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We appreciate your interest in our line of **LIVINGWATERS™** Water Treatment Products.

As you investigate our product line you will discover that no other water treatment products on the market can offer the combination of benefits we provide.

Many products offer reduction of chlorine, disinfection by-products of chlorine, tastes, odors, pesticides, herbicides, and some heavy metals like lead and mercury. A few offer reduction of hormone disruptors, MTBE, perchlorate, and other difficult chemicals..

Only **LIVINGWATERS™** products offer all these benefits plus:

- *All standard 4-stage and up models feature our proprietary SafeWater™ Technology that assures 8 log removal of bacteria and cysts (99.999999%) and 3 log removal of viruses (99.9%) without the need for electricity, high water pressure, or water waste;*
- *Option for those on municipal water to add effective fluoride removal;*
- *Option for those on well water in agricultural areas to add effective nitrate removal;*
- *Option to add effective Chloramine removal for those who live in cities where chloramination has replaced chlorination as the primary means of disinfecting drinking water supplies.*
- *No need for electricity.* This is a real plus when disaster strikes as when Hurricane Isabel struck the Hampton Roads area. The only people who had drinking water until power was restored were people who had propane or gas to boil water, or those who had a **LIVINGWATERS™** water treatment system.
- We've been in business for over 15 years. During all that time we have kept our pledge to place our newest technology in our replacement cartridges. That means our customers who bought the very first systems we ever built are enjoying the latest technology we have to offer in systems that perform as well as a brand new one.

Our requirements for dealers are relatively simple. Our first priority is to make sure people who sell our products properly represent them to the end user. We also want to make sure our dealers honor our industry leading 90-day money back guarantee.

PRODUCT IDENTIFICATION

As a **LIVINGWATERS™** dealer you may advertise yourself as a “Dealer” and/or “Authorized Reseller” of **LIVINGWATERS™** products. Please note that *you may not re-brand our product with your own proprietary name.*

YOUR WEBSITE

Do not make any representations as to the capability of our systems that are in any way different than the ones we make in our materials. For dealers who sell primarily through the web, your best bet is to use the images and information that we provide on our websites at: www.livingwatersway.com or www.consciouslivingsystems.com.

CALIFORNIA SALES

California began a new certification program 4 years ago that requires all water treatment products advertised for sale in California be certified by California approved laboratories to NSF standards. Even if a product is already certified by the NSF (as ours are) it must be recertified by California. This is a very expensive process. Many industry-leading suppliers like Doulton have opted not to certify their products. Because our cartridge-based systems contain Doulton ceramic cartridges they are not certified for sale in California. Our reverse-osmosis products are certified so they are not affected.

Systems not certified for sale in California should be identified as such where you sell these products on your site. If a California resident or existing customer calls and asks to buy our products, it is our understanding that you may fill their order as long as they understand that the product is not certified by California. You simply cannot advertise uncertified products to California residents.

ORDERING PROCESS

Whatever process you use to garner an order, just make sure that what is being ordered is clear and that you get an accurate shipping address that is transmitted to us either by fax or by email. We do not accept orders by phone because if there is a mistake on the order, there is no way to verify whose problem it is. We will ship the product that is ordered to the address that is on the order. If we make a mistake we will stand behind it. If you make a mistake, whatever it takes to correct the mistake will be at your expense.

SHIPPING AND HANDLING

We will drop ship to your customers. Dealer shall be responsible for actual costs of shipping and handling plus a \$10 per box drop-ship charge. We can ship by UPS, USPS or FedX.

INVOICING

We suggest that you bill your customer on an invoice sent by email or fax. Our package to the customer will be labeled with a shipping label that states our return address and will contain a packing slip only.

Once your customer has paid for their system and you place the order with us, you will be sent a copy of our invoice by either email or fax.

PAYMENT

You must pay for all products in advance before they will be shipped. We accept payment by VISA, MasterCard, American Express or PayPal. Once payment has been approved (usually within a few minutes) we will process the order. Most orders received by 11:00 AM are shipped the same day. Orders received after 11:00 AM are shipped the next day. Occasionally a backorder is unavoidable. If that happens you will be notified immediately.

SERVICE

Our product manuals have been carefully prepared to contain all the information a customer might need to install, operate, and service their water treatment systems appropriately. Be aware that even though we ship appropriate manuals with every product, our experience is that most customers don't take the time to read them and/or they throw them away or lose them.

As the dealer, you are primarily responsible for answering your customer's questions about product use, installation, troubleshooting, etc. so we recommend that you get a copy of these manuals and read them. You or your customers may download a copy of all manuals from our website. We are happy to help you if you get confused, but we ask that you become familiar enough with our products that we don't have to handle your normal customer service issues for you.

On rare occasions, you may encounter a customer who has become very confused or difficult. We ask you to have patience with such people. Patiently taking things a step at a time usually resolves any problem.

DEALER IDENTIFICATION AND PRODUCT LABELING

Customers will need to order replacement cartridges. They may also want to buy additional systems as gifts or for other locations. They may have questions about how to replace cartridges after the system has been in place for awhile and water flow has diminished. Because customers tend to lose manuals, invoices, and other such materials that arrive when the system is purchased, they tend to look on the product for contact information and call whatever number they find there.

You can help yourself and your customers by enrolling in our Dealer Identification Program. For an annual fee of \$250 we will do the following:

- We will include a letter from you to your customer in the package. This letter will thank your customer for their business and contain your contact information in case the customer needs a question answered or wants to reorder another system or replacement cartridges for their existing system.
- We will list your company, its logo, and your contact information as well as a link to your site as an authorized reseller on our website.
- We will prepare artwork listing your dealer name as an authorized reseller of any product for which we have a brochure. This artwork will come to you in two forms. One will be high resolution artwork suitable for printing, the other will be low resolution artwork in PDF format that you can post on a website for your customers to download.

To take advantage of this program you will need to send us your artwork/company logo and contact information you want on the label/letter/website. You will also need to send us the text you want for the one page letter.

CUSTOMER PROTECTION

As long as you remain on “active dealer” status with Conscious Living Systems, Inc. your customers will not be allowed to order anything from us without your involvement. If your customer calls us we will look up their order and if they bought their system through you, they will be referred back to you to place the order.

MARKETING MATERIALS

Attached please find your dealer price list, a copy of our new updated product list and other sales materials. I hope that you find these materials informative and interesting. As explained in the section entitled “Dealer Identification and Product Labeling” above, for an annual fee you can order artwork imprinted with your company name as an “authorized dealer” for your marketing purposes. **DO NOT ADD YOUR NAME TO OUR MATERIALS IN ANY FORM WITHOUT OUR PRIOR WRITTEN PERMISSION.** This is because some dealers have altered our materials in ways we find unacceptable.

Many of our dealers report great success offering to leave a LWCT2 with their customers for a week or so. When they return they find that people are reluctant to give up the unit and either buy it, or an undercounter unit to replace it. If you decide to try this, I recommend you buy several LWCT2 units you can use as demos.

PRICING

To insure a healthy business environment, **LIVINGWATERS™** Dealers are not allowed to advertise our products on the web or elsewhere for a price less than a 15% discount off current list prices. If we find this policy being violated we will notify you and require you correct the problem within 10 days. If you do not, or if the problem recurs, you will lose your dealer status.

We do our best to keep our prices as low and stable as possible. We are proud that we haven't had to increase prices for the last two years. However, this is not always possible. Prices in the industry can change rapidly and dramatically at times. Because we import some of our technology, currency fluctuations can result in us having to change our prices, sometimes with short notice. We will notify you of price changes as soon as they occur by email and we will follow up by sending you a price list by regular mail. You will be charged according to our current price schedule so make sure your prices are accurate.

If you have any questions, or if there is anything we can do to help you, please don't hesitate to ask.

Respectfully,

Lono Ho'ala
President — Conscious Living Systems, Inc.