Mr. Nicholas Cook Water Plant Supervisor 2117 E. X Street Deer Park, TX 77536

Dear Mr. Nicholas Cook,

RE: City of Deer Park, TX - PAX Water Technologies Residual Control System

PAX Water Technologies is pleased to provide a quotation and scope of work for the City of Deer Park, Coy Tank residual disinfectant control system. The PAX Residual Control System (RCS) system provides the City of Deer Park with a system that analyzes tank water quality, assimilates the analysis and automatically doses ammonia and or chlorine to manage the Coy Tank's disinfectant residual.

There is no residual management system on the market that accomplishes this complex set of tasks which include:

- Ensuring the Coy Tank is a completely mixed and a chemically homogeneous body of water
- Determining tank total chlorine levels, ORP and pH
- Using the above analysis in a chemical dosing algorithm to add the appropriate amount of ammonia and chlorine to reach the tank's desired residual set-point
- Dosing the chemicals accurately into the tank
- Managing the described dosing strategy in the dynamic environment of a tank as it cycles and changes water volume through the normal daily operating cycle

In fact, PAX Water Technologies and its parent UGSI Solutions, Inc. are the only companies in North America that deploy this set of intellectual property and know-how in the United States. The company is approaching one hundred residual control installations of this type in the field.

Please do not hesitate to call or contact me with any further questions.

Sincerely,

Andrew Seidel

Chief Executive Officer PAX Water Technologies