

SUPPLY AGREEMENT
FILTER MEDIA ANTHRACITE

(Provided in superbags containing approximately 1 ½ tons/bag)

This Agreement is entered into on _____[date], between _____ [name of seller], a corporation organized and existing under the laws of the State of Texas, referred to in this Agreement as "Seller" and the North Texas Municipal Water District, a validly-formed political subdivision of the State of Texas, referred to in this Agreement as "Buyer".

In consideration of the mutual promises between Seller and Buyer, and the other conditions contained in this Agreement, it is agreed between the parties as follows:

1. Buyer agrees to buy from Seller, and Seller agrees to sell and deliver to Buyer, all of the FILTER MEDIA ANTHRACITE that Buyer may require for use in its water treatment operations at the Wylie WTP from _____[date] to _____ [date], hereinafter referred to as the "Primary Term", and it is agreed that FILTER MEDIA ANTHRACITE will meet the specifications set forth in Exhibit A, which is incorporated as a part of this Agreement for all purposes. It is estimated that Buyer will purchase approximately _____ [units] from Seller under this Agreement during the Primary Term.
2. The FILTER MEDIA ANTHRACITE is to be delivered pursuant to the requirements, instructions and procedures within the specifications set forth in Exhibit A, which is incorporated as a part of this Agreement for all purposes.
3. Buyer agrees to pay to Seller \$ _____ [price] per _____ [unit of measurement] for truckloads of superbags delivered at the District facility named above. Seller agrees that trucks may be required to split full loads between multiple locations at the Wylie WTP. The procedures and terms governing acceptance, rejection, and payment of deliveries are within the specifications set forth in Exhibit A, which is incorporated as a part of this Agreement for all purposes.
4. At any time prior to March 1 before the expiration of the Primary Term or an Option Term (defined below), Seller may give written notice to Buyer (care of Zeke Campbell, P.O. Box 2408, Wylie, TX 75098) of its willingness to continue supplying filter media anthracite to Buyer at the same price or a lower price and on the same terms set forth herein for an additional one-year term (hereinafter "Option Term"). After receipt of said written notice and not later than 15 days before the expiration of the Primary Term or an Option Term, Buyer shall notify Seller of its acceptance or rejection of Seller's offer. If accepted, this Agreement shall be extended for one year from the then-current ending date and all terms of this Agreement shall govern the Parties during the Option Term. If rejected or if no response is made, the Seller's offer shall be deemed rejected and the Agreement shall expire on the ending date on its own terms. The term of this Agreement may only be extended twice (maximum of two (2) Option Terms), for a total of three (3) years. Neither party may change the terms of this Agreement during any Option Term.

5. It is expressly contemplated and assumed by the parties that Seller may incur increases in its cost to produce, procure and/or supply the chemicals which are the subject of this Agreement, as a result of storms, hurricanes, natural disasters, fuel shortages or increases in fuel prices, or other causes affecting production and/or transportation of the chemicals in question, which contingencies are assumed to be possible, if not likely, and said contingencies are reflected in the fixed contract price set forth in Paragraph 3.
6. It is agreed and understood by the parties that in the event of a breach of this Agreement by the Seller, the Buyer may incur damages resulting from its inability to properly treat water in accordance with its statutory, regulatory, and contractual responsibilities to its Member Cities and Customers, as well as to comply with its permit requirements owed to State, federal, and local authorities.
7. In the event of a conflict between the terms of this Agreement and those specifications set forth in Exhibit A, the specifications in Exhibit A shall control.
8. This Agreement is the final expression of the undersigned parties' intent, supersedes and replaces all previous agreements and understandings relating to the subject matter hereof, and may only be amended by through a written document signed by both parties to this Agreement.

Dated: _____

_____ [signature]

_____ [typed name]

-- Seller

Dated: _____

_____ [signature]

_____ [typed name]

-- Buyer