



February 2, 2015

Manitoba Conservation and Water Stewardship  
160 – 123 Main Street  
Winnipeg, MB  
R3C 1A5

Attention: Eshetu Beshada, Ph.D., P. Eng.  
Environmental Engineer

**Re: Notice of Alteration, Environmental License 2923**

Dear Mr. Beshada,

In accordance with the Environment Act, Section 14, Borland Construction Inc. (Borland) is hereby providing notice of alteration to the portable asphalt plant facility referred to as "Terex E3-400P", Unit 1006, licensed with Manitoba Conservation and Water Stewardship under Environmental License 2923.

Background

Borland Construction Inc. (Borland) uses a reverse air baghouse as the air emissions control device with the above referenced asphalt plant. Borland will be replacing the existing baghouse with a new baghouse to be operational for the 2015 construction season.

Physical Changes

The physical changes will involve the replacing the existing model RA418P portable reverse air baghouse manufactured by Terex and replacing it with a new model CFP-151 Portable Ultraflo™ reverse air baghouse manufactured by Gencor Industries. A copy of the manufacturer's proposal and baghouse specification is attached for reference.

The change in equipment will have no effect on the production capability of the asphalt plant which is rated at 400 US tons per hour.

### Changes to Raw Materials

In general, there are no expected changes to the raw materials that will be used.

### Operational Changes

In general, there are no expected changes to the current process of producing asphalt.

### Changes to the Environmental Effects

The proposed air pollution control device is the same type as what currently exists. Therefore, the baghouse upgrade will not change the environmental effects of the asphalt plant. The baghouse will be newly manufactured and is expected to perform at the manufacturer's rated efficiency of 99.98%.

### Summary Statement

The portable asphalt plant facility referred to as "Terex E3-400P", Unit 1006 will continue to produce asphalt and will continue to use a reverse air baghouse as the air emissions control device. There will be no change in the production capacity of the asphalt plant. The new baghouse is expected to perform at the manufacturer's rated efficiency of 99.98%.

I trust that the above information satisfies all the requirements for you to proceed with the necessary approvals to enable Borland to complete the required work prior to the commencement of asphalt production in the Spring of 2015. If you have any questions or require further information, do not hesitate to contact me at 204.255.6444 x 216 or [dshume@borlandconstruction.com](mailto:dshume@borlandconstruction.com) .

Yours truly,

**BORLAND CONSTRUCTION INC.**

Per:

A handwritten signature in black ink, appearing to be 'David Shume', written over a horizontal line.

**David Shume, P. Eng.**  
Manager, Materials Division  
DS/ds  
Enclosure

## David Shume

---

**From:** MHoward@gencor.com  
**Sent:** 21-Jan-15 4:46 PM  
**To:** dshume@borlandconstruction.com  
**Subject:** FW: Borland  
**Attachments:** M66.43.0000.PDF

David

Thought I sent you this just before Christmas. The efficiency is 99.98%

I talked to Randy, and passed on his info to our electrical engineering department. If they have any more questions they can contact him directly.

I believe we have all the other info we need Thanks

Mark A Howard, PE  
VP Sales Gencor Industries - Canada

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PROUDLY PRESENTS TO

Mr. David Shume P.E.

## **BORLAND CONSTRUCTION**

Phone: (204) 255-6444; Cell: (204) 781-2149; Fax: (204) 255-5209

E-mail: [dshume@borlandconstruction.com](mailto:dshume@borlandconstruction.com)

751 Lagimodiere Blvd.  
Winnipeg, MB R2J 0T8

OUR PROPOSAL NO. B-14-10-12261-A

FOR A

## **PORTABLE BAGHOUSE**

Presented By: Mark A. Howard P.E., Vice President of Sales Canada

Prepared By: Debbie Johnson, Sales Support Manager

CORPORATE HEADQUARTERS

5201 North Orange Blossom Trail • Orlando, FL 32810 • (407)290-6000 • FAX (407) 578-0577

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# BORLAND CONSTRUCTION

## SUMMARY

Model CFP-151, 74,092 Portable Baghouse with Built-In Primary,  
872 — 7'2" Bags, 15,059 Sq. Ft. of Cloth, 4.92:1 Air-to-Cloth  
Ratio and Model 490-BCS Exhaust Fan with 200 HP Motor,  
(Less Ductwork).....

**TOTAL INVESTMENT** .....\$

**NOTE:** All prices F.O.B. Factory, unless otherwise stated.

### NOTES:

All equipment is wired in rigid conduit with CSA approved SOW cable with quick disconnects between equipment and control center.

Wall mount enclosure with pressure meter, on/off controls for baghouse rotors, and baghouse temperature inlet and outlet controllers, enclosure, thermocouple and cable is included will ship loose for Customer to install in existing control center.

Starters/breakers will ship loose for customer to install in existing operator's control center.

Gencor's guards up to 8'2" in height on the conveyor's idler rollers and head pulleys, the Baghouse's exhaust fan, etc. are designed for operator safety and to avoid possible pinch point with the rotating components. Appropriate handrails, stair steps, ladder rungs, and installation of required safety gates, when needed, are designed for the safety of plant personnel.

Axle arrangements, quantities, prices subject to change pending individual states or province travel weight requirements.

If customer elects to make equipment, foundations, or location changes two weeks after approved layouts, additional cost and potential delivery delays may occur.

If customer elects not to purchase the freight contract, a handling and loading charge will apply. Carrier must supply portability(s) for all tow away loads; axles can be rented from Gencor at a weekly rate.

Price may change based on final layouts due to differences in the lengths of conveyors, augers, slats, total baghouse (standard is 6% @ -200) dust loading, piping, electric characteristics, etc.



## **GENCOR PORTABLE ULTRAFLO™ BAGHOUSE**

### **MODEL NO. CFP-151**

The Gencor portable Ultraflo™ baghouse is a compact, lightweight, yet rugged, portable baghouse and has a rated capacity of 74,092 CFM at 4.92:1 air-to-cloth ratio. The baghouse is 35 ft. 7 in. long x 12 ft. wide with a travel height of 14 ft. 3 in. There are 872 bags with a total cloth area of 15,059 sq. ft.

The inlet end of the baghouse is equipped with an attached primary collector. A louvered wall across the inlet to change gas flow direction, combined with decreased velocities, separates the coarse particles before gases enter baghouse. The gases then enter a central ducting system that directs them down through a perforated plate "distributor" and into the hopper section. This ensures an even and uniform distribution of the gases to all the bags to minimize bag wear.

Gases enter the house through a center plenum designed to evenly distribute the flow and dust loading over the complete length of the house. The design also allows for reduced direct high velocity impingement of dust on the fabric, improving significantly the fabric life.

The house utilizes a self-supporting unitized construction that is continuously welded eliminating the need for a heavy structural outer frame. The sides are insulated against heat loss with thick fiberglass, and covered with weather tight metal exterior sheeting. The insulated walls allow the baghouse to be operated at lower temperatures. This may be very important on plants which operate close to the exhaust gas dewpoint temperature, even if it only occurs during unusual operating conditions.

Adjustable landing gears are provided at the front and rear for leveling and stability.

#### FILTER BAGS

The singed filter bags are an elliptical design and are made of fiber with snap bands sewn into the top of the bag. The filter bag provides a large filter area in a small housing and keeps the velocity through the bags at an extremely low level.

The cages provide a smooth bag surface to minimize wear and tear and allow easy removal and installation. Bags and cages are factory installed.

#### UPPER/CLEAN AIR SECTION

The upper section is constructed of corrosion resistant COR-TEN steel sheet. The roof section has insulated access doors with stainless steel inner liners that can be easily removed to provide access to the clean air side of the bags. The roof section is supported by dividing plates that separate the clean air section into isolated chambers of single rows of bags. Each chamber is directed to an external outlet where the sequential cleaning distributor is mounted. A rubber gasket system on the access doors seals each chamber from the next and provides an airtight seal even at operating temperatures to the outside of the house.

The bags are cleaned while the baghouse is in operation by sequentially isolating each row and then creating a pulse of clean air which inflates all of the bags in that row, breaking the cake of dust collected on the filter surface, and allowing it to fall to the hopper.

The bag cleaning systems consists of independent, rotating clean air nozzles that are indexed to stop at one chamber (row of bags) at a time, closing off that chamber from the normal air flow.

The cleaning nozzle drive and sequence mechanism consists of a right angle gear-motor with rotating eccentric drive shaft that engages a central sprocket. The mechanism moves the cleaning nozzle from row to row quickly, but allows the nozzle to pause momentarily at each row to provide a strong flow of air for thorough cleaning. The cleaning nozzle automatically starts cleaning upon startup of the baghouse. After the nozzle completes a full cycle and returns to its parking area, a limit switch will cut off power to the cleaning mechanism gear-motor. The baghouse requires no compressed air for operation.

#### LOWER/HOPPER SECTION

The lower/hopper section is constructed of 10 ga. sheet steel and has sloping side walls that directs the dust into the two main dust removal augers. The main augers run the length of the hopper pan and carry the collected dust to a cross auger mounted at the center of the house, where it is discharged. The discharge is 30 in. or more above grade providing for plenty of clearance for connecting dust transport equipment.

There are two 24 in. x 24 in. inspection doors, one on each side, with silicone rubber seals. The doors are hinged and are held closed by two screw type locks on each door.

The two main augers are 12 in. in diameter and are driven by 7.5 HP, 1800 RPM electric motors and shaft mounted speed reducers and have cleanout and access doors at each hanger bearing.

The cross auger is 10 in. in diameter and uses a 5 HP, 1800 RPM electric gear motor. The reversible cross auger moves the dust collected in the two main augers to 1 of 2 discharge points located on either side of the baghouse hopper.

#### DUCT WORK- CUSTOMER WILL PROVIDE

#### EXHAUST FAN ASSEMBLY MODEL 490-BCS

The exhaust fan assembly is a backward curved fan blade design, rated at 74,092 CFM at 12 in. static pressure and air temperature of 300°F at sea level. The fan is mounted on the fifth wheel frame and powered by a 200 HP, 1,800 RPM, TEFC electric motor. The fan shaft, bearings, drive, and driven sheaves are oversized to reduce premature wearing of the belts and assure no belt slippage.

The fan inlet is fitted with a radial type inlet vortex blade damper. The damper, when closed, allows easy starting of the exhaust fan and can be automatically modulated to maintain the necessary air flow during operation. The inlet vortex vane significantly improves control of air flow, improves fan efficiency, and lowers noise produced by the exhaust system.

#### AUTOMATIC DAMPER POSITIONER

The purpose of the automatic exhaust damper positioner (ADP) control with actuator is to limit the amount of airflow through the dryer to only the correct amount required for combustion. The results of this regulation will be:

- Reduced operating excess air with resultant lower fuel consumption.
- Reduced drum gas velocities, thereby giving lower fines carryout.
- Reduced operating electrical costs due to lower exhaust fan gas flow rates.
- Reduced electrical system maximum amperage draw rates due to start-up of the exhaust fan with closed damper.
- Safer start-up by automatic pre-purge of the drum and exhaust system prior to firing.

The control includes the following features:

- One pressure transducer installed in a watertight enclosure.
- One control station including meter for indicating position or sensor pressure, manual/automatic switch, manual override switch, power light, fuse, and associated circuitry.
- The control circuitry features a unique adjustable start-up purge system and an automatic homing circuit to close the damper for economical start-up. The purge is required in order for the plant to be in compliance with National Fire Protection Standards as well as other safety standards.
- In operation, this unit automatically controls the damper opening in relation to the exhaust draft at the combustion chamber through the use of a pressure sensor.
- For unusual conditions, a manually operated override control permits selective positioning of the exhaust damper.
- By means of a switch, either the damper position or the dryer inlet pressure is shown on the indicating meter.

The sensor is accurate to 0.01 inches w.c.

The signal from the vacuum sensor is sent to the damper positioner control module. In the control module, the signal goes through a signal conditioner which rejects spurious parts of the signal caused by dryer pressure pulses or pulses created by the gas cleanup equipment. This feature considerably increases the life of the damper drive mechanism.

#### EXHAUST STACK

The exhaust stack is fabricated into bolt-together sections. The upper bolt-on section has 4 in. diameter test ports, which are accessible from a platform with safety railings level with the roof of the baghouse and equipped with an access ladder from the ground.

#### TRAVEL DIMENSIONS

The unit's travel dimensions are 48 ft. 4 in. long x 12 ft. wide x 14 ft. 3 in. high with a tandem axle assembly, Budd type disc wheels, and tubeless tires on drop center rims. Integral to the structure is a 2 in. kingpin for fifth wheel attachment, and crank down parking legs. Installed at the rear are DOT approved taillights with combination brake light and turn signal included. A six wire "pigtail" with plug-in type male trailer plug. The baghouse also includes an air brake booster tank and preplumbed with color coded air lines with "glad hands" and meets or exceeds requirements set forth by Federal Motor Safety Standards 121. The unit has an excellent road clearance of 30 in.

#### CONTROLS FOR CLEANING SYSTEM

The controls include a limit switch control cleaning system. An on/off limit switch with the times and sequencing already predetermined by the cogwheel, which actuates the cleaning distributor. Limit switches are utilized to assure the sequential distributor is parked in the proper location when not cleaning. An inlet vortex damper is installed for airflow control.

#### BAGHOUSE CONTROLLER

Wall mount enclosure with pressure meter, on/off controls for baghouse rotors, and baghouse temperature inlet and outlet controllers, enclosure, thermocouple and cable included.

## WIRING

All electric motors required to operate the various plant components are wired in rigid conduit with electric cables connected to a conveniently located junction box on the equipment.

Note: Plugs are not provided on motors above 75 HP, these motors will be hard wired.

From the equipment to the control center SOW, type cable will be provided. All cables up to 100 amp capacity are wired with a male quick disconnect plug. The female receptacles are fixed into an inclined panel located near the control center floor and arranged for easy connection. Nameplates are riveted above each quick disconnect for identification, name tags are attached to the male ends. Cables in excess of 100 amps are direct wired to the power terminal blocks is located behind the receptacle bay.

All Gencor provided power and control cables will be stamped as meeting CSA specifications.

## PAINT

Standard paint is Gencor gray with safety blue trim and railings. Prior to paint, the equipment is either sandblasted or solvent wiped and acid prepped. The special metal treating processes, however, and high quality materials used, produce a very good industrial finish that will resist oxidation and peeling.

If other than our standard colors are desired, the paint (Low VOC — lead free) must be supplied by the purchaser, and application or processes which require additional labor will involve some additional cost.

**NOTE:** Customer is responsible for sending a paint sample to Bituma.

## SELLER'S START-UP RESPONSIBILITIES

### 1. DRAWINGS

Upon receipt of order, Seller will furnish to the Purchaser: 1) a customer profile drawing, 2) a footing drawing to indicate the normally anticipated dead and live loads of the equipment and 3) an electrical schematic. Seismic and wind loads must be determined by the Purchaser and his consultant and added to the figures indicated on the footing drawing in order to meet requirements prescribed by appropriate governing agencies.

### 2. START-UP SERVICE

Included in the price of the equipment is adequate field engineering service to assist and train the Purchaser's installation crew and operator in the proper manner to install and operate the equipment. Included in this time period is the time required to make the initial calibration of the equipment and to train the operator in the calibration and production process. If additional days are requested or required after the initial training period, it will be the Purchaser's responsibility to pay for such services at the rate of \$950.00 per day (per man) domestic / \$1,300.00 international, already on the job site. Additional personnel or all return trips will be billed at \$950.00 per day (per man) domestic/\$1,300.00 international, plus travel and living expenses.

Unless specifically detailed on the sales contract, our service personnel will not erect components that the contractor has purchased from other sources or used components that are furnished by the Purchaser.

If in carrying out their duties under this agreement, our personnel become restrained, interfered with, or prevented from working or carrying out their duties for whatever reason, including local union rules, or objections from customer employees, our personnel will then function only in the advisory capacity, or as permitted, or limited, and there will be no deductions allowed from the costs of the equipment required to offset the costs of additional personnel (union or nonunion) or equipment required as a result of such interference and limitations which are beyond our control.

If unsafe working conditions exist, our personnel are required to stop until the deficiencies are corrected and may be required by their management's direction to leave the job.

Our field engineer(s) will provide the following services:

- a. On site supervision for erection of all new equipment. This includes the following: initial calibration, start-up operation, shut down and clean up of the system.
- b. Review and supervise daily start-up, normal operating procedures, and daily shutdown and cleanup demonstration.
- c. Review recommended daily maintenance procedures.
- d. Review recommended periodic maintenance procedures.
- e. Meet with the appropriate personnel involved in the daily operation of the equipment to review and explain recommended safety procedures.

Through the years, we have developed specific field-proven installation procedures, and these procedures should not be altered or changed radically by the owner and/or his representative without consultation with the Seller. The basic intent of these procedures is to install the equipment in a safe manner through procedures that minimize damage to the equipment and/or injury to personnel.

### **IMPORTANT NOTES:**

1. Installation and start-up service (including travel time) not to exceed five (5) consecutive days.
2. In performing our responsibilities under "Installation and Start-Up Service" above, we assume no role nor responsibility for the management, supervision, or safety of any personnel at the site other than our own Gencor employees.

## PURCHASER ERECTION AND START-UP RESPONSIBILITIES

### 1. DESIGN AND INSTALLATION OF FOOTINGS

All concrete footings, bulkheads for cold feed bins, anchor bolts, base plates, and foundations are to be designed and provided by the Purchaser and a licensed engineering firm authorized to do business in the state where the equipment is to be erected. The Purchaser and his representative will be solely responsible for determining all applicable building codes and appropriate soil bearing values and insuring that all footings and foundations are adequate to support all dead and live loads, both positive and negative, exerted by the asphalt plant system and related equipment.

THE PURCHASER AND HIS REPRESENTATIVE ARE SOLELY RESPONSIBLE FOR ALL SITE WORK AND DETERMINING AND INSURING ADEQUATE SEISMIC AND WIND LOAD BEARING CAPABILITY IN THE DESIGN OF THE FOOTINGS.

GENCOR INDUSTRIES, INC. ("GENCOR") WILL IN NO WAY BE RESPONSIBLE FOR THE COST, DESIGN, OR INSTALLATION OF ANY FOOTINGS, FOUNDATIONS, AND SITE WORK.

All footings and foundations must be complete and ready to support the asphalt plant equipment and components at least seven days before erection of the equipment can begin.

In the event the system/equipment is skid-mounted, the site must be graded appropriately and be of applicable dead and live loads. The Purchaser must adhere to the plant layout supplied by Gencor which will contain the recommended soil bearing capacities.

### 2. INSTALLATION AND START-UP LABOR

Purchaser is responsible for providing a properly skilled and supervised installation and start-up crew. An adequate number of personnel should be supplied to complete the installation in accordance with the allotted time specified in the sales order contract.

Purchaser is responsible for equipment, programming, etc., purchased from vendors other than Gencor. If any service or part is needed to interface Gencor Equipment, the Purchaser should order directly from vendor supplying that component or service.

The Purchaser is liable for any additional costs incurred due to lost time and downtime caused by inadequate labor, tools, and materials which are the Purchaser's responsibility.

### 3. LIFTING EQUIPMENT

- a. **PRE-ERECTION:** All tow-away equipment purchased from Gencor is provided with portability, including an axle/suspension package, fifth wheel attachment, and all necessary air and electrical connections. All portability components are the property of Gencor, unless purchased by the Purchaser, and are to be removed at the time of delivery. It will be the sole responsibility of the Purchaser to provide and pay for all lifting equipment, including operators, required to unload all incoming tow-away units and trailers, as well as the reloading and portability items. The Purchaser is expected to unload this equipment on a timely basis any time during daylight hours, including Saturdays and Saturdays preceding holidays. If, for whatever reason, Purchaser fails to proceed in a timely manner, Gencor will invoice the Purchaser for lost time and related expenses.
- b. **SELECTION OF LIFTING EQUIPMENT:** Due to the many variables associated with lifting and positioning of equipment, including variations in site profile and even variations among nominally identical cranes, it is impossible for Gencor to prescribe exactly what lifting equipment may be necessary for any particular installation. Gencor will provide weights and dimensions for Gencor equipment before delivery, but it will be the sole responsibility of the Purchaser to provide and pay for adequate lifting equipment, including operators, to handle the erection of all asphalt plant equipment.

**NOTE** - Due to erection site congestion or various other considerations, some installations may require that the equipment be placed with more than one crane. It may be necessary that the rigging firm conduct an on-site inspection prior to the erection date to make a proper determination of what machinery, slings, clevises, equipment, and manpower will be necessary to safely and successfully complete the lifting portion of the plant erection process. Purchaser is hereby notified of the importance in securing a competent, reliable rigging firm with experienced personnel to complete this job in a safe and timely manner. Gencor will not provide riggers, slings, clevises, or any form of lifting device unless specifically agreed to in writing.

#### 4. SECUREMENT OF EQUIPMENT TO FOUNDATIONS

After the equipment has been lifted and maneuvered into proper position, the Purchaser will be responsible for the attachment of the asphalt plant equipment to the base plates, using either the weld-down or bolt-down method. If the weld-down method of securement is used, the Purchaser must provide and pay for a certified welder and a 400 amp minimum arc welding machine. All foundations and footings must be accurate and level as prescribed on the profile and footing drawings. If not, the Purchaser will be charged for any delays on a per diem rate. Gencor recommends that each base plate be secured to the foundation with a minimum of six No. 8 reinforcing rods, 38" in length and properly secured to the base plates as detailed on the footing layout provided by Gencor.

**WARNING - PURCHASER IS HEREBY NOTIFIED THAT BASE PLATE FAILURES HAVE OCCURRED, RESULTING IN EXTENSIVE PROPERTY DAMAGE. IN ALL CASES, IT IS THE PURCHASER'S RESPONSIBILITY TO ENSURE THAT ALL BASE FOOTING PLATES ARE FULLY CAPABLE OF TRANSMITTING ALL DEAD, LIVE SEISMIC, AND WIND LOADS, BOTH POSITIVE AND NEGATIVE, TO THE FOUNDATION.**

#### 5. PRIMARY POWER

It will be the Purchaser's responsibility to procure and install primary power to the motor control center on a timely basis. Unless otherwise specified by Purchaser and specifically detailed in the sales contract, three phase 440/480 voltage will be required with adequate current strength based upon the amount of electrical equipment in the system. Power should be installed by the time erection is complete. If a return trip is necessary due to electrical work not being completed, it will be at the Purchaser's expense.

**NOTE** - A service entrance ground fault interrupter may be required on certain installations. The Purchaser will be solely responsible for determining if the ground fault interrupt is required and for its procurement and installation costs.

#### 6. WIRING

- a. **SO TYPE.** Unless specifically stated otherwise on the sales contract, Gencor will provide all components with SO type portable cable, prewired at the factory and provided with power and control cable of adequate length based specifically on the layout plan that has been provided to the Purchaser.
- b. **CONDUIT.** If governing codes require power and control cable in conduit, the Purchaser will be solely responsible for the procurement and cost of all conduit, the installation of the conduit on site, as well as on the equipment, and the design of the conduit system. Gencor will provide SO cable at the Purchaser's request. It will be the sole responsibility of the Purchaser to install conduit of adequate size to accommodate the conductors and to determine if such a system will meet codes.
- c. The Purchaser is responsible for trenching, trenching machinery, and operator. The trenching must be conducted on a timely basis so as not to impede erection. All oversize PVC, elbows, weather heads, etc., must be provided and installed by the customer.

**NOTE** - If the Purchaser elects to change the position of any component from what was shown on the layout plan, he will be solely responsible for the replacement cost of any and all cables rendered too short as a result of the change.

**NOTE** - In all cases, the Purchaser will be solely responsible for the cost of all conduit and the installation of the wire in the conduit. If it is determined that the SO cable will not meet code, no deduction whatsoever will be allowed for the standard SO type cable normally supplied.

**SPECIAL NOTE:**

**Conductor Routing**

To guard against coupling noise from one conductor to another, follow these general guidelines when routing control and power cables.

- Power cables are defined as those cables that carry three phase 460-600Vac.
- Control cables are defined as those cables that carry either 120Vac, 12-24Vdc, thermocouple signals, or other cables used for low power communication (such as DeviceNet).
- Never route any control cables in the same wireway or conduit as power cables.
- If control cables must cross power cables, then they should do so at right angles.
- If control cables are in a continuous metallic wireway or conduit, route at least 1.5ft (18 inches) from power cables. Also, each segment of that wireway or conduit must be bonded to each adjacent segment so that it has electrical continuity along its entire path, and must be bonded to the enclosure at the entry point.
- If control cables are not in a continuous metallic wireway or conduit, route at least 3ft (36 inches) from power cables.

**Variable Frequency Drives (VFD)**

Variable frequency drive power cables are a source of EMI emissions. Route VFD power cables in wireway or conduit away from other plant power cables to reduce high frequency noise from being induced in adjacent cables.

**Shields and Grounds**

Proper field wiring of shield grounds help ensure proper system operation by reducing electromagnetic interference in signal wiring. A proper shield ground path is to ground the shield at one end only. Grounding at both ends can cause ground loops. The preferred end is at the termination enclosure in the control house.

**7. WELDING**

It is the Purchaser's responsibility to provide an acetylene torch and one 400 amp minimum arc welding machine with leads of adequate length to reach the top of the silo system.

**8. ON-SITE PLUMBING**

a. **COMPRESSED AIR.** Unless a new air compressor is purchased from Gencor, Purchaser will be expected to provide compressed air at 120 psi minimum (150 psi for safety gates or long-term storage gates) to the upper leg frame of Silo 1, to the burner if required, to the asphalt pump pallet, to the fire door on the duct work if furnished, and to the base of the slat conveyor for operation of the optional reject and fuel oil cleanout system, to be available no later than the first scheduled day of erection in order that all interconnecting air lines provided by customer, unless stated otherwise in proposal, may be properly tested.

b. **HOT OIL.** The Purchaser will be expected to provide and install all hot oil lines, including insulation, to asphalt tanks, between asphalt tanks, to asphalt pump pallet, to asphalt unloading pump and to all transfer booster pumps and from those pumps to any equipment set up for hot oil heat. Hot oil lines to silos and cones must be installed and operational at the time of initial start-up of the storage equipment if mix is to be stored beyond even a few hours.

**NOTE** - Hot oil must be available to the main slat conveyor and all other components equipped to be heated by hot oil prior to initial start-up of the equipment. In no case will Gencor accept any warranty claims on damaged system components if the Purchaser elects not to hook up or use heat on the initial or daily start-up of the asphalt plant and auxiliary equipment.

c. **ASPHALT LINES.** Unless otherwise specified on the sales order, Purchaser will be expected to provide and install all asphalt lines, including jacketing and insulation, from unloading pump to tank(s), between tanks, to the asphalt pump pallet, and to the drum mixer from the pump pallet. Asphalt lines must be installed and operational at/or before completion of erection.



## 9. INSURANCE

The Purchaser assumes responsibility for insurance of all silo system components and equipment immediately upon delivery of the equipment into the hands of a common carrier, or, in cases when delivery of equipment to a site designated by the Purchaser is to be made by Gencor, from the time Gencor disconnects tractor from the equipment. The Purchaser is responsible for and assumes all risks of loss or damage by fire, theft, lifting, hoisting, or other casualty for the full amount of the contract and agreement with Gencor.

IN NO CASE DOES THE PURCHASE PRICE INCLUDE THE COST OF ANY INSURANCE THAT WILL BE REQUIRED FROM THE TIME GENCOR RELINQUISHES CUSTODY AND CONTROL OF THE EQUIPMENT. Failure of the Purchaser to provide insurance shall in no way relieve him of full and total responsibility for all risks or losses from any cause of damage or destruction of any and/or all of the equipment.

**NOTE** - Experience indicates that many common carriers are self-insured and are often reluctant to make quick settlements for damage. Gencor therefore recommends that overriding trip insurance be secured by the Purchaser on all equipment to be moved in such a manner.

## 10. SPECIAL CODES AND REGULATIONS

Due to the wide variation of requirements and restrictions among the states, municipalities, provinces, and territories, it must be the Purchaser's responsibility to find out what special equipment or installation procedures might be required and what codes and standards apply in his area and to so notify Gencor at the time the initial order is signed. Purchaser will be solely responsible for the procurement and cost of any necessary permits, certifications, or approvals which may be required by any local, provincial, state, or federal authorities or utilities.

**NOTE** - Liquid propane (LP) and natural gas burner options exclude regulator or any hook-up components which may be required by any local, provincial, state, or federal authorities or utilities.

## 11. RAW MATERIALS

Purchaser will be expected to have on hand and in place all raw aggregate, recycled aggregate, burner fuel, liquid asphalt, heating oil, lubricants, and any and all other materials necessary for the production of asphalt concrete at or before the time of erection.

## 12. PERMITS

The Purchaser assumes responsibility for obtaining all permits required for construction and erection. These permits are to be secured and in place prior to delivery. The Purchaser is liable for any costs incurred by Gencor due to lost time and downtime caused by the delay in obtaining these permits. In the event Gencor is required to testify, all costs are the responsibility of the Purchaser.

## 13. EPA OPERATIONAL PERMIT

Purchaser is responsible for all costs of services provided by a certified, licensed testing laboratory used to secure EPA permits. See section entitled, "Emission Control Warranty".

## 14. TRADE-IN OF EQUIPMENT

In the event this transaction involves trade-in of any type, the parties agree to the following:

- a. Seller must execute a transfer of title agreement.
- b. Seller warrants and affirms that it has unencumbered title to the trade-in equipment specifically defined as:
- c. Seller agrees to meet with prospective purchasers of the traded-in equipment for viewing and discussing the equipment and to present it in a positive manner using best efforts to promote its sale.
- d. Upon sale Seller agrees to disassemble the equipment and load it on common carriers as may be arranged by Gencor, or the purchaser of such equipment.

- e. During disassembly, the Seller is to match-mark all components and pieces, including the wiring, piping, etc., at the point of disassembly, and to insure against cutting, burning, or breaking of wiring, piping, or steel components.
- f. Seller is to provide secure storage of all equipment until sold.
- g. Seller and Gencor shall collectively initial each equipment item as described in the trade-in summary of the equipment sales contract.
- h. Purchaser is to see that the dismantling and loading process is carried out in a safe and proper manner so as to protect personnel or equipment from damage, injury or loss. Purchaser agrees to indemnify Gencor for any resulting losses.
- i. If any equipment is removed, damaged, or withheld from shipment by the Purchaser so as to diminish the value of the traded-in equipment at fair market value for similar equipment, Purchaser will be liable to and agrees to indemnify Gencor for such diminution of value.
- j. Purchaser agrees to indemnify Gencor against any loss, government action, or any other liability arising of this transaction including but not limited to environmental loss, penalties or damages.

15. TRUCK SCALE CERTIFICATION

Due to the wide variation of requirements and restrictions among the states, municipalities, provinces, and territories, it must be the purchaser's responsibility to pay for and coordinate scale certification and/or installation.

**NOTE** - Unless specifically agreed to in writing, it is the Purchaser's responsibility to install the truck scale.

# GENCOR INDUSTRIES, INC.

## STANDARD TERMS AND CONDITIONS OF SALE

### 1. DEFINITIONS

1.1 "Gencor" means Gencor Industries, Inc.

1.2 "Purchaser" means the original purchaser described on the face of this order and, for the purposes of Paragraphs 6 and 7 below, if such original purchaser is a Gencor distributor. "Purchaser" includes the original purchaser from such distributor.

1.3 "Product" means Gencor asphalt plants, including components of such Product, related accessory equipment, and parts installed thereon sold under this Order.

1.4 "Part" means any material, accessory, equipment, or part, other than constituting a Product used in connection with the repair, servicing, and modification of a Product sold under this Order.

1.5 "Vendor" means any company supplying approved components used in the manufacture of the Product by Gencor.

### 2. DELIVERY

Products and Parts shall be delivered F.O.B. a Gencor manufacturing facility, or other shipping point designated by Gencor. Title to, risk of, and liability for loss or damage to any Products or Parts shall pass to Purchaser on delivery at such F.O.B. point. Delivery dates quoted are approximate. Gencor shall not be responsible or liable for delay in delivery on account of any cause to the extent it is beyond Gencor's reasonable control or not caused by Gencor's fault or negligence. Actual delivery dates of the equipment will be established upon acceptance of the order by the Purchaser and Gencor Industries, Inc.

### 3. ACCEPTANCE

Purchaser agrees that Purchaser shall inspect each Product and Part received from Gencor immediately after receipt and promptly thereafter notify Gencor in writing of any non-conformity or defect therein, giving the reasons therefore. Purchaser further agrees that failure to give such notice (including any notice of rejection) promptly after receipt by Purchaser thereof or commercial use of any Product or Part shall constitute acceptance of any Product or Part received. Acceptance shall be final, and Purchaser waives the right to revoke acceptance for any reason, whether or not known by Purchaser at the time of such acceptance. The giving of any such notice by Purchaser shall automatically cause the provisions of Paragraph 6 hereof to apply to and govern the rights, obligations, and liabilities of the parties with respect to such non-conformity or defect, provided that under no circumstances shall rejection give rise to any liability of Gencor for incidental or consequential damages or losses of any kind. This proposal becomes a binding agreement between the parties only after it has been signed by the Purchaser and then accepted by an officer of Gencor in Orlando, Florida, after which a fully executed copy shall be mailed to Purchaser.

### 4. PAYMENT, SECURITY, AND INTEREST

Payment terms shall be as stated elsewhere in this Order. If such terms do not provide for payment in full of the purchase price on or before delivery of any Product or Part described in this Order, Purchaser hereby grants to Gencor a purchase money security interest in such Product or Part, and in all additions, substitutions, and accessions, and in all proceeds thereof, to secure payment in full of the purchase price of such Product or Part, interest thereon, and all costs incurred or associated with such security interest or the enforcement thereof by Gencor. Purchaser further agrees to execute such documents, including financing statements, and to take such action, including filing and recording, as Gencor shall request to perfect and confirm the interest of Gencor in such Product or Part. Purchaser shall be obligated to pay interest on any amount of the purchase price of any Product or Part not paid when due at (a) the highest rate of interest permissible under the law of the state of Purchaser's principal place of business, or (b) eighteen percent (18%) per annum, whichever is less. Purchaser further agrees to pay reasonable attorney's fees incurred by Gencor in enforcing any of its rights hereunder.

### 5. TAXES

Prices set forth in this Order do not include any taxes applicable to any Products or Parts or other goods or services sold by Gencor. In addition to the purchase price set forth in this Order, Purchaser shall pay to Gencor upon demand the amount of any sales, use, excise, or similar taxes imposed by any federal, state, or local taxing authority within the United States, and the amount of all taxes imposed by any taxing authority outside the United States, required to be paid by Gencor as a result of any sale, use, delivery, storage, or transfer of any Products or Parts. If Gencor has reason to believe that Gencor is required by law to collect or pay such taxes, Gencor will add the amount thereof to the purchase prices.

### 6. WARRANTY

6.1 WARRANTY. Subject to the limitations set forth elsewhere in this Order, Gencor warrants to Purchaser that, at the time of delivery to Purchaser, each Product and each Part manufactured by or for Gencor to its detailed design shall (a) conform to the applicable specification for such Product or Part and (b) be free from defects in workmanship and material. The warranty of conformance set forth in (a) above shall not survive delivery to the acceptance by Purchaser, the warranty with respect to workmanship and materials set forth in (b) above shall survive delivery and acceptance by Purchaser only upon the conditions and subject to the limitations set forth in Paragraphs 6.2 through 6.8 of this Warranty. This Warranty shall not apply to any component, Part, or accessory of any Product, or to any Part, not manufactured to Gencor's detailed design. No other representation or modification of this warranty and no other representation or warranty with respect to any Products or Parts sold by Gencor shall be binding upon Gencor unless such modification or other representation or warranty is made in writing and signed by an authorized officer of Gencor. Warranty and conditions of Vendor supplied components used by Gencor in the manufacture of the Product under contract will not extend past those offered by the Vendor. Warranty claims on Vendor supplied material will conform to the Vendor's terms and conditions. Gencor asphalt plant Products are warranted against defects, materials and workmanship, for a period of six months from date of shipment from Gencor's plant to original user, or for the first 1,000 hours of operation, whichever comes first. All warranties are null and void on any portion of any Gencor Product or component which has, in Gencor's judgment, been adversely affected by the unauthorized installation or use of any Part, attachment, or equipment not designed, manufactured, or sold by Gencor. No warranty, expressed or implied, shall apply to any used machinery supplied by Gencor.

Any warranted items deemed by manufacturer defective in materials or workmanship will, at manufacturer's option, be repaired or replaced, F.O.B. shipping point. Shipping of such items will normally be affected by motor carrier, collect to Purchaser, dealer, or receiving agent. Air freight shipment is available upon specific request. All extra costs are to be assumed by purchaser.

**6.2 WARRANTY AND NOTICE PERIODS.** The rights and remedies of Purchaser and Gencor's obligations and liabilities with respect to each defect in material or workmanship are strictly conditioned upon the defect having become apparent to Purchaser and upon Gencor's warranty administrator having received written notice of defect within six (6) months after acceptance by Purchaser.

**6.3 CONDITIONS.** The rights and remedies of Purchaser and Gencor's obligations and liabilities with respect to each defect in workmanship or materials also are strictly conditioned upon (a) Gencor's inspection of the Product or Part claimed to be defective, and, if Gencor shall so require, the return by Purchaser, at its expense, with all shipping and insurance charges prepaid, of such Product or Part to Gencor at its designated factory or such other place as may be mutually agreeable; and (b) the submission by Purchaser to Gencor's warranty administrator of reasonable proof that the claimed defect is covered by this Warranty and that it did not result from any act or omission by Purchaser, including but not limited to any of the following: (i) failure to properly use all safety devices and guards sold or provided with each Product for its operation; (ii) failure to comply with all operating procedures and maintenance instructions furnished by Gencor with each Product or Part; (iii) alteration of any Product or Part without written consent of an authorized service representative of Gencor; (iv) operation of any Product in excess of its capabilities; or (v) abuse, misuse, or negligent operation of any Product or Part.

**6.4 REMEDIES.** The rights and remedies of Purchaser and Gencor's obligations and liabilities with respect to each defect in materials or workmanship are limited to the following: if any Product or Part covered by this Warranty proves, upon inspection by Gencor, to contain a defect covered by this Warranty, Gencor shall, at its option, either (a) repair or replace such defective Product or Part; or (b) pay the cost of repairing such defective Product or Part, provided, however, if Gencor determines that the nature of the defect or other circumstances precludes repair or replacement, then Gencor shall have the right, at its option, to fully satisfy warranty obligations hereunder by refunding to Purchaser the full purchase price paid by it for such defective Product or Part upon the prompt return of such Product or Part to Gencor, F.O.B. Gencor's designated shipping destination. Any refund of the purchase price as provided hereunder shall completely discharge any and all obligations and liabilities of Gencor in connection with this Warranty or any such defect.

**6.5 WEAR AND TEAR.** Normal wear and tear and the need for regular maintenance and overhaul shall not constitute a defect in any Product or Part under this Warranty.

**6.6 DISCLAIMER AND RELEASE.** THE WARRANTIES, OBLIGATIONS, AND LIABILITIES OF GENCOR AND RIGHTS AND REMEDIES OF PURCHASER SET FORTH IN THIS WARRANTY ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND PURCHASER HEREBY WAIVES, RELEASES, AND RENOUNCES ALL OTHER PRESENT OR FUTURE WARRANTIES, OBLIGATIONS, REPRESENTATIONS, AND LIABILITIES OF GENCOR. TOGETHER WITH ALL OTHER RIGHTS, CLAIMS, AND REMEDIES OF PURCHASER AGAINST GENCOR, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMANCE OR DEFECT IN ANY PRODUCT OR PART, INCLUDING BUT NOT LIMITED TO (A) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS; (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (C) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY PRODUCT OR PART, FOR ANY LOSS OF USE, REVENUE, OR PROFIT WITH RESPECT TO ANY PRODUCT OR PART, FOR ANY LIABILITY OF PURCHASER TO ANY THIRD PARTY OR FOR ANY OTHER DIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES. IN ADDITION AND WITHOUT LIMITATION OF THE FOREGOING, UNLESS OTHERWISE EXPRESSLY STATED ON THE FACE OF THIS ORDER, IT IS AGREED THAT GENCOR MAKES ABSOLUTELY NO WARRANTY, UNDERTAKING, OR REPRESENTATION AS TO THE CONFORMITY OF ANY PRODUCT OR PART TO ANY FEDERAL, STATE, OR LOCAL POLLUTION CONTROL OR OTHER EMISSION LAWS, REGULATIONS, OR STANDARDS OF ANY KIND WHATSOEVER, NOTWITHSTANDING ANY PREVIOUS, CURRENT, OR FUTURE COMMUNICATION TO THE CONTRARY.

**6.7 NEGOTIATED AGREEMENT.** Purchaser understands and agrees that the price of the Products and Parts and the other mutual agreements of the parties set forth in this Order were arrived at in consideration of the provisions of this Section 6, specifically including the waiver, release, and renunciation set forth in Paragraph 6.6.

**6.8 NOTE** - When Gencor performs any on-site warranty service work, the following will be the Purchaser's responsibility.

1. Provide and pay for any and all lifting equipment, rigging, and carriers deemed necessary by serviceman for the safe and workmanlike performance.
2. Provide and pay for electrical service of adequate capacity.
3. Provide and pay for an acetylene torch and one 400 amp minimum AC welding machine with adequate length leads and a certified welder is required.

**6.9 EXTENDED WARRANTY TO THE ORIGINAL PURCHASER.** In the event the contract specifies any of the equipment listed below, Gencor will extend the warranty on the items for the period indicated. Gencor will repair or replace the items in the event of premature wear only, provided the Purchaser furnishes documented proof of tonnage processed. In all cases, it will be the Purchaser's responsibility to pay for any disassembly, installation, and freight, F.O.B. factory, for the replacement of such components.

- a. Standard Transfer Conveyor Chain - 750,000 ton, or five years, whichever occurs first, prorated warranty on a 4 in. pitch A3433 roller chain (rollers, bushings, and pins).
- b. Standard Transfer Conveyor Slats - One million ton, or five years, whichever occurs first, prorated warranty on the 3/4 in. thick AR slats.
- c. Single Piece Self-Erect Silo, Standard Slat Conveyor Floor System - One million ton, or five years, whichever occurs first, prorated warranty on the slat conveyor floor system. This warranty does not cover floor castings that are broken or otherwise damaged through abuse or misuse of the slat conveyor.
- d. Single Piece Self-Erect Silo, Standard Heavy-Duty Main Slat Conveyor Chain - One million ton, or five years, whichever occurs first, prorated warranty on a 6 in. pitch 9856 roller chain (rollers, bushings, and pins).
- e. Single Piece Self-Erect Silo, Standard Slats - One million ton, or five years, whichever occurs first, prorated warranty on the 3/4 in. thick AR slats.
- f. Two Piece Self-Erect Silo, Standard Slat Conveyor Floor System - Two million tons or five years, whichever occurs first, prorated warranty on the slat conveyor floor system. This warranty does not cover floor castings that are broken or otherwise damaged through abuse or misuse of the slat conveyor.
- g. Two Piece Self-Erect Silo, Standard Slats - One million ton, or five years, whichever occurs first, prorated warranty on the 3/4 in. thick AR slats.

h. Heavy-Duty Hot Mix Bucket Elevator, Chain - One million ton, or five years, whichever occurs first, prorated warranty on a 6" pitch, 9856 roller chain (rollers, bushings, and pins).

i. Heavy-Duty Hot Mix Bucket Elevator, Standard Bucket - One million ton, or five years, whichever occurs first, prorated warranty on the bolt-on 3/8" abrasion steel buckets, provided the elevator is equipped with the standard cleanout system and the Purchaser has operated the cleanout system in the manner prescribed in the OSM manual.

j. Standard Heavy-Duty Main Slat Conveyor, Floor System - Three million tons or seven years, whichever occurs first, prorated warranty on the slat conveyor floor system. This warranty does not cover floor castings that are broken or otherwise damaged through abuse or misuse of the slat conveyor.

k. Standard Heavy-Duty Main Slat Conveyor, Chain - One million ton, or five years, whichever occurs first, prorated warranty on a 6" pitch 9856 roller chain (rollers, bushings, and pins).

l. Standard Heavy-Duty Main Slat Conveyor, Standard Slats - One million ton, or five years, whichever occurs first, prorated warranty on the 3/4 in. thick slats.

m. Medium-Duty Slat Conveyor, Standard Slats - One million ton, or five years, whichever occurs first, prorated warranty on the 3/4 in. thick slats.

n. Medium-Duty Slat Conveyor, Chain - 500,000 ton, or five years, whichever occurs first, prorated warranty on a 4" pitch A3433 roller chain (rollers, bushings, and pins).

**6.10 USED EQUIPMENT - WARRANTY DISCLAIMER.** Applicable to all used equipment sold without exception. All used equipment is sold strictly "As Is - Where Is". With the exception of title warranty, there are not other warranties given, expressed, or implied, including the implied warranty or merchantability or fitness for use. Any damage or loss whatsoever, of any kind or nature, including but not limited to any consequential or incidental damages, are the responsibility of the Purchaser. Seller specifically disclaims all liability claims, including but not limited to claims made pursuant to section 402A of restatement of "Torts".

Purchaser has the sole responsibility to provide the necessary labor and supervision to properly match-mark the plant components during the dismantling process and, to see that said used equipment is properly handled, dismantled and loaded - Irrespective of whether it is the Seller, its agents, or third parties actually performing the dismantling and loading - and to provide the correct tractor - trailer haul units to remove component on a timely basis.

#### 7. EMISSION CONTROL WARRANTY

Gencor provides this warranty with the purchase of pollution control equipment, either a baghouse (BH), or a venturi wet scrubber (VWS) when used in the wet mode for use with a Gencor asphalt plant (Plant). This emission control warranty is not offered on the above pollution control equipment if it is (1) not interfaced with a Gencor burner, control and other related equipment; or (2) coupled with a pre-owned or used pollution control device. Terms which are not otherwise defined herein are used as defined in the Sales Order.

#### ALL STATES, INCLUDING CANADA:

Gencor warrants to Purchaser that with proper use and subject to the conditions described below, the Plant, when equipped with a properly sized Gencor supplied BH or VWS, will operate in compliance with the U.S. Environmental Protection Agency (EPA) standards for asphalt concrete plants of .04 GR/DSCF particulate emission and 20 percent opacity (40 C.F.R. 60.90 (a) {1} and {2}).

This warranty is strictly conditioned upon the following:

7.1 Compliance with federal EPA particulate standards shall be determined by a performance evaluation test (the "Test") which shall be conducted within ninety days of shipment from Gencor's factory or sixty days from initial firing, whichever comes first, of the BH or VWS. Failure to conduct the tests in a timely fashion will void this warranty.

7.2 The Test shall only be conducted by professional, licensed personnel approved by Gencor. For baghouses, the Test shall include at least one black light test prior to any tests. On either baghouses or wet scrubbers there will be at least one preliminary test for particulates using the standard EPA method 5 test procedure conducted at least one full day prior to the official EPA test. All tests are to be observed by the Gencor Service Engineer.

7.3 Results of the preliminary Test must be available within twelve hours prior to the time the official Test is taken.

7.4 All costs associated with all tests including the preliminary and official EPA Tests, including plant preparation, cleaning, permits, and necessary adjustments will be paid by the Purchaser.

7.5 All scheduling of the preliminary and official EPA Tests will be the responsibility of the Purchaser.

7.6 All costs associated with cancellations and/or rescheduling, regardless of the cause, will be the responsibility of the Purchaser.

7.7 A service engineer, provided by Gencor, shall be on site for the duration of the Test. The cost of the Service Engineer will be borne by Gencor for the original tests for a period up to three man-days in one trip. If it becomes necessary for additional tests to be run at a later date for any reason, the purchaser will pay the costs for the service engineer using standard Gencor service rates in effect at the time. Gencor shall be notified of the scheduled Test at least seven days in advance of the Test date. Any change in the Test schedule shall be at Purchaser's expense. This warranty will be null and void if the test is not conducted within sixty days after initial firing of the plant or ninety days after shipment from Gencor, whichever comes first. The purchaser will be responsible for placing the equipment in an as new condition prior to the test.

7.8 Gencor will accept only an established, credible testing firm which has high quality, portable testing equipment. It will be the responsibility of the appointed testing laboratory to have the capabilities of analyzing the preliminary and official test results on-site.

7.9 The Plant shall be prepared by the Purchaser's employees at the Purchaser's expense, maintained, and operated in accordance with Gencor's written and verbal instruction to Purchaser and within the parameters indicated on Gencor's specification sheet.

7.10 The Test shall only be conducted with one group of materials which shall be a) all virgin materials OR b) a minimum of 50% virgin materials and a maximum of 50% recycle materials.

7.11 The asphaltic concrete ingredients utilized during the Test and preliminary Test shall be:

- a. Aggregate which is natural, clean, and normal for asphalt concrete production.

b. Asphalt cement, which is of a type having a low paraffin content and high temperature smoke point.

**IMPORTANT** - It will be the Purchaser's responsibility to provide asphalt cement which is of a type having a low paraffin content and high temperature smoke point. The smoke point must be a minimum of 20 degrees Fahrenheit above the mix discharge temperature.

c. The materials should also conform to the following criteria:

1. The total fines in aggregates on a dry basis less than 200 mesh will be 5% or less.
2. The total fines less than 10 microns (approximately 2000 mesh equivalent) will be no greater than 1% of the total fines less than 200 mesh.
3. The aggregates processed do not contain any constituents (less than .01% by weight) other than water that can be volatilized at less than 1000°F.
4. The baghouse differential pressure must be maintained between 2.5 and 3.5" wc during the testing period.

If, with satisfaction of the above conditions, the BH or VWS equipped Plant fails to perform in accordance with this warranty, Gencor will, at its option, take one or more of the following actions.

1. Recommend the changes, adjustments, and repairs necessary for either the BH or DC or VWS to fulfill this warranty.
2. Provide modification of or a like replacement of either the BH or VWS upon return of the BH or DC or VWS F.O.B. Gencor's designated shipping destination.

If the BH or DC or VWS equipped Plant passes the Test on either all virgin materials or with recycled materials (50% maximum), the Plant shall be deemed to comply with and Gencor shall be deemed to have fulfilled its obligations under this warranty.

THE WARRANTY AND LIABILITIES OF GENCOR SET FORTH HEREIN ARE EXCLUSIVE OF ANY OTHER REPRESENTATIONS REGARDING EMISSIONS, POLLUTION CONTROL, OR OTHER ENVIRONMENTAL REQUIREMENTS. THIS WARRANTY SUPPLEMENTS, AND, UNLESS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN, IS SUBJECT TO ALL CONDITIONS STATED IN, THE STANDARD GENCOR CORPORATION WARRANTY WHICH IS ATTACHED HERETO.

#### 8. INDEMNITY AGAINST PATENT INFRINGEMENT

8.1 **INDEMNITY.** Gencor shall indemnify and hold Purchaser harmless from and against all claims, suits, actions, liabilities, damages, and costs (excluding any liabilities, costs, loss of revenues, or loss of profit resulting from loss of use, but including costs of replacing the infringing Product or Part, or of otherwise curing any infringement on account of which use of a Product is prevented) in case of any actual or alleged infringement of a United States patent by any Product or Part manufactured to Gencor's detailed design. This Patent Indemnity shall not apply to any component, Part, or accessory of any Product, or to any Part not manufactured to Gencor's detailed design.

8.2 **CONDITIONS.** The rights and remedies of Purchaser and Gencor's obligations and liabilities with respect to any patent infringement are conditioned upon Purchaser giving Gencor written notice within ten (10) days after Purchaser receives notice of a suit or action against Purchaser alleging infringement, or within twenty (20) days after Purchaser receives a written claim of infringement, Gencor may, at its option, conduct negotiations with any party claiming infringement and may intervene in any suit or action. Whether or not Gencor intervenes, it shall be entitled at any state of the proceedings to assume or control the defense. Purchaser's remedy and Gencor's obligation and liability hereunder are further conditioned upon such Purchaser promptly furnishing to Gencor all data, records, and assistance within Purchaser's control material in any such claim, suit, or action, and (except as to amounts payable under a judgment) upon Gencor's prior approval of payment or assumption by Purchaser of any liabilities, damages, royalties, or costs for which Gencor is asked to respond.

8.3 **DISCLAIMER AND RELEASE.** THE INDEMNITY, OBLIGATION, AND LIABILITIES OF GENCOR AND RIGHTS AND REMEDIES OF PURCHASER SET FORTH IN THIS PATENT INDEMNITY ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND PURCHASER HEREBY WAIVES, RELEASES, AND RENOUNCES ALL OTHER INDEMNITIES, WARRANTIES, REPRESENTATIONS, OBLIGATIONS, AND LIABILITIES OF GENCOR AND RIGHTS, CLAIMS, AND REMEDIES OF PURCHASER AGAINST GENCOR, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY ACTUAL OR ALLEGED INFRINGEMENT OR THE LIKE BY ANY PRODUCT OR PART.

9. **SPECIFICATION - CHANGES.** Subject to any changes in specification set forth in this Order, the specifications for Products and Parts shall be those described in, and only in, specific Gencor literature incorporated by express reference into this Order, provided that Gencor reserves the right to change such specification at any time in order to incorporate improvements or make any other changes deemed necessary in any Product, Part, or component thereof.
10. **ASSIGNMENT.** No assignment of any of Purchaser's rights, privileges, or remedies, nor delegation of any of Purchaser's duties under or in connection with this Order and with respect to any Products, Parts, or services, unless and until Gencor's written consent thereto has been given.
11. **NOTICES AND REQUESTS.** All notices and requests required to be given under this Order shall be in writing addressed to the parties as set forth in this Order.
12. **AGREEMENT.** This Order supersedes any prior agreements, representations, or other communications between the parties hereto relating to the subject matter hereof. Acceptance of this Order is expressly limited to its terms in substitution for the terms and conditions set forth in any order, acknowledgement, or other form at any time issued by Purchaser. Purchaser's acceptance of any Product or Part, Purchaser's use of any Product or Part or payment of all or any portion of the price shall conclusively constitute Purchaser's unconditional acceptance of this Order. This Order shall be governed by the laws of the State of Florida and shall not be amended or modified except in writing signed by Gencor and Purchaser.
13. **CLAIMS.** Gencor shall not consider claims for shortages unless made immediately upon receipt of shipment. Gencor is not to be held liable for delay, damage, or loss, due to production, scheduling, erection, or engineering problems, or to causes relating to acts of God, explosions, transportation, accident, fire, strike, civil or military authority, insurrection, or other causes beyond our control.
14. **CANCELLATION.** This agreement cannot be suspended or cancelled except with Gencor's prior written consent and, if given, then only after Purchaser reimburses Gencor for expenses, damages, and losses incurred as a result of cancellation.
15. **TITLE AND OWNERSHIP.** Title to the within described equipment shall remain in Gencor's name until the full price thereof has been paid by Purchaser and upon the complete payment thereof, title shall automatically vest in Purchaser. If Purchaser fails to pay for said equipment in accordance with the terms hereof, Gencor may, at its option, 1) declare the entire sum then remaining unpaid hereunder, immediately due and payable, and may elect to sue for the collection of such amount, in which event Purchaser will pay in addition to said unpaid balance all necessary

costs, charges and expenses, including attorney's fees incurred in collection or attempting to collect the same, or Gencor may, 2) with or without legal process, notice or demand, regain possession of said equipment, and hold the same free from claims by Purchaser. In no event will Gencor be responsible for transportation costs of said equipment to original erection site, footing costs, erection costs resulting from any downtime Purchaser might have incurred, loss of production, or any other cost resulting from the purchase and erection of said equipment. Purchaser agrees that in the event it becomes necessary to regain possession of said equipment, Gencor may come upon Purchaser's premises for this purpose and have the use of said premises for the time required to sever the equipment from the real estate, collect the same, and remove it from Purchaser's premises.

**15.1 SOFTWARE LICENSE.** Gencor retains ownership in all intellectual property rights in the Licensed software Programs and all modifications, enhancements or other derivative works thereof. The Licensed Programs are licensed to Purchaser, not sold. Licensee shall preserve and not reproduce any copyrighted, patented and trademarked notices which appear in the Licensed Programs. Licensee recognizes that the methodologies and techniques, contained in or expressed within the Licensed Programs are proprietary information or trade secrets of Gencor. Licensee shall treat them as confidential information and not disclose them. Gencor shall have the right at any time, to remotely access software or hardware systems for diagnostic, repair and recordation purposes. Licensee also hereby authorizes Gencor verify compliance with the terms of the license agreement and to remotely access any of its licensed systems. Such verification, may include, copies of system tools outputs, or other electronic or hard copy system information as may be appropriate.

- 16. POSTPONED DELIVERY.** If, through no fault of Gencor, delivery is delayed or postponed, the Purchaser shall pay to Gencor any additional costs incurred by Gencor arising from such delay or postponement, and the balance remaining unpaid on the contract price, after effect to such adjustment, shall be come due and payable. The Purchaser shall protect any of the equipment against damaging agents in case of delayed or postponed start-up.
- 17. LIMITATION OF PROPOSAL.** The price and terms quoted in this proposal are subject to acceptance by the Purchaser within a period of 60 days from the date hereof, except that Gencor shall have the right to withdraw its proposal at any time before formal **acceptance by the Purchaser.**
- 18. EXECUTION OF CONTRACT.** This proposal is made in triplicate and shall become a contract between the Purchaser and Gencor when accepted by the Purchaser and approved in writing by an officer of Gencor, and when so accepted and approved, it shall be binding upon the parties hereto upon their respective heirs, executors, successors, and assigns, and be considered executed in Orange County, Florida.
- 19. LAW CONTROLLING.** This instrument and all questions regarding the performance of the parties hereunder shall be controlled by the laws of the State of Florida, and jurisdiction of any dispute shall be in Orange County, Florida.
- 20. NON-ASSIGNABILITY/COMPLETE UNDERSTANDING.** The rights and liabilities of the parties hereunder are nonassignable. The complete understanding is herein stated.
- 21. TRANSPORTATION POLICY.** All prices are based on F.O.B. point of manufacture unless otherwise specified. Final selection of the common carrier and all contracting with our traffic department or the carrier are the Purchaser's responsibility.

Gencor's traffic department will quote a contract price to deliver purchased equipment anywhere in the United States or Canada. The contract price includes the cost of prep-packaging and loading, the cost to rent the necessary portability packages for each individual item and the cost to return the portability's to Gencor, unless the portability's have been purchased by the Purchaser as part of the equipment.

If the Purchaser elects to contract with our traffic department to move a given piece of equipment or system, it will be mandatory to sign freight contract and return it to our traffic department prior to movement of the equipment.

It is mandatory that the Purchaser must remove each portability package from the component immediately after the equipment arrives at the terminal destination designated by the Purchaser. It is the Purchaser's responsibility to furnish lifting equipment and assistance to remove the portability packages and reload them on to the towing tractor so they can be returned to the factory without delay.

If, for whatever reason, the Purchaser fails to remove the portability packages at the time of delivery and retains them, it will be the Purchaser's sole responsibility to pay the freight back to the factory on the portability packages and also pay the rental rates as follows:

Tandem axle portability packages - \$1,500 per week

Triple axle portability packages - \$2,000 per week

In addition to the above costs, the Purchaser will be assessed for any damage, shortage of components, or loss of the portability packages.

All freight charges for movement of equipment are due immediately prior to shipment of equipment to the destination requested by the Purchaser. It is mandatory that the freight be paid in full at the time that the last load is ready for shipment. The Purchaser will be expected to wire this money to our bank account at this time without exception.

If the Purchaser elects to hire its own contract carrier or haul the equipment with Purchaser's own trucks and trailers, the trucking firm must supply all the portability packages or adequate trailers to haul each component. Gencor's traffic department will impose a charge to load the equipment. Trucks and trailers must be capable of towing the loads safely and properly and Gencor reserves the right to reject trailers that are viewed as unsafe.

The following directives apply to all common carriers and Purchaser owned trucks.

- A. All loads must be secured by the driver with chains and binders supplied by the Purchaser or trucking firm before leaving Gencor property.
- B. Gencor will not aid in the obtaining of permits, routing, or the selection of escorts.
- C. At divisions where available, Gencor will offer the use of its truck scales to properly weigh all loads before leaving Gencor property.

**SPECIAL NOTE - SALES TAX LIABILITY**

If the Purchaser elects to pick up equipment with Purchaser owned trucks, sales tax at the current rate applicable will be charged on all of the equipment. This tax is unavoidable, regardless of whether the owner has a tax resale number in another state and also is applicable to all municipal, state, and federal agencies.

## SIGNATURE PAGE

**SHIPMENT AND ERECTION:** Gencor agrees to make shipment and Purchaser agrees to accept shipment the week of \_\_\_\_\_ or \_\_\_\_\_ weeks from receipt of approved layout drawings from purchaser, whichever is greater. A detailed shipping list will accompany the bill of lading and the Purchaser agrees to check this equipment as it is unloaded and any claim for shortage against Gencor will be made in writing within 24 hours of time of unloading, to be followed by an affidavit (if required) from the person in charge of the unloading. Claims for loss in transit will be made on Carrier by Purchaser.

**PRICE:** Price for the equipment as referenced within this proposal/contract No. \_\_\_\_\_ shall be \_\_\_\_\_ dollars (\$\_\_\_\_\_).

### PAYMENT TERMS:

- A. Twenty-five percent (25%) down payment due with signed sales order.
- B. Balance of contract due prior to release of equipment to the common carrier. This amount is to be wired to our bank account, (see WIRING INFORMATION) or a certified check must be received prior to shipment. Purchaser is hereby notified that interest costs will be assessed equal to the rate described in the fourth sentence of Section 4 (Payment, Security, and Interest) if shipment is delayed or postponed for any reason by the Purchaser beyond the requested shipment date that the Purchaser made at the time the contract was signed.
- C. Purchaser is hereby notified that a Letter of Credit, subject to the Uniform Customs and Practices for Documentary Credits (1983 revision) International Chamber of Commerce (Publication 400), shall be required for the full amount of the purchase unless the equipment is paid for in full prior to shipment.
- D. All payments must be made in U.S. currency. Purchaser must pay all conversion costs as to insure that Gencor receives net amount U.S. dollars.
- E. A \$35.00 transaction fee will be added to any wire transfers.

**WIRING INFORMATION:** Payments can be wired to Bank of America, 390 N. Orange Avenue, Suite 900, Orlando, Florida, ABA 026-009-593 for credit to Gencor Industries, Inc., Account No. 898043385240. A \$35.00 transaction fee will be added to any wire transfers. Contact Larry Maingot at (407) 290-6000, ext. 245.

We are confident that the equipment we propose to furnish your company in this proposal will totally satisfy your requirements and through this, we will have a role to play in your company's growth and profitability.

RESPECTFULLY SUBMITTED,

GENCOR INDUSTRIES, INC.

By: \_\_\_\_\_  
Mark A. Howard P.E.  
Vice President of Sales Canada

Date: December 11, 2014  
dkj

ACCEPTED BY: **BORLAND CONSTRUCTION**

The foregoing proposal is hereby accepted:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED BY: **GENCOR INDUSTRIES, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Gencor Industries, Inc.  
Proposal No. B-14-10-12261-A  
December 11, 2014

\_\_\_\_\_  
Acceptance



# FREIGHT CONTRACT

Proposal No. B-14-10-12261-A

I, \_\_\_\_\_, an authorized representative of BORLAND CONSTRUCTION, hereafter referred to as the Purchaser, hereby authorizes Gencor Industries, Inc. to transport the asphalt plant equipment and/or components listed in the attached equipment proposal to Winnipeg, MB at a cost of \$

Quoted freight price is subject to change at time of shipment if plant location changes from the address noted in the first paragraph above; it will be customer's responsibility for the additional cost incurred.

The above quoted price includes the cost of pre-packaging and loading, the cost to rent the necessary portability packages for each individual item and the cost to return the portability's to Gencor, unless the portability's have been purchased by the Purchaser as part of the equipment.

The freight contract price also includes the cost of all permits, toll fees, necessary escorts, and trip insurance, which is in effect until the time the equipment is delivered, to the preselected location.

It is specifically understood and agreed that Purchaser will have available, at the time of delivery, personnel and lifting equipment to assist in the lifting, cribbing and removal of Gencor's portability package immediately upon delivery of each component. It will then be the responsibility of the Purchaser to load each portability package back on to the haul unit so that it can be returned to Gencor by its authorized carrier. If the immediate return of each portability package is not possible, it will be the Purchaser's responsibility to make prior arrangements with Gencor's Traffic Department to pay the current demurrage and freight charges to return each portability package to Gencor.

Quoted freight price is subject to change at time of shipment.

In the event of fuel price increase(s) to the Carrier totaling 5% or more, the Carrier reserves the right to adjust the freight charge to the Purchaser. Freight prices are valid for 30 days only.

Purchaser agrees to make payment to Gencor Industries, Inc. in full at time of shipment.

Customer will be responsible for any equipment that is required to be crated at an additional cost.

**NOTES:** If customer elects not to purchase the freight contract, a handling and loading charge will apply and if portability is not provided with the equipment, axles can be provided at a weekly rate. It will be the customer's responsibility to return the portability back to Gencor's factory within two weeks after delivery.

See TRANSPORTATION POLICY under our STANDARD TERMS AND CONDITIONS OF SALE in contract.