

**Proposal For:** Zorro Ranch  
Mr. Brice Gordon  
Zorro Development Corp  
49 Zorro Ranch Road  
Stanley, NM 87056  
Phone: (505) 991-0029  
zorr ranch@aol.com  
Proposal Date: 3/15/2013

Darren Jaramillo  
Account Representative  
Siemens  
3800 Rutledge NE, Suite A  
Albuquerque, NM 87109  
Phone: 505-369-9709  
Fax: 505-345-5937  
[REDACTED]  
Proposal Number: 434326

**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	Misc labor	81605-d	13	EA	\$ 150.00	\$ 1,950.00	
2	ESAMMISC : MISC PARTS	W2T290034	1	EA	\$ 222.22	\$ 222.22	
3	PTCMPS18X65 : MMF, PTC PLUS SPLX 18X65	W3T85638	2	EA	\$ 1,967.65	\$ 3,935.30	
Extended Price for Primary Offer:					\$ 6,107.52	USD	

**Proposal Comments:**

This is a parts and labor quote, you will only be billed for exactly what is used.

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 4/14/2013
- Payment terms are net 30 days with proper credit, and are subject to the attached Siemens Industry Inc. 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: 505-345-5937 or e-mailed to: [REDACTED]
- You may also mail this to: Siemens  
3800 Rutledge NE, Suite A  
Albuquerque, NM 87109

<b>Payment Options (Circle one):</b>	Visa	Mastercard	Amex	PO Number
<b>Credit Card or Purchase Order Number:</b>				<b>Expiration Date:</b>
<b>Name Appearing On Credit Card (Please Print), Or Person Issuing PO Number:</b>				
<b>Signature:</b>				
<b>Preferred Shipping Company:</b>		<b>Shipping Account Number:</b>		
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"), the lease of any leased equipment ("Leased Equipment") and the provision of any services ("Services") provided by Seller as referred to in Seller's quotation, proposal, specifications or acknowledgment, as the case may be ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Siemens Industry Inc. ("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 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 and Leased 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. Seller shall provide Services in accordance with the Seller's Documentation during normal business hours unless otherwise specified in such Seller's Documentation. Services requested or required outside of these hours will be charged at Seller's then-current schedule of rates including overtime charges, if applicable, and will be in addition to the charges outlined in the Seller's Documentation. To the extent additional services outside the scope itemized in the Seller's Documentation are requested ("Additional Services"), Seller shall provide Additional Services at its then-current standard time and material rates and terms and conditions unless otherwise agreed in writing by Seller.
- 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.** Subject to the following sentence, Seller warrants to Buyer that the (i) Equipment and Leased Equipment shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and (ii) Services shall be performed in a workmanlike manner using qualified personnel. If Buyer gives Seller prompt written notice of breach of this warranty (i) for Equipment: within eighteen (18) months from delivery of the Equipment, or Leased Equipment or one (1) year from acceptance, whichever occurs first and/or (ii) for Services: within ninety (90) days from the date the service is provided; ("Warranty Period"), Seller shall, at its sole option and as Buyer's sole remedy, repair or replace the subject Equipment and Leased Equipment parts, or re-perform any non-conforming portion of the Services or refund the charges paid therefor. 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, replacement or re-performance made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Equipment and Leased 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 consumable or expendable goods (such as, for example and not by way of limitation, activated carbon, filter cloth, pump diaphragms and filters) and 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, ALL OF WHICH HEREBY ARE EXPRESSLY DISCLAIMED BY SELLER.**
- 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.** 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 costs incurred by Seller as a result of such cancellation or suspension.

10. Leased Equipment. Any Leased Equipment provided by Seller shall at all times remain the property of Seller with the exception of certain miscellaneous installation materials purchased or provided by Buyer, and no right or property interest is transferred to the Buyer hereunder, except the right to use any such Leased Equipment as provided herein. Buyer agrees that it shall not, nor shall it allow a third party, to pledge, lend, place a lien against or create a security interest in, part with possession of, or relocate such Leased Equipment. Buyer agrees that it will indemnify Seller against breaches of the terms of this Section 10. Buyer will be responsible to maintain such Leased Equipment in good and efficient working order. Upon expiration or termination of this Agreement, Buyer shall promptly make any Leased Equipment available to Seller for removal. Buyer hereby agrees that it shall grant Seller access to the Leased Equipment location during and after the term of any applicable lease and shall permit Seller to take possession of and remove such Leased Equipment without resort to legal process and hereby release Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.

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 Delaware without regard to its conflict of laws provisions.

12. 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.

13. Each Party may, without the consent of the other Party, at any time assign, transfer or subcontract this Agreement, in whole or in part, or individual rights and obligations hereunder to any of its Affiliates and Siemens may at any time assign, transfer or subcontract this Agreement, in whole or in part, or individual rights and obligations hereunder to any purchaser of any portion of Siemens' Water Technologies business.

Accepted by: \_\_\_\_\_

Print: \_\_\_\_\_

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