

MOBILE RO SERVICE AGREEMENT

This agreement ("Agreement") is entered into and is effective as of <u>February 2</u>, 20<u>15</u> ("Effective Date") between Evoqua Water Technologies LLC, 1501 E. Woodfield Rd., Suite 200 South, Schaumburg, IL 60173, a Delaware limited liability company (hereinafter called "Provider") and <u>City of Gillette, Water Services</u> <u>Division, 611 North Exchange Avenue, Gillette, WY 82717</u>, City, First Class (hereinafter called "Customer").

AGREEMENT

NOW, THEREFORE, in exchange for mutual promises and good valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. TERM

- A. Provider shall (i) mobilize mobile water treatment equipment, as generally described in Section E hereof ("Mobiles"), to Customer's plant located at <u>806 Warlow Drive</u> (the "Delivery Area") no later than <u>7 business days</u> following the Effective Date and, (ii) subject to Customer's completion of any work on or about the Delivery Area required for the Mobiles (such work to be completed within <u>2</u> weeks of delivery of the Mobiles), shall complete operational start up of the Mobiles within <u>5 days</u> thereafter; the foregoing time periods represented by clauses (i) and (ii) collectively deemed (the "Commissioning Phase").
- B. Commencing upon delivery of equipment, Provider shall provide to Customer water treatment equipment for a period of <u>2 months</u> (the "Initial Term"), and thereafter for successive one (1) month periods ("Renewal"), unless and until terminated by either party at the end of the Initial Term or any Renewal upon not less than ten (10) days prior written notice.
- C. In the event this Agreement is terminated by Customer for any reason other than Provider's uncured material default between the Effective Date and up to completion of the Commissioning Phase, then Customer shall promptly reimburse Provider for all work performed up to the effective date of termination (including man hours expended, materials acquired and expense incurred by reason of termination or cancellation of agreements between Provider and its suppliers or subcontractors). In the event this Agreement is cancelled upon completion of the Commissioning Phase and prior to the expiration of the Initial Term either 1) by Provider as a result of Customer's uncured material default or 2) by Customer for any reason, except for a material uncured default by Provider, then Customer shall pay to Provider, as liquidated damages for such cancellation and not as a penalty, <u>\$15908.00</u> times the remaining number of months in the Initial Term.
- D. In the event of any cancellation or other termination of this Agreement, Customer shall permit Provider to remove its Mobiles from the Delivery Area as provided for in this Agreement.
- E. The term "Treated Water" means water which has been processed through the Mobiles and meets the requirements set forth in Exhibit B hereto.

F. The term "Mobiles) means one or more of the following: water demineralizing systems, reverse osmosis systems, clarification or filtration systems capable of easy transport. Mobiles may be skid mounted or on a mobile platform, and are subject to availability.

2. CUSTOMER'S OBLIGATIONS

- A. Prior to and as a condition of Provider's obligations hereunder, Customer shall, without cost to Provider, and throughout the Initial Term and any applicable Renewal, furnish and maintain in good condition, a Delivery Area suitable for the ingress/egress and full utilization of Mobiles.
- B. In order for a Delivery Area to be suitable for Mobiles, Customer must:
 - (i) prepare and/or provide a foundation sufficient to safely hold the weight of the largest Mobiles Provider anticipates may be placed in the Delivery Area,
 - (ii) provide incoming water meeting the specifications stated in Exhibit A ("Feedwater"),
 - (iii) provide all tankage, transfer pumps and appropriate water conduits ("Distribution Equipment") to deliver Feedwater to the Mobiles,
 - (iv) provide Distribution Equipment to receive Treated Water from the Mobiles,
 - (v) provide all utilities required by the Mobiles as set forth in Exhibit C,
 - (vi) provide all security measures reasonably needed to protect the Mobiles and the Delivery Area, and
 - (vii) obtain in writing all consents, licenses and permits required to establish and maintain the Delivery Area allowing Provider to provide the Services which are the subject of this Agreement.
- C. Customer's failure to meet the Feedwater requirements set forth in Exhibit A may result in excess reverse osmosis membrane cleaning expenses or other expenses which shall be the responsibility of Customer. Any changes in Feedwater pretreatment that is the responsibility of Customer shall be reviewed and approved by Provider prior to implementation of the change. Customer shall be responsible for damages that occur to the Mobiles due to changes in Feedwater that occur without the prior written authorization of Provider.
- D. Customer is responsible for providing adequate disposal in accordance with all applicable laws and regulations for all effluent associated with normal operation of the Mobiles.
- E. Offer Provider right of first refusal to meet Customer's requirements for additional Services. In the event Provider is unable to meet Customer's needs for additional Service, then (i) Customer may solicit Service from any alternative source at its sole discretion and (ii) such event shall not constitute a breach of this Agreement on the part of Provider.

3. PROVIDER'S OBLIGATIONS

- A. Subject to Customer satisfying its obligations set forth in Sections 2(A) through 2(D), Provider shall:
 - (i) furnish and supervise installation of Mobiles at the Delivery Area during the Commissioning Phase,
 - (ii) supervise connection of said Mobiles to the Distribution Equipment during the Commissioning Phase,
 - (iii) monitor on a weekly basis the water treatment equipment during system operation,
 - (iv) provide support for proper operation of equipment.

Subclauses (i) through (iv) of this Section 3(A) are collectively defined as (the "Services").

- B. Provider may substitute other equipment, at its option and cost, to meet the specifications set forth in Exhibit B.
- C. Upon request by Customer, provide a Certificate of Insurance listing coverages for General Liability, Automobile Liability and Workman's Compensation.
- D. Provider shall provide Services subject to the exclusions set forth in Exhibit D.

4. ACCESS AND TITLE

Authorized representatives of Provider and Customer shall have access at all times to all Delivery Areas. Customer shall use all reasonable precautions to prevent all other persons from entering the Delivery Areas and shall not permit any persons other than authorized employees or representatives of Provider to operate, use, alter, repair, relocate, regenerate, adjust or tamper with any Mobiles or other equipment installed by Provider unless agreed to in writing by Provider. While the Mobiles are in the Delivery Area or anywhere on Customer's property, Customer shall defend Provider's right, title, and interest in said Mobiles and keep them free of all liens and encumbrances. Customer shall be liable for damage to or loss of any Mobiles or other equipment of Provider located in the Delivery Area or elsewhere on Customer's property, unless said damage or loss is caused solely by the negligent acts or omissions of Provider, its employees, agents or representatives.

Before any Mobiles are installed at any Delivery Areas, Customer will execute all documents and public filings as Provider may reasonably request to evidence Provider's ownership interest. Customer authorizes Provider or its agent to sign on behalf of Customer any UCC (Uniform Commercial Code) documents necessary to affirm Provider's ownership of the Mobiles.

5. EQUIPMENT RELOCATION OR CHANGE

If Customer, for any reason, requests Provider to relocate the Mobile(s) from one Delivery Area to another, or if Provider after consultation with Customer and, in order to protect its Mobiles or improve the Service to be provided hereunder, replaces Mobiles or relocates Mobiles from one Delivery Area to another, Customer shall bear all costs in connection with said replacement or relocation and the subsequent connections to Customer's Distribution Equipment.

6. PRICE AND PAYMENT TERMS

The prices for the furnishing of Services are set forth in Exhibit E. Payment terms are Net 30 days. In addition, Customer shall reimburse Provider for any supplemental costs incurred by Provider in the performance of any installation or other construction work required to make a given Delivery Area suitable. Customer shall also pay to Provider, or to the appropriate authorities, all governmental taxes, including sales or use taxes, related to the Services performed by Provider under this Agreement. Notwithstanding anything to the contrary, invoicing for the Services will commence on the earlier of (i) the date Treated Water is first furnished or (ii) ten (10) days after Mobiles arrive at the Delivery Area.

In the event payment is not made in accordance with the provisions of this Section 6, Customer shall pay Provider a monthly late charge equal to one percent (1%) per month of all unpaid balances or the maximum amount permitted by law, whichever is less.

7. WARRANTY

PROVIDER WARRANTS THE TREATED WATER FURNISHED HEREUNDER SHALL MEET THE SPECIFICATIONS SET FORTH IN EXHIBIT B PROVIDED CUSTOMER SUPPLIES FEEDWATER MEETING THE SPECIFICATIONS SET FORTH IN EXHIBIT A AND MEETS ALL ITS OTHER OBLIGATIONS UNDER THIS AGREEMENT. PROVIDER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE INTENDED. Any Treated Water not meeting the specifications of Exhibit B due to the negligence of Provider shall, at Provider's option and as Customer's sole remedy, be replaced or reprocessed at no additional cost to Customer. Any dispute with respect to whether Treated Water met the requirements of Exhibit B shall be resolved pursuant to Article 8 below.

8. WATER QUALITY DISPUTES

Any Treated Water furnished hereunder by Provider and shown by recognized standard analysis to be of a purity less than specified in Exhibit B may be rejected by Customer at its discretion, provided that said failure to meet such specification is caused by the negligent acts or omissions of Provider. Customer must draw two sets of samples (a "split sample") when making a dispute and Provider reserves the right to check the analysis on its portion of the split sample by submitting same to an accredited lab. Purity of the Treated Water shall be measured (sampled) at the outlet connection of the Mobiles and prior to connection to the Distribution Equipment. All claims relating to Treated Water shall be made within sixty (60) days of the date upon which the Treated Water in question was delivered.

9. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY, PROVIDER SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, CONSEQUENTIAL, LIQUIDATED, SPECIAL OR PUNITIVE DAMAGES, AND PROVIDER'S TOTAL LIABILITY ARISING AT ANY TIME IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS ACTUALLY PAID BY CUSTOMER TO PROVIDER DURING THE INITIAL TERM. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

10. INDEMNIFICATION

Provider agrees to defend, indemnify and hold harmless Customer, it's successors and assigns, and their agents, servants, and employees from and against any and all claims, demands, damages, actions or causes of action at law or in equity, asserted by third parties for bodily injuries, death or physical property damage, to the extent caused by Provider's negligent acts or omissions or willful misconduct.

Customer agrees to defend, indemnify and hold harmless Provider, it's successors and assigns, and their agents, servants, and employees from and against any and all claims, demands, damages, actions or causes of action at law or in equity, asserted by third parties for bodily injuries, death or physical property damage, to the extent caused by Customer's negligent acts or omissions or willful misconduct.

11. FORCE MAJEURE

Under no circumstances shall Provider have any liability for any inability to provide Service hereunder as a result of floods, strikes or other labor disturbances, fires, accidents, wars, delays of carriers, inability to obtain raw materials, failure of normal sources of supply, restraints of government, or any other similar or dissimilar cause beyond Provider's reasonable control.

12. GOVERNING LAW/ATTORNEYS FEES

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, with venue in the Western District thereof. If any action at law or in equity is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to any other relief to which such party may be entitled.

13. PARTIAL INVALIDITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way and the provision at issue shall be modified by the court to the extent necessary to be in compliance and match, as closely as possible, with the original intention. Notwithstanding the preceding sentence, if the modified provision is contrary to the original intention of the parties, Provider shall have the right to terminate this Agreement.

14. NO HIRES

Customer shall not solicit for employment any of Provider's employees during the term of this Agreement and for a period of twenty-four (24) months after the termination of this Agreement without the written consent of Provider.

15. NOTICES

Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing, overnight courier or by mail (registered or certified postage prepaid with return receipt requested). Mailed notices shall be addressed to the parties at the addresses first set forth in this Agreement, but each party may change its address by written notice in accordance with this Section. Notices delivered personally shall be deemed communicated as of actual receipt; all other notices shall be deemed communicated as of documented receipt.

16. GENERAL TERMS

This Agreement shall not be binding upon Provider until accepted by a duly authorized representative of Provider. No modifications or waivers of any provision herein shall be binding upon Provider unless set forth in writing and accepted by Provider.

17. ENTIRE AGREEMENT

The provisions of this Agreement constitute the entire agreement between Provider and Customer relating to the matters covered by this Agreement, and any agreements, either oral or in writing, entered into prior or contemporaneously with the execution of this Agreement are excluded. No course of previous dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain or vary any of its terms. No representations, understandings or agreements have been made or relied on in making this Agreement other than those expressly set forth in this Agreement. This Agreement may be modified only by a writing signed by the parties or their duly authorized agents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date. For purposes of this Agreement, signed facsimiles shall be considered the same as originally signed agreements.

EVOQUA WATER TECHNOLOGIES LLC	CITY OF GILLETTE
By:	Ву:
Title:	Title:
Date:	Date:

EXHIBIT A FEEDWATER SPECIFICATIONS

Source: Well water

Constituent	Units	Feed Water Analytical Data	
Calcium (Ca)	ppm as CaCO ₃	18.5	
Magnesium (Mg)	ppm as CaCO ₃	6.2	
Sodium, (Na)	ppm as CaCO ₃	760	
Potassium (K)	ppm as CaCO ₃	TBD	
Barium (Ba)	ppm	< 0.2	
Strontium (Sr)	ppm	< 2.0	
Bicarbonate (HCO ₃) Alkalinity	ppm as CaCO ₃	647	
Sulfate (SO ₄)	ppm as CaCO ₃	0.73	
Chloride (Cl)	ppm as CaCO ₃	37	
Fluoride (F)	ppm as CaCO ₃	13.8	
Nitrate (NO ₃)	ppm as CaCO ₃	TBD	
Silica (SiO ₂)	ppm	20.8	
TDS	ppm	785	
рН	Standard Unit	8.51	
Free Chlorine	ppm	< 0.05	
TSS	ppm	Not Detected	
Turbidity	NTU	TBD	
SDI	15 Minute Basis	< 5	
Total Organic Carbon (TOC)	ppm	TBD	
Oil & Grease	ppm	0	
Iron (Fe)	ppm	< 0.18	
Manganese (Mn)	ppm	< 0.1	
Aluminum (Al)	ppm	< 0.1	
Temperature	°F	55 - 75	

Notes: Exceeding the above levels, and/or presence of unusual or anomalous constituents in the feed water, not identified in a typical water analysis, may require review and/or modifications to the proposed treatment system and/or charges.

EXHIBIT B TREATED WATER SPECIFICATIONS 1

PRODUCT WATER – QUANTITY¹

Parameter	Value			
Flow Rate	600 gpm			
Pressure	30 psig			
Availability	≥95%			

PRODUCT WATER – QUALITY¹

Parameter	Value
Fluoride	≥95% rejection

¹Please note that no guarantee of fitness for any purpose, including drinking or potable water, is given or implied.

EXHIBIT C UTILITY REQUIREMENTS

Assumptions

- Customer is supplying a 12' x 65' well-drained, level area with concrete or crushed gravel foundation capable of supporting Evoqua's equipment.
- Customer is supplying any required heat trace and insulation or other freeze protection for the water lines and equipment.
- Customer is installing the equipment under Evoqua's supervision.
- Customer is responsible for equipment maintenance and daily operation.
- Customer is supplying the following services to Evoqua's battery limit:

SERVICE	DISTANCE FROM EVOQUA	QTY	SIZE AND DESCRIPTION	PRESSURE OR VOLTAGE		FLOW OR AMPS	
Feed	0'	(1)	6" 150# Flange	40-90	psig	800	gpm
Product	0'	(1)	6" 150# Flange	30	psig	600	gpm
Waste	0'	(1)	6" 150# Flange	<20	psig	200	gpm
Instrument Air	0'	(1)	1⁄2" NPT	80-100	psig	10	scfm, int.
Electrical	Note-1	(1)	60 Hz / 3 PH	480	VAC	350	Amp

Note-1: 480 VAC electrical service shall be supplied and terminated by the customer at the incoming side of the main disconnect switch on the equipment. Any required transformer(s) to step down to 480 VAC will be provided by the customer.

To ensure Evoqua operations personnel are not exposed to electrical arc flash hazards from the customer supplied electrical power, Evoqua requires that the arc flash hazard shall not exceed a category 2 as defined by NFPA70E at the point of connection to the Evoqua RO trailer. The cables from the customer supplied power source shall be considered in the calculation.

EXHIBIT D SERVICE EXCLUSIONS

- 1. Utilization of union labor subject to prevailing wage determinations.
- 2. Soil borings, or other environmental sampling, for geotechnical evaluation.
- **3.** Installation and equipment design beyond Seismic-0/1 zone standards.
- 4. Remote interface directly to Customer PLC, DCS or CAMM systems via hardwired contacts
- 5. Painting and/or coating of any piping and conduit materials.
- **6.** All environmental and/or discharge-related applications, permits, surcharges, inspections, and associated fees.
- **7.** All building and/or installation-related applications, permits, surcharges, inspections, and associated fees.
- 8. Delays and/or incurred costs due to inclement weather.
- 9. Exclusion of weekend or nationally recognized holiday work.
- **10.** Off-site (outside Provider's battery limits) disposal of clearing grubbing spoil and surplus soils.
- **11.** Development of temporary and/or permanent access roadways to and from Provider's battery limits.
- **12.** Dewatering due to surface run-on and/or groundwater intrusion.
- **13.** Hard excavation and/or blasting due to rock, boulders, or man-made obstructions.
- **14.** Soil remediation (such as handling, testing, removal or disposal) due to hazardous waste and/or archaeological content.
- **15.** Supply and installation of synthetic liners and/or geo-textile materials under building structures and/or tanks.
- **16.** Supply and installation of double-wall contained piping systems.
- **17.** Supply of installation of permanent stand-by electrical power generator system(s).
- **18.** Supply and erection of temporary or permanent building/awning components.
- **19.** Coating of concrete surfaces, other than for application of curing compounds.
- **20.** Finish painting and/or coating of primered building structural components.
- **21.** Supply of spare parts to Customer.
- **22.** Provisions for complying with ADA (Americans with Disability Act), as Provider's facility will not be open to the public.
- 23. Installation requiring cold-weather materials and methods.
- 24. Construction and/or operational delays due to design changes during the installation phase.
- **25.** Operational delay due to equipment malfunctions/delays during start-up.

NOTE: Evoqua excludes all other items not specifically listed in "Evoqua Supplied" category.

EXHIBIT E PRICE SCHEDULE

MONTHLY SERVICE CHARGE: \$32,017.00 per month for 2 months. This includes equipment rental, chemicals, cartridge filters, RO membranes and cleanings, and remote monitoring. Equipment maintenance and daily operation is not included.

If additional months are required, the service charge will be \$20,689 for each month after the first two months.

VARIABLE CHARGE: Included in monthly service charge.

MOBILIZATION/INSTALLATION CHARGES: Included in monthly service charge. This includes freight to Evoqua's local branch and to customer site, installation labor supervision, membrane loading, and start-up.

DEMOBILIZATION CHARGES: Included in monthly service charge. This includes labor and freight for demobilization. Customer is responsible for collecting, transporting, and disposing of wastes.

For agreements exceeding one (1) year, pricing is subject to periodic adjustments based upon agreed price index escalation or changes to Provider's list price with thirty (30) days written notice to Customer.

The pricing contained herein is firm for a period of 30-days from date of proposal. This proposal, by Evoqua Water Technologies, LLC, is contingent upon several items including: (i) resolution of mutually acceptable payment terms; (ii) Evoqua satisfactory completion of an anti-corruption due diligence review; (iii) a written agreement specifically acknowledging acceptance of terms and conditions mutually agreed upon by the parties and (iv) subject to credit approval by Evoqua. Equipment is subject to availability. Pricing takes effect on the make water date or 10 days after equipment arrives at customer site (whichever comes first). Payment terms are Net 30.