

Board Packet
September 25, 2008

SUPPLEMENT 2

ITEM 17

Purchase of Membrane Modules for Water Facility

- 1. Quote from Pall Corporation**
- 2. Revised Purchase Order**

PROPOSAL SUMMARY

Date: August 26, 2008

Contact: Tom Clark
Company: Brushy Creek
For:
Equipment:

Quote No.: 34102008-18291DSP-Rev. 1

Customer Ref. No.	Inquiry Date	Shipping Terms:	F.O.B. Point	Quote Valid Until
		Prepay and add or 3 rd party billing	Cortland, NY	9/26/08
MM # or Item Number	Part Number	Quantity	Unit Price	Total Value
MM#15807	UNA-620A Module	116	\$2150.00	\$249400.00
MM#18340	Module Install Kit	116	\$253.23	\$29374.68
MM#14314	ASSY,HOSE,1 IN FLEX HOSE, XR CONN,OUTER	116	\$103.71	\$12030.36

Terms of Sale: Net 30 Days
Lead Time: 5 weeks ARO

Comments:

The PASS minimum order value for parts purchases \$200.00. Exception to this will be taken only on a case by case basis. An order processing fee may apply to orders that are accepted, but do not meet the minimum order value. If the ordered quantity is different than the quoted quantity, the unit price is subject to change and will require confirmation from Pall Advanced Separations Systems prior to order acceptance.

Spare Parts Order acceptance and payment terms: Pall Advanced Separations Systems requires all Accounts outstanding beyond 30 days to be paid in full prior to order acceptance. Your account status will be verified at the time of order placement, and you will be notified if you have a balance due. To avoid order processing and good shipment delays, please insure your account is up to date in advance of placing your order.

Please Address Your Order to: PALL ADVANCED SEPARATIONS SYSTEMS, Attn: Customer Service, E-mail to Pall_Technology_CSC@pall.com

Respectfully Submitted,
PALL ADVANCED SEPARATIONS SYSTEMS
Pall Technology Services

By: Dawn Speranza
Title: Special Projects Administrator

All sales made by Pall are subject to general conditions of sales set forth on the attached page.

Pall Standard Terms and Conditions of Sale

1. **Acceptance:** Seller's acceptance of Buyer's order is limited to Seller's express terms and conditions of sale contained herein and on the face of the Seller's Acknowledgment Form and any terms incorporated herein or therein by reference ("Seller's Terms and Conditions of Sale"). Any additional or different terms or any attempt by Buyer to vary in any degree any of Seller's Terms and Conditions of Sale are hereby objected to and shall be deemed material.
2. **Delivery:**
 - i. Seller reserves the right to make partial deliveries and to ship products as they become available. The delivery and/or shipping schedule is the best estimate possible based on conditions existing at the time of Seller's acceptance of the order or Seller's quotation and receipt of all specifications, as applicable, and in the case of non-standard items, any such date is subject to Seller's receipt of complete information necessary for design and manufacture. Seller assumes no liability whatsoever, including loss of use or for any other direct, indirect, or consequential damages due to delays.
 - ii. Unless otherwise mutually agreed to in writing signed by both Seller and Buyer: Delivery from Seller's U.S. factory to a U.S. or Puerto Rico destination is ex factory. Title passes at factory and Buyer has the obligation to insure once title passes. Delivery from Seller's U.S. factory to a destination outside of the U.S. and Puerto Rico is when the goods are off-loaded from a vessel in the foreign port. Title passes when the goods are off-loaded at the foreign port and Buyer has the obligation to insure when the goods are off-loaded at the foreign port. Delivery from Seller's Puerto Rico factory to any location is always ex factory. Title passes at factory and Buyer has the obligation to insure once title passes.
 - iii. Buyer will pay, or reimburse Seller for all freight, taxes, duty and entry fees, special and miscellaneous charges and special packaging charges.
3. **Prices:** Except as may be specifically provided in Seller's quotation, all prices are subject to change without notice.
4. **Taxes:** All prices are exclusive of any applicable U.S.A. federal, state or local sales, use, excise or other similar taxes. All such taxes will be for Buyer's account and will be paid by Buyer to Seller upon submission of Seller's invoices. If Buyer is exempt from any applicable sales tax but fails to notify Seller of such exemption or fails to furnish its Sales Tax Exemption Number to Seller in a timely manner and the Seller is required to pay such tax, the amount of any such payment made by Seller will be reimbursed by Buyer to Seller upon submission of Seller's invoices.
5. **Payment:**
 - i. Payment for U.S. and Puerto Rico billing shall be made by Buyer in U.S. Dollars net thirty (30) days after shipment. Payment for foreign billing shall be in accordance with Seller's instructions.
 - ii. A monthly interest charge at the rate of one and one half percent or the maximum legal rate allowed by applicable law, whichever is lower, will be assessed on all past due payments calculated from the date of shipment.
 - iii. Seller may, at any time or times, suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to Seller when, in Seller's opinion, the financial condition of Buyer or other grounds for insecurity warrant such action.
 - iv. All sales are subject to the approval of Seller's credit department.
6. **Warranty, Limitation of Liability and Remedies:**
 - i. THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE PRODUCTS, NOR IS THERE ANY OTHER WARRANTY EXPRESS OR IMPLIED, EXCEPT AS PROVIDED FOR HEREIN.
 - ii. For a period of twelve months from the date of delivery from Seller (the "Warranty Period"), Seller warrants that products manufactured by Seller when properly installed and maintained, and operated at ratings, specifications and design condition, will be free from defects in material and workmanship.
 - iii. Seller's liability under any warranty is limited solely (in Seller's discretion) to replacing (FOB original ship point), repairing or issuing credit for products which become defective during the Warranty Period. Purchaser shall notify Seller promptly in writing of any claims and provide Seller with an opportunity to inspect and test the product claimed to be defective. Buyer shall provide Seller with a copy of the original voice for the product, and prepay all freight charges to return any products to Seller's factory, or other facility

designed by Seller. All claims must be accompanied by full particulars, including system operating conditions, if applicable.

- iv. In no event shall Seller be liable for any product altered outside of the Seller's factory by someone other than Seller or for a product subjected to misuse, abuse, improper installation, application, operation, maintenance or repair, alteration, accident, or negligence in use, storage, transportation or handling.
 - v. In no event will Seller be liable for any damages, incidental, consequential or otherwise, whether arising out of or in connection with the manufacture, packaging, delivery, storage, use, misuse or non-use of any of its products or any other cause whatsoever.
7. **Cancellation:** Buyer may not cancel its order after Seller's acceptance unless all the details are approved in writing by the parties, including Buyer's agreement to pay a stated amount of termination charges.
 8. **Product Returns:** Products may not be returned for any reason without prior written authorization and shipping instructions from Seller. Products shipped without Seller's authorization may be returned at Buyer's expense. Credit for any returned products is at the discretion of Seller after receipt and inspection of the products.
 9. **Claims:** All claims for incorrect products or amounts thereof must be made in writing within ten days after receipt.
 10. **Patent or Trademark Infringement:** Buyer shall indemnify and defend, at its own expense, Seller against claims or liability for U.S. or applicable foreign patent or trademark infringement arising from the preparation or manufacture of a product according to Buyer's specifications, or from Buyer's unauthorized use of Seller's product.
 11. **Entire Agreement:** Seller's Terms and Conditions of Sales and the Confidentiality Agreement, if any, are the entire agreement of the parties and they may not be modified except in writing signed by a duly authorized representative or officer of Seller.
 12. **Quotation:** All quotations by Seller are subject to change or withdrawal without prior notice to Buyer, unless otherwise specifically stated in the quotation. Quotations are made subject to approval by Seller of Purchaser's credit. All sales, contracts and orders become effective only if and when approved and accepted in writing by Seller by the issuance of its Customer Acknowledgment form.
 13. **Confidentiality:** If Seller discloses or grants Buyer access to any research, development, technical, economic, or other business information of "know-how" of a confidential nature, whether reduced to writing or not, Buyer will not use or disclose any such information to any other person or company at any time, with Seller's prior written consent. Such obligation shall continue for five (5) years after said disclosure. In the event that Buyer and Seller have entered into a separate confidentiality agreement, the terms and conditions of such agreement shall take precedence over the terms of this paragraph.
 14. **No Waiver:** Seller's failure to insist on Buyer's strict performance of the terms and conditions contained herein at any time shall not be construed as a waiver by Seller of performance in the future.
 15. **Governing Law:** These terms and conditions and the agreement for sale of products hereunder shall be governed by the laws of the State of New York

