

December 1, 2014

Lee County Board of County Commissioners
Division of Procurement Management
ATTN: Diana Khan
Procurement Manager
PO Box 398
Fort Myers, FL 33902

RE: Renewal of Annual Contract No. B-140052 Purchase of Chemicals for Utilities WTP & WWTP

Dear, Ms. Khan;

We have been pleased to work with Lee County these last eight months. Chemrite would like to extend the current contract with Lee County with a small price increase in the next contract year, beginning April 15, 2015. This is in accordance with price escalations allowable under the current contract. We have reviewed all of the costs involved with supplying quicklime to Lee County and have looked for all possible price decreases. There are some costs that we do not have control over, namely the freight charges. Both over the road and rail. We are able to pass along a price decrease, resulting from the lower cost of oil.

The breakdown in price increases are as follow:

1. \$1.35/ton. Rail freight from manufacturing to Tampa, FL. This is a contractual increase from CSX railroad.
2. \$3.17/ton. Quicklime production and contractual mine operation
3. \$0.47/ton. Increase in truck freight charges from terminal to Fort Myers plant locations
4. \$-0.35/ton. Decrease in fuel surcharge. Oil prices have driven the price of diesel lower.

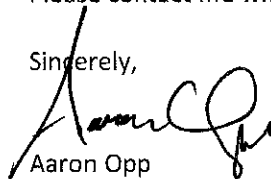
This totals an increase of \$4.65 per ton. Bringing our new price for the quicklime to \$261.01/ton delivered. These prices will go into effect April 15, 2015.

Several items are negatively affecting these costs in the production and delivery of quicklime: the cost of raw materials; the cost of transportation is increasing as the economy recovers; new or increasing regulatory pressures; increasing costs in transportation (truck driver hours, rail car availability, rail system congestion) for inbound and outbound shipments.

We look forward to our continued business relationship.

Please contact me with any questions.

Sincerely,



Aaron Opp
Vice President
Chemrite, Inc.