

STATE OF NORTH CAROLINA

AGREEMENT

COUNTY OF UNION

THIS AGREEMENT is made and entered into as of _____, by and between UNION COUNTY, a political subdivision of the State of North Carolina, whose address is 500 North Main Street, Monroe, NC 28112, hereinafter "Union," and POLYDYNE INC., a professional corporation authorized to do business in North Carolina, whose address is 1 Chemical Plant Road, Riceboro, Georgia 31323 hereinafter "Contractor."

W I T N E S S E T H

WHEREAS, Contractor is a supplier of certain water treatment chemicals for Union's sludge and solids handling system, specifically CLAIRFLOC C-6286, hereinafter referred to as "Goods;" and

WHEREAS, Union desires to purchase such Goods from Contractor on an as-needed basis; and

WHEREAS, Contractor is willing to provide such Goods to Union as described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto do each contract and agree with the other as follows:

1. GOODS PROVIDED. Contractor agrees to provide the Goods in accordance with the specifications in the attachment hereto entitled "Specifications," which Specifications are incorporated herein by reference. Contractor shall provide the Goods on an as-needed basis, upon request by Union for such Goods. Union shall provide a purchase order number to Contractor prior to any Goods being delivered. Contractor shall not be required to provide installation services pursuant to this Agreement. Union does not guarantee the purchase of any minimum amount of Goods pursuant to this Agreement.

2. FEE AND PAYMENT SCHEDULE. Union shall pay Contractor \$1.59 per pound delivered, with the Goods being delivered by 2300-pound totes. Contractor shall invoice Union for Goods after each delivery requested by Union has been completed pursuant to Section 1 herein. Contractor's invoice must reference the purchase order number issued by Union. Payment is due within thirty (30) days of receipt of an accurate invoice by Union's Finance Department. All payments shall be conditioned upon appropriation by the Union County Board of Commissioners of sufficient funds for each request for services.

If the Agreement is renewed for additional terms in accordance with Section 4 herein, at the beginning of each renewal term, Contractor may adjust the price of the Goods in accordance with the *Producer Price Index by Industry: Chemical Manufacturing* as published by the U.S. Bureau of Labor Statistics for the 12-month period prior to the requested price change. Contractor will provide the Union County Water Department notice of a price change at least 60 days prior to the end of the then-current term.

3. DELIVERY SCHEDULE. Contractor shall deliver Goods described in Section 1 herein in accordance with the Specifications.

4. TERM AND TERMINATION. The Effective Date is the date of mutual execution of this Agreement. This Agreement shall have a term of one (1) year (the "Initial Term"). Upon completion of the Initial Term, Union may, in its sole discretion, elect to renew this Agreement for up to four (4) additional 1-year terms, each a "Renewal Term," upon written notice to the Contractor. Union may terminate this Agreement at any time, with or without cause, by notification to Contractor in writing. In the event of termination without cause, Contractor shall be paid for Goods delivered to the date of notification of termination by Union.

5. OWNERSHIP OF DOCUMENTS. All deliverables and any other contract documents prepared by Contractor, or any subcontractors or subconsultants under the terms of this Agreement ("the Documents"), shall be the property of Union. Contractor further acknowledges that Union is subject to Chapter 132 of the North Carolina General Statutes, the Public Records Act (the "Act"), and that this Agreement, as well as any of the Documents as defined herein, shall be a public record as defined in such Act, and as such, will be open to public disclosure and copying.

6. INSURANCE. The attached Exhibit A, Insurance Requirements, is incorporated herein by reference.

7. INDEMNIFICATION. Contractor agrees to protect, defend, indemnify and hold Union, its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of this Agreement and/or the performance hereof that are due, in whole or in part, to the negligence of Contractor, its officers, employees, subcontractors or agents. Contractor further agrees to investigate, handle, respond to, provide defense for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto.

8. FEDERAL, STATE, AND LOCAL TAXES. Neither federal, nor state, nor local income tax nor payroll tax of any kind shall be withheld or paid by Union on behalf of Contractor or the employees of Contractor. Contractor shall not be treated as an employee with respect to the services performed hereunder for federal or state tax purposes.

9. NOTICE TO CONTRACTOR REGARDING ITS TAX DUTIES AND LIABILITIES. Contractor understands that Contractor is responsible to pay, according to law, Contractor's income tax. If Contractor is not a corporation, Contractor further understands that Contractor may be liable for self-employment (social security) tax, to be paid by Contractor according to law.

10. FRINGE BENEFITS. Because Contractor is engaged in Contractor's own independently established business, Contractor is not eligible for, and shall not participate in, any employee pension, health or other fringe benefit plan of Union.

11. UNION NOT RESPONSIBLE FOR WORKERS' COMPENSATION. No workers' compensation insurance shall be obtained by Union concerning Contractor or the employees of Contractor. Contractor shall comply with the workers' compensation law concerning Contractor and the employees of Contractor.

12. NO AUTHORITY TO BIND UNION. Contractor has no authority to enter into contracts or agreements on behalf of Union. This Agreement does not create a partnership or any form of agency between the parties.

13. ASSIGNMENT. Neither Union nor Contractor shall assign, sublet or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to assignment, no assignment shall release or discharge the assignor from any duty or responsibility under this Agreement.

14. NON-WAIVER. The failure of either party to exercise any of its rights under this agreement for a breach thereof shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.

15. HOW NOTICES SHALL BE GIVEN. Any notice given in connection with this agreement shall be given in writing and shall be delivered either by hand to the party or by certified mail, return receipt requested, to the party at the party's address stated herein. Any party may change its address stated herein by giving notice of the change in accordance with this paragraph.

16. APPLICABLE LAW AND JURISDICTION. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. The parties to this Agreement confer exclusive jurisdiction of all disputes arising hereunder upon the General Courts of Justice of Union County, North Carolina.

17. COMPLETE AGREEMENT. This Agreement contains the complete agreement of the parties regarding the terms and conditions of the Agreement, and there are no oral or written conditions, terms, warranties, understandings or other agreements pertaining thereto which have not been incorporated herein. This Agreement may be modified only by written instrument duly executed by both parties, or their respective successors in interest.

18. SEVERABILITY. The provisions hereof are severable, and should any provision be determined to be invalid, unlawful or otherwise null and void by any court of competent jurisdiction, the other provisions shall remain in full force and effect and shall not thereby be affected unless such ruling shall make further performance hereunder impossible or impose an unconscionable burden upon one of the parties.

19. AUTHORITY. Each party warrants that it has the corporate or other organizational power and authority to execute, deliver and perform this Agreement. Each party further warrants that the execution, delivery and performance by it of the Agreement has been duly authorized and approved by all requisite action of the party's management and appropriate governing body.

20. E-VERIFY. E-Verify is the federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program, used to verify the work authorization of newly hired employees pursuant to federal law. Contractor shall ensure that Contractor and any subcontractor performing work under this Agreement: (i) uses E-Verify if required to do so by North Carolina law; and (ii) otherwise complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. A breach of this provision by Contractor will be considered a breach of this Agreement, which entitles Union to terminate this Agreement, without penalty, upon notice to Contractor.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have hereunto set their hands and seals, and have caused this Agreement to be duly executed, this the day and year first above written.

UNION COUNTY

BY: _____ (SEAL)
Brian W. Matthews, County Manager

POLYDYNE INC.

BY: _____ (SEAL)

Approved as to Legal Form CGR

This instrument has been preaudited in the manner required by
The Local Government Budget and Fiscal Control Act.

Deputy Finance Officer

Exhibit A
Insurance Requirements

I. BASIC INSURANCE REQUIREMENTS. At Contractor's sole expense, Contractor shall procure and maintain the following minimum insurances with insurers authorized to do business in North Carolina and rated A-VII or better by A.M. Best, or as otherwise authorized by the Union County Risk Manager.

A. **WORKERS' COMPENSATION**
Statutory (coverage for three or more employees) limits covering all employees, including Employer's Liability with limits of:

\$500,000	Each Accident
\$500,000	Disease - Each Employee
\$500,000	Disease - Policy Limit

B. **COMMERCIAL GENERAL LIABILITY**
Covering all operations involved in this Agreement.

\$2,000,000	General Aggregate
\$2,000,000	Products/Completed Operations Aggregate
\$1,000,000	Each Occurrence
\$1,000,000	Personal and Advertising Injury Limit

C. **COMMERCIAL AUTOMOBILE LIABILITY**

\$1,000,000	Combined Single Limit - Any Auto
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D. **POLLUTION LIABILITY INSURANCE**

\$1,000,000	Claims Made
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Contractor shall provide evidence of continuation or renewal of Pollution Liability Insurance for a period of two (2) years following termination of the Agreement.

II. ADDITIONAL INSURANCE REQUIREMENTS.

A. The Contractor's General Liability policy shall be endorsed, specifically or generally, to include the following as Additional Insured:

UNION COUNTY, ITS OFFICERS, AGENTS AND EMPLOYEES ARE INCLUDED AS ADDITIONAL INSURED WITH RESPECT TO THE GENERAL LIABILITY INSURANCE POLICY.

- B. Before commencement of any work or event, Contractor shall provide a Certificate of Insurance in satisfactory form as evidence of the insurances required above.
- C. Contractor shall have no right of recovery or subrogation against Union County (including its officers, agents and employees).
- D. It is the intention of the parties that the insurance policies afforded by Contractor shall protect both parties and be primary and non-contributory coverage for any and all losses covered by the above-described insurance.
- E. Union County shall have no liability with respect to Contractor's personal property whether insured or not insured. Any deductible or self-insured retention is the sole responsibility of Contractor.
- F. Notwithstanding the notification requirements of the Insurer, Contractor hereby agrees to notify County's Risk Manager at 500 North Main Street, Monroe, NC 28112, within two (2) days of the cancellation or substantive change of any insurance policy set out herein. Union, in its sole discretion, may deem failure to provide such notice as a breach of this Agreement.
- G. The Certificate of Insurance should note in the Description of Operations the following:
 - Department: Union County Water
 - Contract #: 10174
- H. Insurance procured by Contractor shall not reduce nor limit Contractor's contractual obligation to indemnify, save harmless and defend Union County for claims made or suits brought which result from or are in connection with the performance of this Agreement.
- I. Certificate Holder shall be listed as follows:
 - Union County
 - Attention: Risk Manager
 - 500 North Main Street
 - Monroe, NC 28112
- J. If Contractor is authorized to assign or subcontract any of its rights or duties hereunder and in fact does so, Contractor shall ensure that the assignee or subcontractor satisfies all requirements of this Agreement, including, but not limited to, maintenance of the required insurances coverage and provision of certificate(s) of insurance and additional insured endorsement(s), in proper form prior to commencement of services.

SPECIFICATIONS

1. INTRODUCTION

The attached specifications and requirements are drawn around chemicals which the County has evaluated and determined to be required for the performance necessary.

2. DELIVERY & CHARGES

FOB destination. All prices shall include all delivery and/or freight charges to addresses specified in this document or other address specified on a Purchase Order. No additional freight shall be charged at time of delivery. Risk of loss and/or damage shall be upon the seller until such time as goods have been physically delivered and received by the County. Deliveries shall be within five (5) days of receipt of order.

3. PACKAGING

All containers must be durable and dust tight and not readily broken in handling and storage. The contents must be marked. All markings shall comply with all federal and state laws as applicable to these chemicals.

4. PURITY

Chemicals supplied under these specifications shall be a high-quality product suitable for municipal wastewater treatment and sludge dewatering applications. The material shall not contain soluble minerals, organic substances, oil, grit or foreign substances in quantities capable of producing deleterious or injurious effects to water quality. The chemicals supplied shall be manufactured under recognized industry quality control standards and shall be consistent from lot to lot. The supplier shall certify that the polymer does not contain contaminants or residual constituents at concentrations that would adversely affect wastewater treatment processes, plant equipment, biosolids quality, or regulatory compliance.

5. LABELING OF HAZARDOUS MATERIALS

If the items or products requested by this solicitation are "Hazardous Materials" as defined by North Carolina General Statute §95-174 or Title 15 U.S.C. 1261 of the United States Code, then the Contractor certifies and warrants that the items or products to be delivered under this contract shall be properly labeled as required by the foregoing section(s) and that by delivering the items or products the Contractor does not violate any of the prohibitions of NC G.S. Chapter 95 - Article 18, et al, or Title 15 U.S.C. 1261 et al.

6. DELIVERIES

Delivery will be made no later than 5 business days after receipt of order (ARO), unless otherwise notified. Deliveries must be made during normal working hours (8:00 am - 4:00 pm), local time,

Monday through Friday. All deliveries shall be made in accordance with the following standards & regulations, where applicable:

Union County Water Standards

Occupational Safety & Health Administration (OSHA) standards

U.S. Department of Transportation (DOT)

North Carolina Department of Environmental Quality (DEQ)

U.S. Environmental Protection Agency (EPA)

Any other applicable local, state or Federal laws or regulations.

24-hour advance notice of deliveries is required. Contractor will send notice of delivery and photos with names of the drivers making the deliveries to the receiving facility supervisors; specific email addresses will be provided upon award of a contract. The drivers will have a certificate of analysis (COA) for all chemicals and Safety Data Sheets (SOS) upon arrival at the receiving facility.

7. DELIVERY LOCATION

Twelve Mile Creek Water Reclamation Facility
8299 Kensington Drive
Waxhaw, NC 28173

8. SPILL PREVENTION

In the event of a spill resulting from the Contractor's actions, the Contractor's employee shall perform initial spill response including but not limited to using materials in County owned spill kits to prevent chemicals from injuring County employees and to prevent chemicals from reaching storm drains. It is the responsibility of the Contractor, regardless of subcontracting delivery of the chemical to any County locations, in ensuring spill response to the location. The Contractor shall pay any fines levied against the County for spills resulting from the Contractor's actions and shall pay any costs incurred for clean-up and emergency response.

The Contractor must have a spill prevention program, including appropriate spill kits on delivery trucks, available and follow the Contractor's procedures in case of a spill. The Contractor must provide a copy of their spill prevention program to the County for review. In the event of a spill resulting from the Contractor's actions, the Contractor is responsible for providing all necessary personal protective equipment to their employees. In addition, if there is a spill, the Contractor must notify the County's water treatment plant supervisor immediately. The facility supervisor will then follow procedures to contain the spill. The Contractor should have the appropriate spill prevention kit available for the chemicals they are delivering.

The County will be reimbursed by the Contractor for labor and materials and damage created by the spill.

9. CHEMICAL SPECIFICATION – CATIONIC LIQUID POLYMER

Estimated Annual Quantity: 3,250 gallons to 10,000 gallons

Delivery Method: 250-gallon Totes

Physical Requirements: See attached CLARIFLOC C-6286 Polymer Product Bulletin

Chemical Specification: See CLARIFLOC C-6286 Polymer Product Bulletin

Delivery Requirements: Delivery vehicles should be equipped with a lift gate to remove and place totes in designated chemical area. Refer to section 6 "Deliveries".

Impurities: Refer to section 4 "Purity".

Utilization Location: Twelve Mile Creek Water Reclamation Facility

CLARIFLOC C-6286 POLYMER

PRINCIPAL USES

CLARIFLOC C-6286 is a **high** charge cationic polyacrylamide in emulsion form that is used as a flocculant in a wide variety of municipal wastewater treatment applications. It has been successfully applied in all liquid/solids separation systems including clarification, thickening, and dewatering.

TYPICAL PROPERTIES

Physical Form	Clear to Milky White Liquid
Cationicity	80 %
Active Polyacrylamide Min.	41.0%
Specific Gravity	1.02 - 1.03
Freezing Point	7 F. (-14 C.)
Density	8.5 - 8.6 Lb/Gal

PREPARATION AND FEEDING

CLARIFLOC C-6286 is a single component emulsion polymer that must be pre-diluted in water before use. In most cases, this product should not be applied neat. One method for dilution is adding the neat polymer into the vortex of a mixed tank at a concentration between 0.25-1.0% polymer (0.5% is optimum) by weight. The polymer can also be injected through a number of commercially available systems that provide in-line mechanical mixing. The best feed systems use initial high energy mixing (>1000 rpm) for a short time (<30 sec) to achieve good dispersion followed by low energy mixing (<400 rpm) for a longer time (10-30 min). Polymer solutions should be aged for 15-60 minutes for best results. Solution shelf life is 8-16 hours.

MATERIALS OF CONSTRUCTION

Cross-linked polyethylene, fiberglass, stainless steel or lined steel are the preferred materials of construction for bulk tanks. Avoid natural rubber and Buna-N gaskets as these materials swell when placed in contact with neat polymer. Unlined mild steel, black iron, galvanized steel, copper or brass are not recommended in any part of the feed system. Stainless steel, Viton or Teflon are the best choices for pump heads. For feed lines, use PVC or reinforced Tygon tubing.

MANUFACTURING SPECIFICATIONS

Total Solids	45.5 - 52.5
Residual AcAm	< 1000 ppm
Neat Viscosity	300 - 2000 cPs
UL Viscosity	2.4 - 3.1

HANDLING AND STORAGE

Suggested in-plant storage life is 6 months in unopened drums. For best results, store at 50-80 F. Bulk tanks should be mixed by periodically recirculating the contents bottom to top. Bulk tanks can also be fitted with an agitator type mixer that reaches the bottom 2 feet of the tank. Drums and bins should be mixed very well before first use and weekly after that. Do not allow emulsion polymers to freeze. Should freezing occur, allow the product to thaw thoroughly in a heated area and mix well before attempting to use it. For spills of CLARIFLOC C-6286, sprinkle vermiculite or equivalent absorbant over the spill area and sweep the material into approved chemical disposal containers. Do not spray water onto a spill because the resulting gel is very difficult to clean up.

SAFETY INFORMATION

CLARIFLOC C-6286 is a mildly acidic product that can irritate the skin and eyes and should be handled accordingly. Gloves, goggles and apron are highly recommended. Anyone responsible for the procure-ment, use or disposal of this product should familiarize themselves with the appropriate safety and handling precautions involved. Such information is outlined in the **POLYDYNE** Material Safety Data Sheet. In the event of an emergency with this product, contact Chemtrec anytime day or night at (800) 424-9300.

SHIPPING

CLARIFLOC C-6286 Polymer is shipped in 55 gallon drums containing 450 pounds net or in 275 gallon totes containing 2300 pounds net. Bulk quantities are also available.

ADDITIONAL INFORMATION

To place an order or obtain technical information from anywhere in the continental United States, call toll free:

(800) 848-7659

For additional information, please refer to the Safety Data Sheet (SDS)

All statements, information and data given herein are believed to be accurate, but are presented without warranty, expressed or implied. Statements concerning possible use are made without representation or warranty that any such use is free of patent infringement, and is not a recommendation to infringe on any patent. The user should not assume that all safety measures are indicated or that other measures may not be required. Any determination of the suitability of a particular product for any use contemplated by the user is the sole responsibility of the user.