

SIEMENS WATER TECHNOLOGIES FACTORY SERVICE CONTRACT QUOTE

Customer: City of Leesburg, FL

Date: August 13, 2010

Proposal for: Annual Factory Service Contract

Quote: 100813REL01

Siemens Water Technologies is pleased to provide the City of Leesburg, FL with a Factory Service Contract. Please review the attached Quotation for the proposed services. If, after your review, you would like to make changes, please notify us at the above number *and* we will revise the quotation and forward it to you for your review/acceptance.

The following quotation provides for services as defined herein for the three-year period of the contract.

The total cost for this service is \$ **60,000.00** per year plus any applicable taxes and additional charges as defined herein. Terms are defined herein. The total cost for the three years of the contract is \$ **180,000.00** for which Siemens Water Technologies agrees to hold pricing during the complete term of the Contract.

Please sign below and attach your purchase order to signify acceptance of this service contract. This quotation is valid for 30 days from the date shown above.

Note that the price quoted above represents a discount of 15% off of our current list prices.

Thank you for giving Siemens Water Technologies the opportunity to be of service to you.



For Siemens Water Technologies- Ronald E. Lauderback

8/17/10

Date

For customer

Date

ATTEST:

Note: If an annual contract is not desired, on-site factory service can be purchased on a time and material basis at our normal service rates.

QUOTATION

For

SIEMENS WATER TECHNOLOGIES FACTORY SERVICE CONTRACT

Customer: City of Leesburg, FL Date: August 13, 2010

SIEMENS WATER TECHNOLOGIES FACTORY SERVICE CONTRACT

1. Annual Service:

Siemens Water Technologies will provide an authorized and qualified System Engineer to visit your system site 3 times per month. The visit shall provide for 8 hours on-site labor at the discounted rate of \$1,133.33 per day and will be scheduled at the mutual consent of the Customer and Siemens Water Technologies to occur during normal business hours. Siemens Water Technologies will provide an authorized and qualified service technician to visit your system site 2 times per month. The visit shall provide for 8 hours on-site labor at the discounted rate of \$800 per day and will be scheduled at the mutual consent of the Customer and Siemens Water Technologies/Sanders Company to occur during normal business hours. The site visits also includes up to 4 hours of travel time incurred for the visit. The quoted price also includes travel expenses. Expenses are defined as airplane ticket, hotel, car rental, meal and per diem charges.

Clarifications:

- Unscheduled extensions to service visits may be purchased at a cost of \$130 per man-hour plus uplifts for travel and expenses as appropriate.
- Total Contract price for 3 engineering and 2 tech days per month is \$5,000 per month.

2. Emergency service:

If, while this contract is in effect, emergency service is required, the Customer will receive priority response and will receive a 15% discount on Siemens Water Technologies emergency service rate of \$187.50 per hour for travel and on-site time plus all travel and business expenses at cost. The emergency rate after hours on weekdays and on Saturdays and Sundays is 1.5 times the discounted emergency rate and on holidays is 2 times the discounted emergency rate. Siemens Water Technologies will generally utilize our nearest service personnel for emergency service.

3. Remote Factory Support:

Up to eight (8) hours of telephone and/or dial up remote support during normal working hours will be provided under this contract. Customer must contact Siemens Water Technologies Technical Support group in order to utilize this feature. Additional hours, if required, may be purchased for \$130 per hour. Support provided after normal working hours will be billed to the customer at the discounted emergency service rate of \$165 per hour.

4. Equipment covered:

All Siemens Water Technologies supplied equipment at the City. This includes any plant, computer and/or the telemetry system equipment.

If requested by the customer, Siemens Water Technologies will service other customer owned equipment within the time allotted in Paragraph 1 above. The Customer is responsible for the integrity of any existing customer owned equipment warranty.

Tasks may include:

Instrumentation:

- Inspection/cleaning and calibration of float switches
- Inspection/cleaning and calibration of pressure and level Transmitters.
- Inspection/cleaning and scaling of flow meters.
- Verification of operation of alarms.
- Inspection/cleaning and verification of operation of valve actuators and position switches.
- Battery back-up/UPS inspection and verification.

Control Panels:

- Clean interior of panels
- Check condition of panel wiring
- Check condition of Controllers
- Check controller software for errors
- Check condition of I/O boards
- Check condition of pilot lights, switches and display devices
- Check power devices
- Check battery backup devices
- Check panel grounding

SCADA/PC System:

- Examine system and application logs for problems
- Examine drives for Available Space
- Examine alarm lists for potential problems
- Archive or move Data as necessary
- Defragment hard drive and back-up SCADA PC
- Check Battery back-up/UPS inspection and testing

Other Tasks:

- Customer defined tasks
- Additional tasks based on on-site observation
- Provide recommendations for hardware and software upgrades

5. Parts

The customer is responsible for the purchase of all parts. This contract provides for a **10%** discount off the listed price for parts purchased pursuant to this agreement.

6. Terms

Programming or changes to Siemens Water Technologies supplied applications that require engineering involvement are covered by this contract. Equipment, software, or network changes and engineering necessary to increase capacity or to enhance functionality are not covered by this contract.

Although Siemens Water Technologies will initiate attempts to schedule the service trips, it is ultimately the customer's responsibility to schedule the service trips.

A separate Annual Purchase Order will be issued at the beginning of each Fiscal Year for which funds pertaining to this contract are appropriated. For each Purchase Order, monthly progress billing of 1/12 the annual amount will follow during the Purchase Order period. Billing will be done on the First of the month for that month's services. The City of Leesburg can utilize those days as they see fit. This Contract can be terminated by either party during the month already paid for. All work for that month will be completed to conclude the contract.

Contract period is 36 months from date of execution of this contract.

SILMEN WATER TECHNOLOGIES CORP. CONTROL SYSTEMS PRODUCTS & SERVICES
EXHIBIT "A" CITY OF LEESBURG TERMS OF THE SALE OF EQUIPMENT

1. **Applicable Terms.** These terms govern the purchase and sale of the equipment and related services, if any (collectively, "Equipment"), referred to in Seller's purchase order, quotation, proposal or acknowledgment, as the case may be ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.

2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation provides otherwise, freight, storage, insurance and all taxes, duties or other governmental charges relating to the Equipment shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. All payments are due within 30 days after receipt of invoice. Buyer shall be charged the lower of 1 1/2% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval.

3. **Delivery.** Delivery of the Equipment shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, Delivery terms are F.O.B. ~~Seller's~~ Buyer's facility. Title and risk of loss shall pass to the Buyer upon delivery of the equipment to the ~~carrier~~ Buyer.

4. **Ownership of Materials.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Equipment. Confidentiality requirements hereunder are subject to Florida public records statutes. Buyer shall not disclose any such material to third parties without Seller's prior written consent.

5. **Changes.** Seller shall not implement any changes in the scope of work described in Seller's Documentation unless Buyer and Seller agree in writing to the details of the change and any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law occurring after the effective date of any contract including these terms.

6. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the Equipment shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship. The foregoing warranty shall not apply to any Equipment that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. If Buyer gives Seller prompt written notice of breach of this warranty within 18 months from delivery or 1 year from acceptance, whichever occurs first (the "Warranty Period"), Seller shall, at its sole option and as Buyer's sole remedy, repair or replace the subject parts or refund the purchase price therefore. Provided however, all transportation charges for the return of and the cost of labor for removal of the defective Equipment or, the re-installation of the repaired or replacement Equipment shall be paid by the Buyer. Replaced Equipment shall become the property of the Seller. In the case of a material defect in paid services, provided under contract, Seller's sole obligation shall be to re-perform the services to meet the requirements. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating within specifications and maintaining the Equipment in accordance with Seller's instructions, (b) not making any unauthorized repairs, alterations or additions and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover damage caused by chemical action, corrosion, dust or dirt, wear and tear under normal operating conditions, burnout, exposure to environmental, operational, electrical, surges or , lightning conditions exceeding specifications, accident or catastrophe, misuse, abuse, improper handling or storage or, improper installation (unless installed by Seller). **THE WARRANTIES SET FORTH IN THIS SECTION ARE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO SECTION 10 BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.**

7. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller in writing of any claim, and (b) providing reasonable cooperation in the defense of any claim.

8. **Force Majeure.** Neither Seller nor Buyer shall have any liability for any breach (except for breach of payment obligations) caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, act of government or any other cause beyond such party's reasonable control.

9. **Cancellation.** If Buyer cancels or suspends its order for any reason other than Seller's breach, Buyer shall promptly pay Seller for work performed prior to cancellation or suspension and any other direct committed out-of-pocket costs incurred by Seller as a result of such cancellation or suspension.

10. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE EQUIPMENT SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE EQUIPMENT. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

11. **Miscellaneous.** If these terms are issued in connection with a government contract, they shall be deemed to include those federal acquisition regulations that are required by law to be included. These terms, together with any quotation, purchase order or acknowledgement issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Buyer's documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. Buyer may not assign or permit any other transfer of the Agreement without Seller's prior written consent. The Agreement shall be governed by the laws of the State of ~~Pennsylvania~~ Florida without regard to its conflict of laws provisions.