



## AirSep Process & Control LLC

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27 October 2014 (REVISED)

Francois A. Domand P.E.  
Deputy Director Operations  
Department of Public Utilities  
City of Hollywood, Florida

AirSep Process & Control LLC proposes a budgetary price of \$146,805.00 (includes standard sub-contractor markup of 20%) to provide for the inspection and repair of the Cryogenic Coldbox located at the Hollywood, FL location. Quotation assumes coldbox can be repaired onsite.

Includes no parts/vessels found to be defective.

Work to proceed upon receipt of Purchase Order

The repair is expected to be a duration of five 10 to 12 hour working days. Also possible depending on the pressure test and inspection could be one day shorter or longer.

Day 1 – Perlite Removal and Coldbox washdown.

Day 2- Coldbox inspection & repair

Day 3- Coldbox inspection & repair

Day 4 - Coldbox inspection & repair

Day 5 – Reinstall perlite, proceed with startup

Price per AirSep Process & Control Standard Terms and Conditions (less subcontractor markup) includes costs for;

- 1ea. (one) AirSep Process & Control service representative, (\$25,698)
- Perlite removal/re-installation and Confined Space Entry by Pennsylvania Perlite crews, assumes reuse of existing perlite. Please review attached Penn Perlite quotation for Customer supplied items and their Standard T&C's. (\$75,550) quote attached.
- Coldbox inspection and repair by Codeweld Inc crew (\$25,373), quote attached

*Price is budgetary only, final invoice will be based on actual signed timesheets for AirSep Process and Control, Pennsylvania Perlite, & Codeweld personnel.*

AirSep Process & Control LLC Standard Terms and Conditions are attached.

Regards,  
-David Martin  
AirSep Process & Control LLC  
Managing Member  
(716)998-7928

## Terms and Conditions of Sale of Products and Services AirSep Process & Control LLC

The terms and conditions set forth in this offer are exclusive for equipment and/or services furnished hereunder. Return of a purchase order or other acceptance communicated to AirSep Process & Control LLC will be sufficient to form an agreement (Agreement) based exclusively on the terms set forth herein. Any additional or different terms and conditions submitted by Purchaser to AirSep Process & Control LLC in such purchase order or acceptance shall be deemed objected to by AirSep Process & Control LLC and shall be of no effect nor in any circumstance binding upon AirSep Process & Control LLC unless accepted by AirSep Process & Control LLC in writing.

**TAXES** – The price does not include any federal, state, or local property, license, privilege, sales, use, import duties, tariffs, fees, imposts, excise, turnover, added value, gross receipt, gross wages or similar taxes now or hereafter applicable in any manner to this transaction. Purchaser agrees to reimburse AirSep Process & Control LLC for any such taxes which AirSep Process & Control LLC is required to pay (other than corporate income taxes imposed on AirSep Process & Control LLC) upon submission of AirSep Process & Control LLC's invoice.

**DELIVERY, TITLE AND RISK OF LOSS** – All shipping dates approximate and are based upon AirSep Process & Control LLC's prompt receipt of all necessary information from Purchaser to properly process the order. Delivery shall be F.O.B. factory, freight prepaid and added. Title and risk of loss shall pass to Purchaser upon delivery.

**PAYMENTS** – Payments are due and payable net thirty (30) days from the date of the invoice and shall be based on the milestone payment schedule (if applicable) set forth in the AirSep Process & Control LLC offer letter. All payments shall be net cash in U.S. dollars. AirSep Process & Control LLC shall have the right, among other remedies, either to terminate the Agreement or to suspend further deliveries under this and/or other agreements with Purchaser in the event Purchaser fails to make any payment hereunder when due.

Following services delivery, invoices shall be rendered monthly and payment shall be due net 30 days from the date of invoice at the price in effect when the services are provided. The commercial rate schedule for field services for calendar year 2014 is as follows:

\$ 1136.00 (one-thousand one hundred thirty six dollars) base rate per 8-hour workshift, on-site or travel  
\$ 320.00 (three-hundred twenty dollars) per diem per each overnight stay to cover travel expenses  
Airfare expense (coach class basis) will be invoiced at actual cost

A surcharge of 50% will be added to the base rate for weekday time in excess of eight (8) hours, or for services performed on Saturdays, Sundays, or National or legal holidays. In the event that subcontracted work is required and provided by AirSep Process & Control LLC, Purchaser shall pay to AirSep Process & Control LLC the full amount of each subcontractor's invoice plus a handling and administrative charge equal to twenty per cent (20%) thereof.

**FORCE MAJEURE** – AirSep Process & Control LLC will not be liable for failure or delay in performance resulting from any cause beyond its reasonable control including, but not limited to strikes, acts of God, the act or failure to act of Government Authority, Purchaser, Purchaser's customer, or other contractors. In the event of such delay, the time for performance/delivery will be extended by a period of time reasonably necessary to overcome the effect of the delay, and AirSep Process & Control LLC shall be entitled to financial relief for increased costs resulting from the force majeure event.

**WARRANTIES**

**Equipment and Service Warranty** – For equipment and services provided hereunder, AirSep Process & Control LLC warrants that the equipment will be free of defects in material, workmanship and title which materially affect its utility; and that the services provided will reflect competent knowledge and judgment. The warranty period shall expire 12 months from the date of delivery of the equipment or performance of the service. If AirSep Process & Control LLC has installed or provided technical assistance with respect to the installation of the equipment, the warranty period shall expire 12 months from the date of completion of installation or 18 months from the date of delivery, whichever occurs first. The warranty period for repair or replacement parts/components shall expire 90 days from the date of delivery of the repair or replacement part/component or, if furnished under warranty, upon expiration of the original period whichever occurs last.

**Remedies** – In the case of a nonconformity in these warranties and if AirSep Process & Control LLC is notified in writing of such nonconformity during the applicable warranty period, it shall be corrected at AirSep Process & Control LLC's option by; in the case of equipment, repair or replacement of defective part(s) / component(s) FCA AirSep Process & Control LLC shipping point; in the case of title, defense against claims of title defects; in the case of service, reperformance of the nonconforming portion of the service. If such remedies are impracticable, AirSep Process & Control LLC may refund the purchase price for the nonconforming equipment or service. The exchange and/or repair of equipment or components are contingent upon receipt of items. Purchaser is responsible for delivery of repair items to AirSep Process & Control LLC without damage due to shipping/handling. Any warranty specified herein is conditioned upon: a) proper handling, installation and maintenance; b) not having been subjected to accident, alteration, abuse or misuse, and c) the Purchaser providing necessary access and assistance for AirSep Process & Control LLC to fulfill its warranty obligations.

Unless stated otherwise herein, third party equipment shall be warranted and remedied on a pass through basis in the same manner and for the same period and extent provided by the original equipment manufacturer.

**Exclusivity of Warranties and Remedies** – THE WARRANTIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE). THE REMEDIES SET FORTH, FOR THE TIME AND IN THE MANNER PROVIDED ABOVE, SHALL BE PURCHASER'S EXCLUSIVE REMEDIES FOR FAILURE OF AIRSEP PROCESS & CONTROL LLC TO MEET ITS WARRANTY OBLIGATIONS, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE.

**LIMITATION OF LIABILITY** – THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND UNDER NO THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE WILL BE EITHER AIRSEP PROCESS & CONTROL LLC OR ITS SUPPLIERS OF ANY TIER: (A) BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGE WHATSOEVER; DAMAGE TO OR LOSS OF PROPERTY OR EQUIPMENT; LOSS OF PROFITS OR REVENUE; LOSS OF USE OF PURCHASER'S PROPERTY, EQUIPMENT OR POWER SYSTEM; INCREASED COSTS OF ANY KIND, INCLUDING BUT NOT LIMITED TO COST OF OPERATION AND MAINTENANCE, CAPITAL COST, FUEL COST AND COST OF PURCHASED OR REPLACEMENT POWER; OR CLAIMS OF CUSTOMERS OF PURCHASER; AND (B) BE LIABLE FOR AN AGGREGATE LIABILITY EXCEEDING THE TOTAL PRICE PAID. TO AIRSEP PROCESS & CONTROL LLC UNDER THE AGREEMENT. THIS ARTICLE SHALL PREVAIL OVER ANY CONFLICTING OR INCONSISTENT PROVISIONS IN THE AGREEMENT.

**CHANGES** – Purchaser may request or governmental laws and regulations may require changes in the scope of work or in the implementation/performance of the work. The price, schedule and other pertinent provisions of the Agreement shall be adjusted by written agreement of the parties prior to implementation of any change.

**GOVERNING LAW** – The Agreement shall be governed by the laws of the State of New York, excluding both its rules or laws regarding choice or conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods.

**SURVIVAL** – The Limitation of Liability, Patents, Software and Firmware, Proprietary Information, Dispute Resolution and Transfer provisions shall survive termination, expiration or cancellation of the Agreement or the purchase order to which these terms and conditions apply. No amendment, modification or alteration of these terms and conditions shall be binding unless the same shall be in writing and duly executed by the parties. If any term or condition is under any circumstances deemed invalid, the remaining terms and conditions shall be construed with the invalid provision(s) deleted.

**DISPUTE RESOLUTION** – The parties shall use best efforts to resolve any dispute, which may arise under the Agreement. If no such resolution is reached, then upon written notice from either party to the other, the parties shall submit the dispute for resolution by mediation in accordance with the Rules of the American Arbitration Association, Commercial Mediation Rules, as amended from time to time. Each party shall share equally the compensation and expenses of the mediators.

**GENERAL PROVISIONS** – (a) Purchaser shall not assign its rights or obligations under the Agreement without AirSep Process & Control LLC's prior written consent. (b) There are no understandings, agreements or representations, express or implied, not specified in the Agreement. (c) No action, regardless of form, arising out of transactions of the Agreement, may be brought by either party more than two (2) years after the cause of action has accrued. (d) Any modification of these terms and conditions must be set forth in a written instrument signed by a duly authorized representative of AirSep Process & Control LLC. (e) Purchaser shall be responsible for all dealings with any governmental authority including obtaining, maintaining and paying for all licenses, permits and authorizations for the services and/or equipment furnished under the Agreement. (f) The Agreement contains the entire agreement and understanding between the parties as to the subject matter of the Agreement, and merges and supersedes all prior agreements, commitments, representations, writings, and discussions between them. Neither of the parties will be bound by any prior obligations, conditions, warranties, or representations with respect of the subject matter of the Agreement.



## Pennsylvania Perlite Corporation

1428 Mauch Chunk Road

Bethlehem, PA 18018

Phone (610) 868-0992

Fax (610) 868-7609

E-mail: Jose.Abud@pennperlite.com

October 26, 2014

AirSep Process & Control LLC  
1337 101 ST  
Niagara Falls, NY 14304

Attn: David Martin PMP

Ref: Recycle Cryogenic Perlite at The City of Hollywood WWTP facility in the City of Hollywood, FL.  
Estimated volume Cryogenic Perlite: 7,500 CuFt.

Dear Dennis:

As per you RFQ for the month of October 23, 2014, we are sending the following proposal:

- **PROVIDE ALL PLANT LABOR AND MATERIALS TO REMOVE, STORE AND CLEAN A COLD BOX WITH CRYOGENIC PERLITE. AFTER REPAIRS, WE WILL RETURN TO INSTALL THE STORED MATERIAL AND TOP OFF WITH NEW TO FILL ALL VOID SPACES.**
- **PENNSYLVANIA PERLITE CORPORATION ALSO IS PROVIDING THE CONFINED SPACE ENTRY SAFETY RESCUE TEAM TO OVERSEE THE SAFETY OF HIS PERSONNEL AND CODEWELD PERSONNEL DURING THIS EMERGENCY OUTRAGE.**

**BUDGET PRICE:..... \$75,550.00**

**Recycle and wait 3 days for repairs to be completed.**

**If the Perlite needed replacement, additional cost would be involved.**

### Scope of Work:

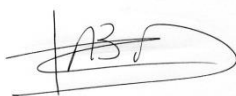
1. Work is scheduled for October, 2014.
2. Labor will be open shop. These prices do not include any applicable Sales Tax. A Sales Tax Exemption Certificate should be issued to us at the time of this agreement.
3. The above price is estimated under the assumptions that the Cryogenic Perlite flows and it is not damp/wet at the time of the removal. In the event that that Perlite does not flow, we will have to use other types of equipment to evacuate and clean the Cold Box. Any spent material will be disposed by the customer. Pennsylvania Perlite Corporation will work to place the material in the proper container to be transported to a local landfill.
4. Customer will provide safe access to top of cold box. Also, easy access to filling ports by means of crane or ladder(s).
5. The Pennsylvania Perlite Corporation would be responsible of storing the Cryogenic Perlite using sealed storage silos.

6. Pennsylvania Perlite Corporation will provide hoses, pipes, and rigging for Perlite removal and installation of Cryogenic Perlite. Placement of nozzles for removal and installation of Perlite, as well as, for venting of annular space is under the customer scope.
7. Pennsylvania Perlite Corporation will remove the Perlite from the top at first, and then, we will remove the material from the bottom. After all Perlite is removed, plumbing and vessels are cleaned; and by customer request, we will wash-down the entire column using water from the customer facility. It is preferable to use water from a fire hydrant if available with enough water volume to do the cleaning. The customer may need to provide a wet/dry vacuum truck (super sucker) to remove possible wet Perlite and water when washing the Cold Box.
8. New topping material will be transported in our bulk tank. Customer will provide roadways for our bulk vacuum tankers to enter and leave the job site under their own power. The price includes additional Perlite that it is missing in the Cold Box now.
9. Any unreasonable delays incurred at the job site by contractee will be prorated accordingly. Additional time due to frozen/damped Perlite will be charged accordingly to our Time and Materials published sheet. Also, customer will advise of removal or installation of Perlite under force majeure conditions, should they occur while the job is in progress.
10. Price does not include topping off Cold Box if settlement should occur later. Price includes compaction factor of 10% at the time of installation. We have not made any provisions for later settlement of Perlite. Pennsylvania Perlite Corporation will comply with all safety rules and standards of OSHA, AirSep Process & Control LLC, and site specific safety requirements as well as our own safety rules and procedures.
11. Pennsylvania Perlite Corporation does have provisions for Confined Space Entry rescue team, when we clean the vessels in of the Cold Box. Our personnel are Confined Space Entry and Hole-Watch certified. We are rescue-trained and could perform Confined Space Entry rescue procedures.
12. Pennsylvania Perlite Corporation will work under the directions of AirSep Process and controls. Pennsylvania Perlite Corporation does not assume any responsibility for any eruption or spillage of Perlite on the plant grounds or immediate areas if such event occurs due to sudden expansion of cryogenic gas/liquid trapped in the insulation. The adequate information about conditions of the Perlite and any possible permeation of liquid/gas product in the Perlite should be addressed and correct prior to any intent to remove the Perlite to avoid or minimized any type of incident. Our personnel will take all reasonable precautions to reduce the possibility of an incident of this nature.

Thank you for considering Pennsylvania Perlite Corporation for all your Perlite needs. If you have any questions, please do not hesitate to call us.

Sincerely,

Pennsylvania Perlite Corporation

A handwritten signature in black ink, appearing to read 'JAB', enclosed within a large, loopy oval stroke.

José A. Abud  
President

CODEWELD, INC  
PO BOX 17913  
INDIANAPOLIS, IN 46217  
Phone#317-784-4140  
Mobile# 317-402-0371  
Email:lvgroce@comcast.net

AirSep Process & Control LLC  
1337 101<sup>st</sup> Street  
Niagara Falls, NY 14304

ATTN: David Martin  
Estimated Bid# F14-4460  
Date: October 23, 2014  
Re: Repair Hollywood, Florida

Bid based on 4 men @ 3 day/ 10 hour shifts Scheduled Saturday, Sunday and Monday.

1- Certified Welder

3 Pipe Fitter

Truck & Portable Shop

Code Inspector

Bid not based on any material,

Total Estimated Cost: \$25373.00

Purchase order required if Estimated Bid accepted.

Thank You for Using Codeweld, INC  
Terms 30 days



www.CSIRServices.com

August 21, 2014  
AirSep Process & Control LLC  
1337 101 ST  
Niagara Falls, NY 14304

Attn: David Martin PMP

Reference: Perform Confined Space Entry safety services in Hollywood, FL. Date: October 2014

Dear David:

Pleased review the following requested quote:

WE WILL PROVIDE PERSONNEL AND EQUIPMENT TO OVERSEE THE CONFINED SPACE ENTRY FOR  
THE DURATION OF THE WORK IN A VESSEL AT THE ABOVE MENTIONED LOCATION.  
PRICE .....\$ 18,750.00

Safety crew of one supervisor and technician. Five days assignment.

Scope:

Work is scheduled for October 2014. The shift would be of 12-14 hours for the Confined Space Entry project.

Labor will be open shop. This work is based on Time & Materials. The price does not include any applicable Sales Tax. A Sales Tax Exemption Certificate should be presented to us at the time of this agreement.

Customer will provide safe access to top of the cold boxes and vessels.

The customer will advise the Confined Space Entry Recue team to work under force majeure conditions, should they occur while the job is in progress.

Confined Space Industrial Services, Inc personnel will comply with all safety rules and standards of OSHA, AirSep Process & Control LLC, and site specific safety requirements as well as our own safety rules and procedures.

Thank you for considering Confined Space Industrial Services, Inc for all your safety needs. If you have any questions, please do not hesitate to call us.

Best regards,  
José A. Abud

President