringement if you are agreeable to the modification, (ii) repurchase the Equipment from you at a price equal to the then-current fair market value of the Equipment, or (iii) secure rights by assignment or license to permit continued use of the Equipment.

(c) If a third party charges us with patent infringement relating to Equipment sold by us to you, we shall have the right to either (i) modify the Equipment to avoid infringement if you are agreeable to the modification, (ii) repurchase the Equipment from you at a price equal to the then-current fair market value of the Equipment, or (iii) secure rights by assignment or license to permit continued use of the Equipment. If a third party charges us with patent infringement on the bases set forth in paragraph 11(a)(i), (ii) or (iii), you shall hold us harmless for all expenses and awards of damage assessed against us, and we shall also have the right to modify or repurchase the Equipment or to secure rights for continued use by way of assignment or license as set forth in this paragraph.

(d) Our total, cumulative liability under paragraphs 11(a), (b) and/or (c) is limited to 100% of the price paid to us by you for the Equipment.

12. **SAFETY AND HEALTH STANDARDS:** The Equipment described herein (or on the specifications provided herewith) complies with applicable safety and health standards issued pursuant to the Occupational Safety and Health Act of 1970 (the Act) and in effect on this date as such standards are interpreted and understood by us. These standards may be amended and/or their meaning may be clarified prior to shipment or performance, and if such change or clarification requires changes in the Equipment described herein, we shall make the necessary changes available to you. You shall pay for any and all such changes at our prices therefore in effect at time of

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shipment or performance, as the case may be. Because actual compliance by employers with the Act is beyond our control, we cannot and do not represent that the use of the Equipment described herein, nor the location, installation or maintenance thereof, will comply with the Act or regulations and standards issued pursuant thereto. We make no representation of compliance with safety and health standards contained in any statute, regulations or ordinance of any state or political subdivision thereof applicable to the Equipment described herein unless you have notified us of the existence and contents of such standards and we have agreed in writing to the incorporation of such standards in the specifications relating to such Equipment. Nothing in this provision shall operate to modify or affect in any manner whatsoever our disclaimer of any liability for consequential damages contained elsewhere in these terms and conditions of sale.

13. **INSPECTION:** Upon prior written notice, you may make reasonable inspections of Equipment at our facility. We reserve the right to determine the reasonableness of the request and to select an appropriate time and location for such inspection. You agree to execute appropriate confidentiality provisions upon our request prior to visiting our facility. All costs of inspection shall be solely determined by us and shall be payable by you. No inspection or expediting by you at the facilities of our suppliers is authorized.

14. **SOFTWARE PROVISIONS:** If software is provided hereunder, you are granted a nonexclusive, royalty free license only for your use of the software provided with our Equipment. Under this license you may: (i) use our software in machine readable object code only and only with the Equipment provided; (ii) copy our software into any machine readable object code form for back up purposes in support of your use of our software on the Equipment provided; and (iii) create one additional copy of the software for archival purposes only. This license may not be assigned, sublicensed or otherwise transferred by you without our prior written consent. You hereby recognize and acknowledge that the software provided to you hereunder comprises valuable trade secret and/or copyright property of Alfa Laval [or its licensor] and you covenant that you will take adequate precautions against access to the software by, or disclosure of the software to, anyone not authorized hereunder to use or have access to the software.

15. **TIME LIMIT FOR BRINGING SUIT:** Any action you file against us, whether for breach of contract, including but not limited to breach of warranty, or for negligence or strict tort, must be commenced within 90 days following the expiration of the Warranty Period.

16. **MODIFICATION OF TERMS:** The terms and conditions of sale set forth herein are an integral part of our proposal and/or confirmation of order. These terms shall not be deemed altered or modified by printed or other "standard" terms in a purchase order, acceptance or similar document. Our confirmation or acknowledgment of any order is with the express understanding that all printed or other "standard" language on any such documents submitted by you will be entirely disregarded to the extent that it varies from the terms and conditions of this proposal/order which may be modified only by typed or handwritten language in the body of your order, acceptance or similar document, together with a written acknowledgment and acceptance of such modification by us.

17. **LIMITATION ON WARRANTIES: THE WARRANTIES SET FORTH HEREIN ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AN IMPLIED WARRANTY OF MERCHANTABILITY, AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND AN IMPLIED WARRANTY OF NONINFRINGEMENT. WE HEREBY EXPRESSLY EXCLUDE FROM THIS CONTRACT THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND THE IMPLIED WARRANTY OF NONINFRINGEMENT. OUR WARRANTIES AND LIABILITIES HEREUNDER ARE LIMITED AS STATED HEREIN.**



September 26, 2018



El Paso Water Utilities  
10001 Southside Rd.  
El Paso, TX. 79927

Attention: Aide Zamarron

Reference: Roberto R. Bustamante WWTP  
Winklepress 84 Rebuild (Machine #4)  
Alfa Laval Quote No. **080618A-MA**

Alfa Laval Inc.  
10470 Deer Trail Drive  
Houston, TX 77038  
USA  
Tel: +1 800-362-9041  
Fax: +1 281-449-1324  
[www.alfalaval.us](http://www.alfalaval.us)

Dear Ms. Zamarron,

Alfa Laval Inc is pleased to offer its firm proposal on site machine reconditioning of your existing Winklepress Type 84 2.0 meter at the above referenced location. Alfa Laval's experience in designing and building new belt filter presses and repairing/rebuilding earlier model belt filter presses, can only enhance our position in offering the services and parts needed to provide additional years of service to your existing unit(s).

Alfa Laval started its "Rebuild Program" to provide customers with "today's technology" on earlier model belt filter presses as an alternative to purchasing new replacement equipment. Over the past twenty years Alfa Laval has completed rebuild projects consisting of partial site repairs, complete site machine reconditioning, complete factory machine reconditioning, partial factory machine reconditioning and site machine upgrades.

Equipment on these projects includes Bellmer Winklepresses (German), English Belt Filter Presses, Alfa Laval's MKII, Type 85, and Type 94 Klampresses, Aquabelt gravity belt thickeners and other Belt Filter Presses.

All parts supplied by Alfa Laval for reconditioning your machine(s), shall meet Alfa Laval's latest O.E.M. design standards. All parts will be made to Alfa Laval's standard level of quality procedures. All labor shall be performed by qualified Alfa Laval trained service technicians who are experienced in the disassembly/reassembly of the Winklepress.

Alfa Laval's scope for reconditioning (1) Winklepress Type 84 2.0 meter includes using only new O.E.M. (Original Equipment Manufacturer) parts, reconditioned parts, site labor for disassembly/reassembly, and inbound/outbound freight charges.

Typical rebuilds will include roller and bearing assembly parts, hydraulic system parts, drive system parts, belt wash system parts, poly wear items, rubber seals, and possibly retrofit or upgrade items. The particular scope of supply depends on the actual condition of the customer's machine at the time of the rebuild. A firm proposal will be issued at that time to tie down a firm scope of supply and allow our customers to issue a contract or purchase order so that work may proceed on their equipment.

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Firm costing is important to allow our customer's to plan for the future needs of their facility. As such we have constructed firm pricing that will provide guidance on the financial resources that will need to be in place for the reconditioning of our customer's machines. For this specific project we would like to propose a firm cost of **\$ 265,946.00**. The scope of supply on your project is as detailed on pages 3 and 4.

We appreciate the opportunity to be of assistance in the planning for the future of your facility's equipment. We hope that we have addressed your needs in a suitable manner. If you have any questions please feel free to contact your Alfa Laval representative, Marc Arquit at 713-882-1286 if you have any questions.

Best Regards,

*Marc Arquit*

Marc Arquit  
Business Development Manager

**Scope of supply:**

New set of O.E.M rollers including new stainless steel dandy roller  
New set of O.E.M bearing assemblies  
New set O.E.M steering valve/paddle assemblies  
New steering pivot plate assemblies  
New tension cylinder base plate weldments  
New upper and lower scraper lever arms  
New upper and lower scraper pivot poly blocks.  
New retrofitted 20 gallon hydraulic lid assembly  
New dual shaft mount belt drive gearmotors with torque arm kit  
New tension valve  
New fiberglass tension/steering cylinders  
New hydraulic tubing,fittings and hoses  
New stainless steel racks/pinion gears  
New electrical j-box kit complete with switches and brackets  
New upper and lower trip cord switches with pull cords  
New poly scraper blades  
New rubber seal  
New vertical seals  
New retrofitted stainless steel O.E.M. inner and outer wedge assemblies  
New poly chicane blades  
New upper and lower washbox spray shower  
New upper and lower 316 stainless steel washboxes  
New gravity section poly grid strips  
New poly belt slide plate  
New 316 stainless steel drainage pans and SCH80 PVC drainage piping.  
New 316 stainless steel gravity section grid weldments  
New lower steering cylinder mounting brackets (Qty 2)  
New lower steering valve poly block, cover plate, valve bracket and hardware.  
New lock collars with hardware (Qty 95)  
New sludge spreader (Next to wedeg section)  
New hyperbolic spreader (Next to feed chute end)  
New wedge section splash guards (Qty 2)  
New drive roller drain pan brackets and support angle  
New upper and lower transverse shaft pivot bearing assemblies (Qty 4)  
New belt broken switch mounting brackets (Qty 3)  
New sludge high lever switch assembly (Qty 1)  
New 316ss flex hydraulic hoses (Qty 12)  
New 316ss bal valves (Qty 2)  
New 316 ss scraper lock collars (Qty2)  
New scraper arm relsease cams (Qty 2)  
New belt slide plate (Qty 1)

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Regalvanize all carbon steel components

Sandblast and clean al stainless steel components

Site and labor expenses for two men three weeks

Freight: Inbound,outbound,off loading at site by others

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6. **CANCELLATIONS AND CHANGES:** Orders which have been accepted by us are not subject to cancellation or changes in specification except upon prior written agreement by us and upon terms that will indemnify us against all losses resulting from or arising out of such cancellation or change in specifications. In the absence of such indemnification, we shall be entitled to recover all damages and costs of whatever nature permitted by the Uniform Commercial Code.
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8. **EQUIPMENT WARRANTY AND REMEDY:**
  - (a) For new Equipment only, we warrant to you that the Equipment that is the subject of this sale is free from defects in design (provided that we have design responsibility), material and workmanship. The duration of this warranty is twelve (12) months from delivery to you (the "Warranty Period"). If you discover within the Warranty Period a defect in design, material or workmanship, you must promptly notify us in writing. Within a reasonable time after such notification, we will correct any such defect with either new or used replacement parts, at our option. Such repair, including both parts and labor, is at our expense.
  - (b) For repairs, parts and service provided by us, we warrant to you that the repairs parts and service we provide to you will be free from defects in material and workmanship. The duration of this warranty is ninety (90) days from as applicable (i) the date the machine which required the repairs, parts or service is returned to you by us, (ii) the date of your receipt of the part, or (iii) the date of repair, if performed at your facility. If during this ninety day period you discover a defect in the repairs, parts or service you must promptly notify us in writing.

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(c) All warranty service is subject to our prior examination and approval and will be performed by us at your facility or at service centers designated by us. All transportation to and from the designated service center will be at our expense. If we are unable to repair the Equipment to conform to the warranty after a reasonable number of attempts, we will provide, at our option, one of the following: (i) a replacement for such Equipment, or (ii) full refund of the purchase price. These remedies are your exclusive remedies for breach of warranty. Unless otherwise agreed in writing by us, our warranty extends only to you and is not assignable to or assumable by any subsequent purchaser, in whole or in part, and any such attempted transfer shall render all warranties provided hereunder null and void and of no further force or effect.

(d) We will use all reasonable efforts to obtain for you any manufacturer's guarantees or warranties for any sub-assemblies included in the Equipment. To the extent such warranties are assignable, we hereby assign to you all warranties that are granted to us by our suppliers of any sub-assemblies contained in the Equipment.

(e) The warranties set forth above are inapplicable to and exclude (i) any product, components or parts not manufactured by us or covered by the warranty of another manufacturer, (ii) damage caused by accident or the negligence of you or any third party, normal wear and tear, erosion, corrosion or by disasters such as fire, flood, wind and lightning, (iii) damage caused by your failure to follow all installation and operation instructions or manuals or to provide normal maintenance, (iv) damage caused by unauthorized or improper installation of attachments, repairs or modifications, (v) damage caused by a product or component part which we did not design, manufacture, supply or repair, or (vi) any other abuse or misuse by you or any third party.

9. **LIMITATION OF LIABILITY:** In no event shall we be liable, and you hereby waive any claims against us and release us from liability to you, for any indirect, special, punitive, incidental, or consequential damages whatsoever based upon breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Excluded damages include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the Equipment or any associated equipment, cost of capital, cost of any substitute Equipment, facilities or services, downtime, the claims of third parties including customers, and injury to property. This limitation does not apply to claims for personal injury. Some states do not allow limits on warranties, or on remedies for breach in certain transactions. In such states, certain of the limitations in this paragraph and in subparagraph 8(c) may not apply.

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12. **SAFETY AND HEALTH STANDARDS:** The Equipment described herein (or on the specifications provided herewith) complies with applicable safety and health standards issued pursuant to the Occupational Safety and Health Act of 1970 (the Act) and in effect on this date as such standards are interpreted and understood by us. These standards may be amended and/or their meaning may be clarified prior to shipment or performance, and if such change or clarification requires changes in the Equipment described herein, we shall make the necessary changes available to you. You shall pay for any and all such changes at our prices therefore in effect at time of

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shipment or performance, as the case may be. Because actual compliance by employers with the Act is beyond our control, we cannot and do not represent that the use of the Equipment described herein, nor the location, installation or maintenance thereof, will comply with the Act or regulations and standards issued pursuant thereto. We make no representation of compliance with safety and health standards contained in any statute, regulations or ordinance of any state or political subdivision thereof applicable to the Equipment described herein unless you have notified us of the existence and contents of such standards and we have agreed in writing to the incorporation of such standards in the specifications relating to such Equipment. Nothing in this provision shall operate to modify or affect in any manner whatsoever our disclaimer of any liability for consequential damages contained elsewhere in these terms and conditions of sale.

13. **INSPECTION:** Upon prior written notice, you may make reasonable inspections of Equipment at our facility. We reserve the right to determine the reasonableness of the request and to select an appropriate time and location for such inspection. You agree to execute appropriate confidentiality provisions upon our request prior to visiting our facility. All costs of inspection shall be solely determined by us and shall be payable by you. No inspection or expediting by you at the facilities of our suppliers is authorized.

14. **SOFTWARE PROVISIONS:** If software is provided hereunder, you are granted a nonexclusive, royalty free license only for your use of the software provided with our Equipment. Under this license you may: (i) use our software in machine readable object code only and only with the Equipment provided; (ii) copy our software into any machine readable object code form for back up purposes in support of your use of our software on the Equipment provided; and (iii) create one additional copy of the software for archival purposes only. This license may not be assigned, sublicensed or otherwise transferred by you without our prior written consent. You hereby recognize and acknowledge that the software provided to you hereunder comprises valuable trade secret and/or copyright property of Alfa Laval [or its licensor] and you covenant that you will take adequate precautions against access to the software by, or disclosure of the software to, anyone not authorized hereunder to use or have access to the software.

15. **TIME LIMIT FOR BRINGING SUIT:** Any action you file against us, whether for breach of contract, including but not limited to breach of warranty, or for negligence or strict tort, must be commenced within 90 days following the expiration of the Warranty Period.

16. **MODIFICATION OF TERMS:** The terms and conditions of sale set forth herein are an integral part of our proposal and/or confirmation of order. These terms shall not be deemed altered or modified by printed or other "standard" terms in a purchase order, acceptance or similar document. Our confirmation or acknowledgment of any order is with the express understanding that all printed or other "standard" language on any such documents submitted by you will be entirely disregarded to the extent that it varies from the terms and conditions of this proposal/order which may be modified only by typed or handwritten language in the body of your order, acceptance or similar document, together with a written acknowledgment and acceptance of such modification by us.

17. **LIMITATION ON WARRANTIES: THE WARRANTIES SET FORTH HEREIN ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AN IMPLIED WARRANTY OF MERCHANTABILITY, AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND AN IMPLIED WARRANTY OF NONINFRINGEMENT. WE HEREBY EXPRESSLY EXCLUDE FROM THIS CONTRACT THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND THE IMPLIED WARRANTY OF NONINFRINGEMENT. OUR WARRANTIES AND LIABILITIES HEREUNDER ARE LIMITED AS STATED HEREIN.**

September 26, 2018



El Paso Water Utilities  
10001 Southside Rd.  
El Paso, TX.79927

Attention: Aide Zamarron

Reference: Hickerson WWTP  
Winklepress 84 Rebuild  
Alfa Laval Quote No. **080718A-MA**

Alfa Laval Inc.  
10470 Deer Trail Drive  
Houston, TX 77038  
USA  
Tel: +1 800-362-9041  
Fax: +1 281-449-1324  
[www.alfalaval.us](http://www.alfalaval.us)

Dear Ms. Zamarron,

Alfa Laval Inc is pleased to offer its firm proposal on site machine reconditioning of your existing Winklepress Type 84 2.0 meter at the above referenced location. Alfa Laval's experience in designing and building new belt filter presses and repairing/rebuilding earlier model belt filter presses, can only enhance our position in offering the services and parts needed to provide additional years of service to your existing unit(s).

Alfa Laval started its "Rebuild Program" to provide customers with "today's technology" on earlier model belt filter presses as an alternative to purchasing new replacement equipment. Over the past twenty years Alfa Laval has completed rebuild projects consisting of partial site repairs, complete site machine reconditioning, complete factory machine reconditioning, partial factory machine reconditioning and site machine upgrades.

Equipment on these projects includes Bellmer Winklepresses (German), English Belt Filter Presses, Alfa Laval's MKII, Type 85, and Type 94 Klampresses, Aquabelt gravity belt thickeners and other Belt Filter Presses.

All parts supplied by Alfa Laval for reconditioning your machine(s), shall meet Alfa Laval's latest O.E.M. design standards. All parts will be made to Alfa Laval's standard level of quality procedures. All labor shall be performed by qualified Alfa Laval trained service technicians who are experienced in the disassembly/reassembly of the Winklepress.

Alfa Laval's scope for reconditioning (1) Winklepress Type 84 2.0 meter includes using only new O.E.M. (Original Equipment Manufacturer) parts, reconditioned parts, site labor for disassembly/reassembly, and inbound/outbound freight charges.

Typical rebuilds will include roller and bearing assembly parts, hydraulic system parts, drive system parts, belt wash system parts, poly wear items, rubber seals, and possibly retrofit or upgrade items. The particular scope of supply depends on the actual condition of the customer's machine at the time of the rebuild. A firm proposal will be issued at that time to tie down a firm scope of supply and allow our customers to issue a contract or purchase order so that work may proceed on their equipment.



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Firm costing is important to allow our customer's to plan for the future needs of their facility. As such we have constructed firm pricing that will provide guidance on the financial resources that will need to be in place for the reconditioning of our customer's machines. For this specific project we would like to propose a firm cost of **\$ 295,080.00**. The scope of supply on your project is as detailed on pages 3 and 4.

We appreciate the opportunity to be of assistance in the planning for the future of your facility's equipment. We hope that we have addressed your needs in a suitable manner. If you have any questions please feel free to contact your Alfa Laval representative, Marc Arquit at 713-882-1286 if you have any questions.

Best Regards,

*Marc Arquit*

Marc Arquit  
Business Development Manager

**Scope of supply:**

**Note: The customer has removed majority of the parts from the Winklepress being rebuilt. The only existing machine components being reused are the side frames, frame crossmembers, hinged and fixed vertical wedge weldments and misc hydraulic tubing.**

**The list below consists of all machine component needed to restore the machine in working condition.**

New set of O.E.M rollers including new stainless steel dandy roller  
New set of O.E.M bearing assemblies  
New set O.E.M steering valve/paddle assemblies  
New steering pivot plate assemblies  
New tension cylinder base plate weldments  
New upper and lower scraper lever arms  
New upper and lower scraper pivot poly blocks.  
New 20 gallon hydraulic unit.  
New dual shaft mount belt drive gearmotors with torque arm kit  
New tension valve  
New fiberglass tension/steering cylinders  
New hydraulic tubing,fittings and hoses  
New stainless steel racks/pinion gears  
New electrical j-box kit complete with switches and brackets  
New upper and lower trip cord switches with pull cords  
New poly scraper blades  
New rubber seal  
New vertical seals  
New poly chicane blade assemblies  
New upper and lower washbox spray shower  
New upper and lower 316 stainless steel washboxes  
New gravity section poly grid strips  
New poly belt slide plate  
New 316 stainless steel drainage pans and SCH80 PVC drainage piping.  
New 316 stainless steel gravity section grid weldments  
New lower steering cylinder mounting brackets (Qty 2)  
New lower steering valve poly block, cover plate, valve bracket and hardware.  
New lock collars with hardware (Qty 95)  
New sludge spreader (Next to wedeg section)  
New hyperbolic spreader (Next to feed chute end)  
New wedge section splash guards (Qty 2)  
New drive roller drain pan brackets and support angle  
New upper and lower transverse shaft pivot bearing assemblies  
New belt broken switch mounting brackets  
New 316ss flex hydraulic hoses

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New 316ss bal valves  
New 316 ss scraper lock collars  
New scraper arm release cams  
New belt slide plate  
New upper and lower scraper weldments  
New upper and lower scraper mounting brackets and handles  
New gravity section slduge restrainers  
New gravity section grid mounting angles  
New gravity section chicane rod mounting angles  
New chicane rods  
New upper and lower steering brackets  
New upper and lower steering pedestals  
New upper and lower tensioning cylinder support castings  
New upper and lower tensioning transverse shafts  
New upper and lower washbox mounting brackets  
New upper and lower tensioning pivot bearings  
New upper and lower steering valve mounting brackets and poly blocks  
New gravity section drain pan support brackets  
New dandy pan support brackets  
New upper washbox drain pan support brackets  
New gravity section sldueg restrainer side support angles and cross angles.  
New 316 stainless steel feed chute  
New feed chute support weldment  
Site and labor expenses for two men three weeks  
Freight: Inbound,outbound,off loading at site by others

## TERMS AND CONDITIONS OF SALE

These Terms and Conditions Apply to All Quotations, Orders, and Contracts for Alfa Laval Inc. Products (hereafter "Equipment"). As used in these Terms and Conditions of Sale, the word "Equipment" includes all hardware, parts, components, software and options.

1. **ACCEPTANCE:** Our sale to you is limited to and expressly made conditional on your assent to the terms and conditions of sale herein and, if applicable, on the attendant quotation, both of which form a part of this order and which supersede and reject all prior agreements, representations, discussions or negotiations, whether written or oral, with respect hereto and any conflicting terms and conditions of yours, or any statement therein, whether or not signed by you. We will furnish only the quantities and Equipment specifically listed on the face hereof or the pages attached hereto. We assume no responsibility for terms or conditions of, or for furnishing other equipment or material shown in, any plans and/or specifications for a project to which the Equipment quoted or ordered herein pertain or refer.
2. **PRICES:** Unless otherwise specified in writing, all quoted prices are firm for thirty (30) days from the date of offer. Stenographic, clerical and mathematical errors are subject to correction.
3. **DELIVERY:** Dates for the furnishing of services and/or delivery or shipment of Equipment are approximate only and are subject to change. Quoted lead times are figured from the date of receipt of complete technical data and approved drawings as such may be necessary. We shall not be liable, directly or indirectly, for any delay in or failure to deliver caused by carriers or delays from labor difficulties, shortages, strikes or stoppages of any sort, failure or delay in obtaining materials from ordinary sources, fires, floods, storms, accidents, or other acts of God or *force majeure*, by any statute, regulation, administrative order or decree or order or judgment of a court of law or other causes beyond our reasonable control. Unless otherwise specifically agreed in writing by us, in no event shall we be liable for any damages or penalties whatsoever, or however designated, resulting from our failure to perform or delay in performing due to any of the causes specified in this paragraph 3.
4. **SHIPMENT, RISK OF LOSS, TAXES:** Prices are in U.S. Dollars, F.O.B. Alfa Laval shipping point, unless otherwise noted. Duty, brokerage fees, insurance, packing and handling as applicable are not included unless otherwise noted. Our prices do not include federal, state, municipal or other government excise, sales, use, occupational, processing, transportation or like taxes now in force or enacted in the future. You shall pay any taxes we may be required to collect or pay now or at any time in the future (including interest and penalties imposed by any governmental authority), or any taxes you may be required to pay, that are imposed upon the sale, delivery or support of Equipment purchased or licensed as a part of this order, or you shall provide us with a tax exemption certificate acceptable to the appropriate taxing authorities.
5. **CREDIT AND PAYMENT:** Unless otherwise noted on the face hereof payment for Equipment shall be (30) days net. *Pro rata* payments shall become due with partial shipments. Any discount period which may be granted by us begins on the invoice date and all payments are due 30 days after the invoice date. All payments shall be made without deduction, deferment, set-off, lien or counterclaim of any nature. All amounts due not paid within 30 days after the date such amounts are due and payable shall bear interest at the lesser of 1.5 percent per month or the maximum rate of interest allowed by law. We reserve the right at any time to suspend credit or to change credit terms provided herein, when, in our sole opinion, your financial condition so warrants. Failure to pay invoices when such invoices are due and payable, at our election, shall make all subsequent invoices immediately due and payable irrespective of terms, and we may withhold all subsequent deliveries until the full account is settled. We shall not, in such event, be liable for delay of performance or nonperformance of contract in whole or in part subsequent to such event.
6. **CANCELLATIONS AND CHANGES:** Orders which have been accepted by us are not subject to cancellation or changes in specification except upon prior written agreement by us and upon terms that will indemnify us against all losses resulting from or arising out of such cancellation or change in specifications. In the absence of such indemnification, we shall be entitled to recover all damages and costs of whatever nature permitted by the Uniform Commercial Code.
7. **DEFERRED SHIPMENT:** If shipment is deferred at your request, payment of the contract price shall become due when you are notified that the Equipment is ready for shipment. If you fail to make payment or furnish shipping instructions we may either extend the time for so doing or cancel the contract. In case of deferred shipment at your request, storage and other reasonable expenses attributable to such delay shall be payable by you.
8. **EQUIPMENT WARRANTY AND REMEDY:**
  - (a) For new Equipment only, we warrant to you that the Equipment that is the subject of this sale is free from defects in design (provided that we have design responsibility), material and workmanship. The duration of this warranty is twelve (12) months from delivery to you (the "Warranty Period"). If you discover within the Warranty Period a defect in design, material or workmanship, you must promptly notify us in writing. Within a reasonable time after such notification, we will correct any such defect with either new or used replacement parts, at our option. Such repair, including both parts and labor, is at our expense.
  - (b) For repairs, parts and service provided by us, we warrant to you that the repairs parts and service we provide to you will be free from defects in material and workmanship. The duration of this warranty is ninety (90) days from as applicable (i) the date the machine which required the repairs, parts or service is returned to you by us, (ii) the date of your receipt of the part, or (iii) the date of

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repair, if performed at your facility. If during this ninety day period you discover a defect in the repairs, parts or service you must promptly notify us in writing.

(c) All warranty service is subject to our prior examination and approval and will be performed by us at your facility or at service centers designated by us. All transportation to and from the designated service center will be at our expense. If we are unable to repair the Equipment to conform to the warranty after a reasonable number of attempts, we will provide, at our option, one of the following: (i) a replacement for such Equipment, or (ii) full refund of the purchase price. These remedies are your exclusive remedies for breach of warranty. Unless otherwise agreed in writing by us, our warranty extends only to you and is not assignable to or assumable by any subsequent purchaser, in whole or in part, and any such attempted transfer shall render all warranties provided hereunder null and void and of no further force or effect.

(d) We will use all reasonable efforts to obtain for you any manufacturer's guarantees or warranties for any sub-assemblies included in the Equipment. To the extent such warranties are assignable, we hereby assign to you all warranties that are granted to us by our suppliers of any sub-assemblies contained in the Equipment.

(e) The warranties set forth above are inapplicable to and exclude (i) any product, components or parts not manufactured by us or covered by the warranty of another manufacturer, (ii) damage caused by accident or the negligence of you or any third party, normal wear and tear, erosion, corrosion or by disasters such as fire, flood, wind and lightning, (iii) damage caused by your failure to follow all installation and operation instructions or manuals or to provide normal maintenance, (iv) damage caused by unauthorized or improper installation of attachments, repairs or modifications, (v) damage caused by a product or component part which we did not design, manufacture, supply or repair, or (vi) any other abuse or misuse by you or any third party.

9. **LIMITATION OF LIABILITY:** In no event shall we be liable, and you hereby waive any claims against us and release us from liability to you, for any indirect, special, punitive, incidental, or consequential damages whatsoever based upon breach of warranty, breach of contract, negligence, strict tort, or any other legal theory. Excluded damages include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the Equipment or any associated equipment, cost of capital, cost of any substitute Equipment, facilities or services, downtime, the claims of third parties including customers, and injury to property. This limitation does not apply to claims for personal injury. Some states do not allow limits on warranties, or on remedies for breach in certain transactions. In such states, certain of the limitations in this paragraph and in subparagraph 8(c) may not apply.

10. **OWNERSHIP:** All drawings, designs and specifications supplied by us have been prepared or assembled by us and are solely our property. Such drawings, designs and specifications have been furnished in order to provide full documentation and on the condition that they shall not be reproduced or copied in any manner whatsoever, in whole or in part, except for your internal use as necessary, and upon the further condition that, as our sole property, they shall not be used, in whole or in part, for furnishing information to others or for any purpose not specifically authorized in a writing signed by one of our corporate officers. These ownership provisions shall not be superseded by any printed form used in connection with or arising out of a sale induced by a proposal or otherwise.

### 11. **PATENT INFRINGEMENT**

(a) We warrant that the Equipment in the condition sold to you is free of the rightful claim of infringement of any apparatus claims of any third-party U.S. patent issued as of the date of our acknowledgement and acceptance of your order, and we will defend, indemnify and hold you harmless from such claims; provided, however, we make no express or implied warranties of non-infringement and undertake no indemnification in respect of third-party rights where the alleged patent infringement is based upon or related to (i) any method, process or product claims in third-party U.S. patents; (ii) any combination of the Equipment with other equipment not supplied by us; or (iii) any modifications of the Equipment made by you and not approved by us.

(b) You shall notify us within 30 days of your receipt of notice of an alleged third-party patent infringement claim that would entitle you to patent infringement indemnification pursuant to paragraph 11(a), and we shall thereupon assume defense of the claim at our expense. We shall have the sole right to settle or otherwise compromise such a third-party claim, including but not limited to the right to either (i) modify the Equipment to avoid infringement if you are agreeable to the modification, (ii) repurchase the Equipment from you at a price equal to the then-current fair market value of the Equipment, or (iii) secure rights by assignment or license to permit continued use of the Equipment.

(c) If a third party charges us with patent infringement relating to Equipment sold by us to you, we shall have the right to either (i) modify the Equipment to avoid infringement if you are agreeable to the modification, (ii) repurchase the Equipment from you at a price equal to the then-current fair market value of the Equipment, or (iii) secure rights by assignment or license to permit continued use of the Equipment. If a third party charges us with patent infringement on the bases set forth in paragraph 11(a)(i), (ii) or (iii), you shall hold us harmless for all expenses and awards of damage assessed against us, and we shall also have the right to modify or repurchase the Equipment or to secure rights for continued use by way of assignment or license as set forth in this paragraph.

(d) Our total, cumulative liability under paragraphs 11(a), (b) and/or (c) is limited to 100% of the price paid to us by you for the Equipment.

12. **SAFETY AND HEALTH STANDARDS:** The Equipment described herein (or on the specifications provided herewith) complies with applicable safety and health standards issued pursuant to the Occupational Safety and Health Act of 1970 (the Act) and in effect on this date as such standards are interpreted and understood by us. These standards may be amended and/or their meaning may be

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clarified prior to shipment or performance, and if such change or clarification requires changes in the Equipment described herein, we shall make the necessary changes available to you. You shall pay for any and all such changes at our prices therefore in effect at time of shipment or performance, as the case may be. Because actual compliance by employers with the Act is beyond our control, we cannot and do not represent that the use of the Equipment described herein, nor the location, installation or maintenance thereof, will comply with the Act or regulations and standards issued pursuant thereto. We make no representation of compliance with safety and health standards contained in any statute, regulations or ordinance of any state or political subdivision thereof applicable to the Equipment described herein unless you have notified us of the existence and contents of such standards and we have agreed in writing to the incorporation of such standards in the specifications relating to such Equipment. Nothing in this provision shall operate to modify or affect in any manner whatsoever our disclaimer of any liability for consequential damages contained elsewhere in these terms and conditions of sale.

13. **INSPECTION:** Upon prior written notice, you may make reasonable inspections of Equipment at our facility. We reserve the right to determine the reasonableness of the request and to select an appropriate time and location for such inspection. You agree to execute appropriate confidentiality provisions upon our request prior to visiting our facility. All costs of inspection shall be solely determined by us and shall be payable by you. No inspection or expediting by you at the facilities of our suppliers is authorized.

14. **SOFTWARE PROVISIONS:** If software is provided hereunder, you are granted a nonexclusive, royalty free license only for your use of the software provided with our Equipment. Under this license you may: (i) use our software in machine readable object code only and only with the Equipment provided; (ii) copy our software into any machine readable object code form for back up purposes in support of your use of our software on the Equipment provided; and (iii) create one additional copy of the software for archival purposes only. This license may not be assigned, sublicensed or otherwise transferred by you without our prior written consent. You hereby recognize and acknowledge that the software provided to you hereunder comprises valuable trade secret and/or copyright property of Alfa Laval [or its licensor] and you covenant that you will take adequate precautions against access to the software by, or disclosure of the software to, anyone not authorized hereunder to use or have access to the software.

15. **TIME LIMIT FOR BRINGING SUIT:** Any action you file against us, whether for breach of contract, including but not limited to breach of warranty, or for negligence or strict tort, must be commenced within 90 days following the expiration of the Warranty Period.

16. **MODIFICATION OF TERMS:** The terms and conditions of sale set forth herein are an integral part of our proposal and/or confirmation of order. These terms shall not be deemed altered or modified by printed or other "standard" terms in a purchase order, acceptance or similar document. Our confirmation or acknowledgment of any order is with the express understanding that all printed or other "standard" language on any such documents submitted by you will be entirely disregarded to the extent that it varies from the terms and conditions of this proposal/order which may be modified only by typed or handwritten language in the body of your order, acceptance or similar document, together with a written acknowledgment and acceptance of such modification by us.

17. **LIMITATION ON WARRANTIES: THE WARRANTIES SET FORTH HEREIN ARE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AN IMPLIED WARRANTY OF MERCHANTABILITY, AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND AN IMPLIED WARRANTY OF NONINFRINGEMENT. WE HEREBY EXPRESSLY EXCLUDE FROM THIS CONTRACT THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND THE IMPLIED WARRANTY OF NONINFRINGEMENT. OUR WARRANTIES AND LIABILITIES HEREUNDER ARE LIMITED AS STATED HEREIN.**