

SIEMENS

PROPOSAL

Date:

Proposal Number:

To:

Engineer:

Proposal for: Test Drying of Municipal Sludge with the Dragon Dryer

Siemens Water Technologies is pleased to offer _____ our on-site services for the test drying of the city's Municipal Sludge with the Mobile Indirect Rotating Drum Dragon Dryer®.

1) Scope of Supply

- ◆ Our scope of supply includes the Mobile Dragon Dryer and a Siemens operator for a period of 3 days. One day for mobilization, one day for drying up to (2) two tons of sludge cake and one day for demobilization. The dryer and its operator are available for extended days of drying on a per day cost (see the pricing section).
- ◆ Freight to the City's Wastewater Treatment Plant within the Eastern United States is included in our scope of supply pricing.

2) Municipality Responsibilities

- ◆ A clear and level area capable of supporting the trailer mounted dryer equipment.
- ◆ Sludge cake between 14 and 25% solids.
- ◆ Providing a person(s) to assist the Siemens operator in loading sludge cake into the dryers feed hopper. The top of the feed hopper is approximately 10 feet off the ground and will require a front-end loader/Bobcat or forklift.
- ◆ Electrical Service – 460 volt * 3 phase * 30 amp within 100 feet of the unit.
- ◆ Water supply (hose bib connection) at 5 gpm and 30 to 60 psi.
- ◆ A location to drain the condenser water within 100 feet of the unit. This can be a manhole or floor drain that will return the condenser water back to the treatment plant. The return water will be approximately the same volume of water going into the Condenser.
- ◆ A container to hold the dried product.

3) Pricing

- ◆ Trailer mounted Dragon Dryer for 3 days as described above...\$8,500.
- ◆ Additional days of drying...\$750 per day.

4) Terms and Conditions

- ◆ Credit Back Policy
 - The amount expended by our client for the test drying will be credited back to their account if our client purchases a Dragon dryer within (1) one year of the actual test drying.
- ◆ Payment Terms
 - The Siemens operator will have client sign a Completion of Services form at the end of the test drying. Siemens will then issue an invoice for the total of the agreed amount that will be due and payable within 15 days.
- ◆ Waiver
 - Siemens requires a waiver of liability and responsibility from our client prior to mobilization.

DEMONSTRATION TEST AGREEMENT

THIS DEMONSTRATION TEST AGREEMENT (this "Agreement") is made as of the ____ day of _____, 2007, by and between Siemens Water Technologies Corp. ("Siemens") and the Municipality of _____ ("Customer").

1. Siemens has submitted to Customer Siemens' Proposal No. _____, dated _____, 2007 (the "Proposal", a copy of which is appended hereto as Attachment A) concerning the use of a Mobile Indirect Rotating Drum Dragon Dryer® (the "Unit") at Customer's Wastewater Treatment facility located in _____, County of _____, State of _____ (the "Facility"), and Customer desires to accept the Proposal on the terms and conditions herein set forth.

2. Siemens shall at all times maintain ownership of the Unit, but shall make the Unit available at the Facility for a three-day period, mutually acceptable to Siemens and the Customer, for the completion of a demonstration test (the "Demonstration") as described in the Proposal. The Customer shall provide, at its sole cost and expense, the personnel, services and other support items necessary to completion of the Demonstration, as described in the Proposal. In consideration for making the Unit available for the Demonstration, the Customer shall pay to Siemens the sums set forth in the Proposal.

3. Siemens's provision of the Unit for completion of the Demonstration shall be subject to all of the terms and conditions set forth in Attachment B hereto, each of which are incorporated by reference as if fully set forth herein. The provisions of Attachment B shall survive the expiration or earlier termination of this Agreement. Initially capitalized words and phrases used in Attachment B without definition shall have the meanings ascribed to such words and phrases in this Agreement.

5. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument. Any written notice or other written information to be communicated pursuant to or in connection with this Agreement shall be delivered by reputable overnight courier or certified mail, return receipt requested, to the addresses appearing on the signature page of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Agreement as of the day and year first above written.

Facility Legal

Siemens Water Technologies Corp.

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

ATTACHMENT B

TERMS AND CONDITIONS

1. **General.** (a) At all times during the term of this Agreement the Unit shall remain the personal property of Siemens and shall not, by accession or otherwise, become a fixture or part of the real property at the Facility. At the conclusion of the Demonstration, the Customer shall permit Siemens access to the Facility for the time period necessary for Siemens to remove the Unit. (b) The Customer shall procure all licenses, permits and approvals necessary to the performance of any Demonstration and shall be responsible for complying with all laws and regulations of governmental authorities and agencies affecting any such Demonstration, including without limitation, rules and regulations concerning safety and environmental matters.

2. **Confidentiality; Ownership of Results.** All results, information, data, procedures, formulas, compilations, methods, techniques and processes, whether in writing or otherwise, relating to the Unit or any Demonstration ("Information") shall be received and maintained in confidence by the Customer, and/or any of its consultants or engineers, and shall not be disclosed, directly or indirectly, by any such recipient, except to those of their employees who need to receive such information to enable the Customer to evaluate the results of any Demonstration. The Customer shall not, nor shall it permit its consultants or engineers to, use or permit the use of any of such Information for any purpose other than to evaluate the results of any Demonstration. All Information, including results, data, discoveries, inventions and improvements, whether or not patentable or copyrightable, any and all expressions of computer programs, manuals, data bases and all forms of computer hardware, firmware and software, conceived, made, first reduced to practice, or developed by either party arising out of the conduct of any Demonstration shall be the sole and exclusive property of Siemens with respect to any and all countries, their territories and possessions.

3. **Warranty.** The Unit and any related Information are made available to the Customer hereunder "AS IS". **NO WARRANTIES, INCLUDING BUT NOT LIMITED TO, WARRANTIES REGARDING PERFORMANCE OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, HAVE BEEN GIVEN OR SHALL BE IMPLIED HEREIN REGARDING THE UNIT, THE INFORMATION, ANY DEMONSTRATION OR THE RESULTS OF ANY DEMONSTRATION.**

4. **Indemnification.** The Customer shall indemnify, defend and hold harmless Siemens from and against any and all claims, demands, actions and causes of action, including without limitation, claims on account of personal injury, including death, or damage to or loss of property, by any party whatsoever, or environmental damage arising in any way out of or resulting to any extent from the conduct of the Demonstration, unless such damage or loss is a result of U.S. Filter's sole negligence or willful misconduct.

5. **Limitation of Liability.**

(a) Notwithstanding anything to the contrary herein, the aggregate liability of Siemens, including without limitation for or with respect to Siemens's affiliates and employees, arising out of or in connection with the Agreement, any Demonstration or the Unit, including without limitation liability based upon or arising from indemnification or contribution, breach of contract or warranty, strict liability, negligence or other tort, or any other legal or equitable theory, shall not exceed the amount paid by the Customer to Siemens for the Demonstration.

(b) Notwithstanding anything to the contrary herein, in no event shall Siemens be liable for consequential, incidental, indirect, special, exemplary or punitive damages of any kind, including without limitation for loss of profits, revenues or product, or loss of use of any property (whether by shutdown, operation at less than capacity or otherwise), regardless of whether any of the foregoing damages are based directly or indirectly upon indemnification or contribution, breach of contract, strict liability, negligence or other tort, or any other legal theory or equitable claim.

6. General Provisions. The Agreement, together with the Attachments thereto, represents the entire agreement between the parties with respect to the subject matter thereof, and supersedes all prior negotiations, purchase orders, representations or agreements, whether written or oral. The Agreement and these terms and conditions may not be amended except by mutual written agreement of Siemens and the Customer. No course of performance or failure to strictly enforce any term shall be construed as a waiver thereof. Waiver of any term shall not constitute a waiver of any other term or a continuing waiver. The Agreement, including its Attachments, shall be binding on the parties' respective successors and assigns; provided that the Customer may not assign, delegate or permit any other transfer thereof without Siemens's prior written consent. The Agreement and its Attachments shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to its conflict of laws provisions.