



**EXCEPTIONS IN RESPONSE TO REQUEST FOR SEALED BIDS
LIQUID OXYGEN FOR THE DELTA WATER SUPPLY PROJECT
PUR # 17-008**

Air Products and Chemicals, Inc. ("Seller") submits the following exceptions to City of Stockton ("Buyer") in response to Buyer's request for sealed bids for liquid oxygen ("Product") for the Delta Water Supply Project PUR # 17-008 ("Bid"). The following terms and conditions shall apply notwithstanding anything to the contrary in the Bid:

Seller warrants that the Product delivered under the contract shall conform to the specifications listed below. THIS WARRANTY IS SELLER'S SOLE WARRANTY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SELLER'S SOLE LIABILITY FOR BREACH OF WARRANTY SHALL BE REPLACEMENT OF ANY PRODUCT THAT DOES NOT MEET SPECIFICATIONS, AT SELLER'S SOLE COST.

Specification: Liquid Oxygen

Oxygen: >90 wt%
Nitrogen: 500 ppm
Dew Point: <-65 C
Moisture Content: <10 ppmv
Total hydrocarbons: <15 ppmv

Seller shall not be liable in contract (by way of breach, insurance, indemnity or otherwise) or tort (including negligence and strict liability) for (i) any indirect, special or consequential damages in connection with its performance or nonperformance of the contract (ii) liabilities arising from the negligence, acts, errors or omissions of Buyer or its officials, employees, invitees or agents or any other third party, or (iii) due to events beyond the reasonable control of Seller. Seller's total cumulative liability under the contract shall not exceed the total price of the contract during the term thereof.

Seller's pricing and supply offer hereunder are predicated on the supply of Product from its producing facility located in Galt, CA.

Seller's price shall be as set forth in the Bid. Seller takes exception to Section 1.17 of the Bid.

The attached Certificate of Insurance is accepted to meet Seller's insurance obligations hereunder.

Seller's bid is subject to execution of mutually agreeable terms and conditions, including the foregoing.