



April 16, 2013

Dave Daniels
Truckee Meadows Reclamation Facility
City of Sparks
8500 Clean Water Way
Reno, NV 89505

Mr. Daniels,

Polydyne Inc. has recently offered to extend our polymer supply agreement with the City of Sparks - Truckee Meadows for an additional two-year period; June 1, 2013 through May 31, 2015. The City currently purchases bulk Clarifloc® WE-713 at \$1.07/Lb. delivered. This price would remain the same for the aforementioned term.

Please find below a list of recent bids for cationic emulsion polymer in bulk deliveries. As you will see, our price to the City is reasonably below current market value.

Central Marin, CA	\$1.182/Lb.	116,000 Lbs./Yr. Est.
Central Contra Costa, CA	\$1.150/Lb.	350,000 Lbs./Yr. Est.
Livermore, CA	\$1.150/Lb.	134,000 Lbs./Yr. Est.
Union Sanitation, CA	\$1.150/Lb.	167,000 Lbs./Yr. Est.

We hope you will find this information useful in your evaluation of our extension offer. If you have any questions, please feel free to contact Rawlin Castro, Sr. Technical Sales Representative, at (415) 218-6089.

Best Regards,

Lawrence D. Grizzle
Business Manager