

Proposal For: Zorro Ranch
Mr. Bryce Gordon
Zorro Development Corp
49 Zorro Ranch Road
Stanley, NM 87056
Phone: (505) 991-0029
██████████
Proposal Date: 10/10/2008

Wendy Hudson
Sales and Customer Support
Aftermarket Services and Products Group
1700 E 28th Street
Signal Hill, Ca. , CA 90755
Phone: 562/276-1477
Fax: 562/427-7031
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Proposal Number: 155202

Proposal Items:

<u>Item</u>	<u>Description</u>	<u>Item Number</u>	<u>Quantity</u>	<u>UOM</u>	<u>Unit Price</u>	<u>Extended Price</u>	<u>Availability</u>
1	CODE LINE PRESSURE VESSEL, ONE MEMBRANE PORT LOCATIONS 1 AND 7	80A30-1 1D7D	5	EA	\$ 932.20	\$ 4,661.00	Shipment in 3-4 weeks ARO
2	MEMB TFC 8X40 365 SF DRY W/ONE INTERCONNECT	CDRC30365	5	EA	\$ 738.15	\$ 3,690.75	Shipment 3-5 days ARO
3	MINIMUM 4 HOURLABOR CHARGE, ADDITIONAL HOURS @ \$100/HR*	LABOR-MINC HARGE	1	EA	\$ 400.00	\$ 400.00	TBD
Extended Price for Primary Offer:					\$ 8,751.75	USD	

Proposal Comments:

*INSTALLATION LABOR IF REQUIRED

Purchaser acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the goods and/or services provided under the Contract, including any export license requirements. Purchaser agrees that such goods and/or services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. **PURCHASER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.**

Shipping Information:

- Freight is F.O.B. Origin, freight prepaid and add to invoice.
- Service & Handling is \$19.95 for this order

Terms:

- This proposal is valid until 11/9/2008
- Payment terms are net 30 days with proper credit, and are subject to the attached Siemens Water Technologies Corp. Terms and Conditions.
- Pricing listed does not include any applicable sales tax.
- New customers are pre-approved to \$1,000. All others will need to fill out a credit application and submit a hardcopy PO (or a "No PO Form").
- We require hard documentation of your order for Siemens to process your order. For your convenience, we can start processing your order by signing and return fax to: 562/427-7031 or e-mailed to: [REDACTED]
- You may also mail this to: Siemens
1700 E 28th Street
Signal Hill, Ca. , CA 90755

Payment Options (Circle one):	Visa	Mastercard	Amex	PO Number
Credit Card or Purchase Order Number:				Expiration Date:
Name Appearing On Credit Card (Please Print), Or Person Issuing PO Number:				
Signature:				
Preferred Shipping Company:		Shipping Account Number:		
Note: Shipments under 50 lbs are shipped UPS unless requested otherwise.				

Terms and Conditions

1. **Applicable Terms.** These terms govern the purchase and sale of the equipment ("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 or any included services 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 ½% 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 facility.
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. 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.** 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. 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. 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 and maintaining the Equipment in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller). **THE WARRANTIES SET FORTH IN THIS SECTION ARE SELLER'S SOLE AND EXCLUSIVE WARRANTIES. 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 of any claim, and (b) providing reasonable cooperation in the defense of any claim.
8. **Force Majeure.** Under no circumstances shall either Seller or Buyer have any liability for any breach (except for 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, change in law or other 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 pay Seller for work performed prior to cancellation or suspension and any other direct 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 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 Delaware without regard to its conflict of laws provisions.

Accepted by: _____

Print: _____

Date: _____