

IX

BD 2011-278

FINAL VERSION

CONTRACT NO. 2011000278

AGREEMENT BETWEEN CHARLOTTE COUNTY

and

CHARLOTTE COUNTY BIO-RECYCLING CENTER, LLC

for BIOSOLIDS MANAGEMENT AND RECYCLING

(Zemel Road Landfill)

This BIOSOLIDS MANAGEMENT AND RECYCLING AGREEMENT (the "Recycling Agreement" or the "Agreement") is made this 19th day of 2012 by and between Charlotte County, a political subdivision of the State of Florida, whose address is 18500 Murdock Circle, Suite #2, Port Charlotte, Florida 33948 (the "County") and Charlotte County Bio-Recycling Center, LLC, a Florida limited liability company, whose address is 1800 Bering Drive, Suite 1000, Houston, TX 77057 ("CCBRC") (collectively "parties").

RECITALS

A. Charlotte County owns and operates the Zemel Road Landfill ("Landfill") located at 29751 Zemel Road, Charlotte County, Florida; and

B. CCBRC is in the business of constructing, owning, and operating biosolids management, bio-recycling and compost facilities; and

C. Charlotte County desires to have its biosolids and yard and green waste managed and recycled by way of windrow composting at a biosolids recycling center at or near the Landfill; and

D. Charlotte County desires to allow CCBRC to manage and recycle biosolids from other municipalities at the biosolids recycling center in exchange for CCBRC's payment of host fees and provision of certain amounts of compost to Charlotte County for use as cover at the Landfill; and

E. Charlotte County and CCBRC are entering into a Site Lease Agreement of even date herewith (attached as Exhibit A) to provide CCBRC with the right to occupy certain land at the Landfill ("BRC Site"), to construct a windrow composting facility on the BRC Site, and to install and operate necessary equipment on the BRC Site to create Class AA compost from biosolids and yard and green waste. CCBRC may also transport and sell finished compost to third parties.

THEREFORE, in consideration of the mutual Agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, Charlotte County and CCBRC agree as follows:

ARTICLE 1
DEFINITIONS

Applicable Law - means (1) any federal, state or local law, code, regulation, consent order or agreement having the force of law; (2) any formally adopted and generally applicable rule, requirement, determination, standard policy, implementation schedule or order of any governmental body having appropriate jurisdiction; (3) any established interpretation of law or regulation utilized by an appropriate governmental body if such interpretation is documented by such governmental body and generally applicable; and (4) any governmental approval, in each case having the force of law and applicable from time to time to the BRC or the operations of the BRC.

Biosolids – means biosolids generated by municipal or industrial waste water treatment plants and which meet the Florida Department of Environment permit and regulatory requirements pertaining to the BRC, but which biosolids do not (i) contain 50 ppm or more of polychlorinated biphenyls, (ii) contain dioxins or furans above any current or future limits established under applicable law, (iii) exceed any of the pollutant limits imposed under F.A.C. 62-640.700 (Requirements for Land Application of Class AA, A and B Biosolids), Part 5 (Parameter Concentrations) (b) Class AA Parameter Concentrations, and (iv) do not contain Hazardous Substances.

Bio-Recycling Center ("BRC") – means a windrow composting facility used to convert County Biosolids, Outside Biosolids, Organics and Yard and Green Waste into cured, screened bulk compost meeting Class AA Standards, which facility is owned and operated by CCBRC in accordance with the terms of this Agreement. If mutually agreed between CCBRC and the County, the BRC may include, if expanded, other or additional organic recycling or processing, heat recovery or energy generating facilities.

BRC Site – the Leased Premises as set forth in the Lease.

Change in Law – means any of the following acts, events or circumstances to the extent that compliance therewith increases the cost or changes the scope of a party's obligations hereunder:

(a) the adoption, amendment, promulgation, issuance, modification, repeal or written change in administrative or judicial interpretation of any Applicable Law on or after the Contract Date, unless such Applicable Law was, on or prior to such date, duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any governmental body;

(b) the order or judgment of any governmental body issued on or after the Contract Date to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of CCBRC or of the County, whichever is asserting the occurrence of a Change in Law; or

(c) the imposition of a term, condition or requirement which is more stringent or burdensome than Applicable Law as of the Contract Date, in connection with the issuance, renewal or failure of issuance or renewal of, any Governmental Approval to the extent that such occurrence is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of CCBRC or of the County, whichever is asserting the occurrence of a Change in Law.

Class AA Standards – means the standards set forth in Section 62-640.200 Definitions (10): "Class AA biosolids" means biosolids that meet the Class AA pathogen reduction requirements of paragraph 62-640.600(1)(a), F.A.C., the vector attraction reduction requirements of paragraph 62-640.600(2)(b), F.A.C., and the parameter concentrations of paragraphs 62-640.700(5)(a) and (b), F.A.C.

Commercial Operations Date – means the date on which CCBRC has completed construction of the BRC and has received all governmental approvals required for CCBRC to receive and begin processing County Biosolids, Outside Biosolids, and Yard and Green Waste at the BRC.

Construction Date – means the date on which the CCBRC has received all governmental approvals and permits necessary to commence construction of the BRC and the CCBRC has achieved the Financing Date.

Contract Date – means the date this Recycling Agreement has been fully authorized and executed by both parties.

Contract Year – means a calendar year, the first of which Contract Years shall begin on January 1 of the year immediately following the year in which the Commercial Operations Date is established in accordance with Section 2.1.

County Biosolids – means Biosolids provided by the County to CCBRC containing 15% or more total solids.

Fair Market Value - means the fair market value of all CCBRC-owned equipment and assets installed by CCBRC on the BRC Site including all ancillary equipment or property owned by CCBRC and desired to be purchased, as determined by taking the average of three appraisals obtained by professional appraisers competent in appraising industrial facilities such as the BRC, one of which is chosen by County, one by CCBRC and the third as mutually agreed.

Financing Date – means the closing date on any Financing Obligation, or such later date that any and all contingencies to the Company's access to the funds secured by any Financing Obligation are removed.

Financing Obligation - means any loan, note, bond, indenture, or other obligation or instrument of indebtedness issued or incurred by the CCBRC relative to this Recycling Agreement.

Hazardous Substance – means (i) any hazardous substance as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., as amended, (ii) any hazardous waste or hazardous substance as those terms are now or hereafter defined under Applicable Law, (iii) petroleum products, including, without limitation, crude oil, gasoline, or any fraction thereof, (iv) "toxic chemicals," "hazardous chemicals," or "extremely hazardous substances," under either the Emergency Planning and Community Right to Know Act of 1986 or OSHA, and (v) any "pollutant" within the meaning of the Federal Clean Water Act and the regulations promulgated thereunder.

Landfill – means the Zemel Road Landfill located 12 miles south of the City of Punta Gorda off of U.S. 41 (Tamiami Trail) with a disposal area encompassing 108 acres which includes a leachate treatment plant and approved storm water management system, among other facilities.

Lease – means the Site Lease Agreement made on even date with this Recycling Agreement, by and between Charlotte County as LESSOR and Charlotte County Bio-Recycling Center, LLC as LESSEE, for the real property on which the BRC will be constructed and operated.

Lender - means a holder, directly or indirectly, of Financing Obligations including, without limitation, a bank or other financial institution, a bond insurance firm, or a bond trustee, and any agent, trustee, or other legal representative of such holder for such purposes.

Non-Conforming County Biosolids – means biosolids provided by the County to CCBRC for composting which do not meet the definition for County Biosolids.

Outside Biosolids – means Biosolids generated by municipal or industrial entities other than the County which are received for recycling at the BRC.

Organics – means organic wastes appropriate for composting and allowed by Applicable Law, including the Florida Department of Environment permit and regulations pertinent to the BRC, if and when the BRC is permitted for same, received for recycling at the BRC.

Pre-Existing Environmental Condition - means, and is limited to, (1) the presence anywhere in, on or under the BRC Site on the Contract Date, of Hazardous Substances, or of underground storage tanks that are not in use at the BRC Site; and/or (2) the presence at the BRC Site of any habitat of an endangered or protected species as provided by Applicable Law.

Rolling Stock – means all transportation vehicles, equipment and other moveable property owned by CCBRC which is necessary in order to carry out and perform its obligations hereunder.

Wet Ton (or "wet ton") - means 2,000 pounds.

Yard and Green Waste – means waste which includes, but may not be limited to, grass clippings, branches, tree parts, wood, wood pallets, and other acceptable carbon source composting amendments. Yard and Green Waste shall not include metal items such as nails, and treated wood, construction debris, trash, metal or any hazardous material, as defined by state or federal law, or any Hazardous Substance.

ARTICLE 2
CCBRC OBLIGATIONS

2.1 Bio-Recycling Center. A. Design/Build/Own/Operate. CCBRC shall, at its cost, design, construct, own, operate, and maintain the BRC on the BRC Site, including the connection of the BRC to the leachate collection system and stormwater management system at the Landfill. CCBRC shall commence construction after achievement of and on or about the Construction Date, and the BRC shall achieve the Commercial Operations Date within 24 months of the Contract Date, subject to extension of such 24 month time period upon mutual agreement of the Parties. CCBRC shall provide written notice to the County of the Commercial Operations Date, for purposes of this Recycling Agreement, upon CCBRC's achievement of the Commercial Operations Date. CCBRC shall operate the BRC for the Term in a prudent, lawful, and commercially reasonable manner in accordance with the terms of this Agreement. The BRC shall be designed, constructed and operated by CCBRC in substantial compliance with all applicable laws, regulations, and permits. In no event shall CCBRC be deemed an owner, operator, or person in control of any of the Landfill or any other property or equipment of the County.

B. BRC Expansion. For the purpose of planning timely additions to the BRC, Charlotte County and CCBRC shall meet from time to time to determine if or when biosolids are available from municipal sources to justify expansion of the BRC by way of acreage and/or additional or different processing technology. The County has no obligation to fund expansion of the BRC. If the parties agree to expand the BRC they shall amend this Recycling Agreement and the Lease accordingly.

2.2 Yard and Green Waste Management. At any time after the Construction Date, and with not less than thirty (30) days prior written notice, CCBRC, at its cost, shall receive, chip and grind all Yard and Green Waste received by the County at the Landfill site, which shall be provided by the County to the BRC Site pursuant to Section 3.4. In addition, in exchange for tipping fees, CCBRC shall be allowed to receive at the BRC Yard and Green Waste from out-of-County municipalities and sources, subject to Section 4.2 regarding Fees.

2.3 Weigh Scale. At any time after the Construction Date, and with not less than thirty (30) days prior written notice, CCBRC, at its cost, shall operate and maintain the

weigh scale owned by the County located on the BRC Site. CCBRC shall keep accurate records of all incoming Biosolids and all Yard and Green Waste arranged for and received by CCBRC from out-of-County sources, for the purposes of accurately accounting to the County for Fees set forth in Article 4.

2.4 Utilities. The CCBRC shall be responsible for the payment of its costs relating to electricity used by the BRC. The County will accept wastewater and stormwater from the BRC into the systems existing at the Landfill at no cost to the CCBRC. CCBRC shall receive non-potable water from the County at no cost to CCBRC, but CCBRC shall provide its own potable water at CCBRC's cost. CCBRC shall be responsible to arrange and pay for telephone and data service to the BRC.

2.5 Processing Obligation to County. After the Commercial Operations Date, CCBRC agrees to process, subject to Section 3.5 and the Fees set forth in Article 4, all County Biosolids which are provided to CCBRC during the Term. CCBRC shall be solely responsible for the processing of all County Biosolids and all County Biosolids shall be used for the production of compost meeting Class AA Standards, which compost, with the exception of compost provided to the County pursuant to this Recycling Agreement, may be sold to third parties by CCBRC.

2.6 Receipt of Outside Biosolids. After the Commercial Operations Date, CCBRC may receive and process at the BRC, in exchange for the payment of tipping fees, Outside Biosolids. CCBRC shall manage all aspects of such receipt and processing, shall keep accurate records of all Outside Biosolids received and processed at the BRC, and shall adhere to the fee schedule set forth in Article 4.

2.7 Provision of Compost to the County. After the Commercial Operations Date, CCBRC shall provide compost to the County in accordance with the obligations of the County set forth in Section 3.8.

2.8 Sale of Compost. To the extent that CCBRC produces compost at the BRC which is not provided to the County in accordance with Section 3.8, CCBRC may market and sell compost to third parties. CCBRC shall manage all aspects of such marketing and sales and is entitled to all proceeds therefrom.

2.9 Non-Interference. CCBRC shall conduct its activities under this Agreement in such a manner as not to interfere with the County's operation and use of the Landfill.

2.10 County Approval. CCBRC will involve the County during the design and construction phase of the BRC. The County shall review and promptly approve the designs, with the right to reject designs only insofar as they will cause the BRC to interfere with the operations of the Landfill. The County shall be included in all preconstruction and construction meetings.

2.11 Noise Levels. The noise levels produced by the BRC shall not cause a nuisance to the Charlotte County's Gate House, weigh station, business office or the surrounding community, nor shall such noise exceed, at the boundaries of the Landfill, any standard imposed by statute, regulation, or the common law, as presently in effect and as may be amended or supplemented throughout the term of this Agreement.

2.12 Title to Biosolids and Yard and Green Waste. CCBRC shall take title to all County Biosolids and Yard and Green Waste at the point of receipt at the BRC. CCBRC shall have title to all Outside Biosolids in accordance with its agreements with Outside Biosolids generators. Notwithstanding the foregoing, CCBRC shall not take title at any time, nor shall it be responsible to manage, dispose of, or incur costs relative to, County Biosolids or Yard and Green Waste or any other material provided by the County containing Hazardous Substances.

2.13 Leachate Collection System on BRC Site. CCBRC shall maintain, at its cost, that portion of the County's leachate collection system which is located on the BRC Site.

ARTICLE 3

COUNTY OBLIGATIONS

3.1 Road Network. County agrees to maintain, at its cost, the existing road network at the Landfill site and to allow CCBRC and its invitees to use such roads as necessary to access the BRC and to fulfill CCBRC's obligations hereunder.

3.2 Storm Water Management System. County shall operate and maintain, at its cost, the storm water management system located at the Landfill site and, subject to permits issued by the Florida Department of Environment which pertain to such system, shall allow storm water from the BRC to access and become a part of such system.

3.3 Leachate Collection System and Leachate Treatment Facility. County shall operate and maintain, at its cost, that portion of the County Landfill's leachate collection

system which is located on the Landfill Site and the leachate treatment facility located at the Landfill Site. The County shall, at its cost, accept into the County-maintained portion of the Landfill leachate collection system all leachate from the BRC to be treated by the leachate treatment facility, provided that no special handling or additional treatment will be required beyond what is required for leachate generated from the Landfill. Leachate from the BRC Site shall not contain any substances in quantities or concentrations that would cause Charlotte County to violate applicable leachate system permits, permit limits, laws, or regulations.

3.4 Yard and Green Waste. Starting on the date set forth in the notice provided by CCBRC under Section 2.2, the County shall deliver to the BRC all Yard and Green Waste received by the County at the Landfill Site, at no cost to CCBRC. CCBRC has relied on information provided by the County that such amount has historically been, and is generally anticipated to continue to be, approximately 23,000 tons per Contract Year, and between 5,500 and 7,000 tons per quarter, throughout each Contract Year. During the Term, the County shall continue to receive Yard and Green Waste at the Landfill Site as has been its practice prior to the Term, and the County shall not, without the prior written consent of CCBRC, determine to divert on its own, or enter into any agreement with a third party which would cause County to divert Yard and Green Waste from receipt at the Landfill Site. If and at such time as the County has reason to believe it will receive and provide to CCBRC less than 5,500 tons in any calendar quarter, it shall promptly provide CCBRC with notice so as to allow CCBRC to obtain additional out-of-County Yard and Green Waste. If and at such time as the County has reason to believe it will receive and provide to CCBRC more than 7,000 tons in any calendar quarter, it shall make best efforts to provide CCBRC with prompt notice of same. If CCBRC is provided more than 7,000 tons in any calendar quarter it may request that the County provide space on the Landfill Site for temporary stockpiling of Yard and Green Waste, to be agreed by the parties.

3.5 Provision of County Biosolids. Starting on the Commercial Operations Date, the County shall provide all County Biosolids to CCBRC for processing at the BRC. Recognizing that there is seasonal variability in biosolids production by the County, County agrees to routinely deliver all County Biosolids during normal business hours

(Monday through Friday, holidays excepted) and shall on each Friday during the Term (or immediately previous business day, if Friday is a holiday) provide CCBRC with the County's projected delivery schedule for the subsequent week. In any case, County shall not deliver more than four truckloads of County Biosolids in any one delivery day unless County provides at least two business days notification of a need to deliver more than four truckloads.

3.6 Weigh Scale. Starting on the date set forth in the notice provided by CCBRC under Section 2.3, the County shall allow CCBRC to take over operation and maintenance of the weigh scale existing on the BRC Site.

3.7 Landfill. The County expressly reserves unto itself, its successors and assigns, the right to operate the Landfill and in such manner as the County, in its sole discretion, deems reasonable. The County shall be solely responsible for maintaining the Landfill, including all environmental issues related thereto. In no event shall CCBRC be deemed an owner, operator, or person in control of the Landfill or any other property or equipment of the County.

3.8 Receipt of Compost. The County may request, and in such event it shall receive from the BRC a) at no cost, bulk compost as needed for landfill cover at the Landfill, which bulk compost may not be cured and/or screened of bulking agent; and/or b) at no cost, up to 20,000 yards of cured, screened bulk compost, meeting Class AA standards, F. O. B. the BRC. In addition to (b) above, the County may purchase additional cured, screened bulk compost, meeting Class AA standards, F. O. B. the BRC, at the then current average rate for compost being sold by CCBRC from the BRC.

3.9 Electricity. At CCBRC's option, the County shall allow CCBRC to construct and install a submeter or connection for electricity from the County's main electricity feed in order to service the BRC. In such event, CCBRC shall pay for its electricity use at the BRC in accordance with Section 4.2(C), at the County's rate.

3.10 Cooperation. The County shall reasonably cooperate with CCBRC relative to any necessary integration or coordination necessary for CCBRC to construct the BRC, including, but not limited to, providing the CCBRC with reasonable access to the Landfill Site for planning purposes or measurements, providing dimensions or plans relative to existing or future improvements at the Landfill, and other similar actions.

ARTICLE 4

PRICE, BILLING, AND PAYMENT

4.1 COUNTY FEES. A. County Biosolids - 10,000 Wet Tons/Year and Less. After the Commercial Operations Date, CCBRC shall accept and process at the BRC up to 10,000 wet tons per year of County Biosolids at the following rates:

- i. Partial year following the Commercial Operations Date and Contract Years 1-5: \$12/wet ton
- ii. Contract Years 6-10: \$18/wet ton
- iii. Contract Year 11 and later: \$18/wet ton, adjusted, based on the CPI, with the first adjustment date being the first day of Contract Year 11 (and thus the base year being Contract Year 10). Such adjustments based on the CPI shall be calculated in the following manner on an annual basis, starting on the first day of the Contract Year in which the adjustment is to occur: At each calculation date the fee shall be adjusted by multiplying the prior year's fee by the following formula: $\text{CPI (current)} / \text{CPI (previous)}$, where, CPI (current) is the most recently reported index value before the recalculation and CPI (previous) is the index value from one year prior to CPI (current). CPI refers to BLS series CUUS0000SA0, US City Average, not seasonally adjusted, all items, 1982-4=100.

B. County Biosolids - Over 10,000 Wet Tons in a Contract Year. After the Commercial Operations Date, CCBRC shall accept and process at the BRC County Biosolids in amounts over 10,000 wet tons in a single Contract Year but County shall pay CCBRC for the processing of those County Biosolids which exceed 10,000 wet tons at a rate equivalent to the then current average gate rate being charged at the BRC by CCBRC for receipt of Outside Biosolids.

C. Non-Conforming County Biosolids. After the Commercial Operations Date, CCBRC may, at its sole option, accept at the BRC Non-Conforming County Biosolids. In such event the CCBRC may elect to process such Non-Conforming County Biosolids at the BRC and if such processing results in documented increased processing costs, CCBRC shall maintain such documentation of costs and may seek reimbursement from the County for all such documented increased costs, which the County shall promptly pay. CCBRC may elect to transport and dispose of such Non-Conforming County

Biosolids at a location other than the BRC and if such transportation and disposal results in documented transportation and disposal costs, CCBRC shall maintain such documentation of costs and may seek reimbursement from the County for all such documented costs, which the County shall promptly pay.

4.2 CCBRC FEES. Conditioned upon the County being in compliance with its obligations hereunder, and subject to Section 3.4, CCBRC shall pay County the following fees:

A. Host Fees – Outside Biosolids. In consideration of the obligations of County as set forth hereunder, after the Commercial Operations Date, CCBRC shall pay County Host Fees at the following rates:

- i. Partial year following the Commercial Operations Date and Contract Years 1-5: \$2/wet ton of Outside Biosolids received for processing by CCBRC at the BRC;
- ii. Contract Years 6-10: \$2.50/wet ton of Outside Biosolids received for processing by CCBRC at the BRC.
- iii. Contract Year 11 and later: \$3.00/wet ton of Outside Biosolids received for processing by CCBRC at the BRC.

B. Host Fees – Outside Yard and Green Waste. In consideration of the obligations of the County to allow CCBRC to receive Yard and Green Waste from out-of-County sources, CCBRC shall pay the County Host Fees for Yard and Green Waste as follows: \$1.00/ton of Yard and Green Waste for all tons of Yard and Green Waste received by CCBRC at the BRC, from out-of-County sources, for which CCBRC has received a tipping fee of \$15.00/ton or more, at any time during the Term.

C. Utilities. CCBRC shall pay for its own electricity usage or, if such electricity is received from the County, shall reimburse the County for all electricity used at the BRC, at the County's rate. CCBRC shall not be responsible to pay for wastewater treatment, stormwater treatment, and non-potable water at the BRC, but such shall be provided by the County at the County's cost. CCBRC shall be responsible for and shall pay directly to the provider for the costs of telephone and data service, potable water, and fuel required at the BRC.

4.3 Billing and Payment to CCBRC. County shall pay CCBRC following the process in this Section.

A. Billing. On or before the fifteenth day of the month following a month in which County Biosolids were received and processed at the BRC, CCBRC shall assemble an accurate accounting of the number of wet tons of County Biosolids received at the BRC during the previous month and prepare and deliver to County an invoice for the amounts due and owing to CCBRC under the terms of this Agreement. The invoice shall have affixed a copy of supporting data showing the determination of the fees payable under Section 4.1.

B. Payment. Invoices are due and payable within thirty (30) days of the date of the invoice. If the County fails to make payment within thirty (30) days of its receipt of an invoice, the provisions of Section 7.3 shall apply.

4.4 Billing and Payment to County. CCBRC shall account for and pay host fees to the County following the process in this Section. On or before the thirtieth day of the month following a month in which Outside Biosolids, or Yard or Green Waste, were received at the BRC, CCBRC shall prepare and deliver to County an accounting of, and the amounts due and owing to County under the terms of this Agreement, for Host Fees applicable to the prior month as set forth in Section 4.2. The accounting shall have affixed a copy of supporting data showing the determination of the amounts payable under Section 4.2.

4.5 Other Billing and Payment Provisions.

A. Errors in Billing. If either party shall find at any time after the date of any payment hereunder that there has been an overcharge or undercharge, the party finding the error shall promptly notify the other party in writing. In the event of an undercharge, the Party owing shall pay the amount due within thirty (30) days of the date of the receipt of notice of error. In the event of an overcharge, the Party overpaid shall refund the overpayment to the other Party within thirty (30) days of the date of receipt of the notice of error.

B. Interest. Interest shall accrue on any amount not paid on or before the due date therefore, at a rate equal to one percent (1%) plus the prime rate as posted on the Wall Street Journal web site (<http://online.wsj.com/public/us>) on the date of the invoice.

C. Records. Each party shall have the right, at its sole expense during normal business hours, to examine the other party's records to the extent necessary to verify the accuracy of any statement, change, notice, or computation made hereunder. Without limiting the generality of the foregoing, each party shall provide to the other party copies of any requested records related to the subject matter of this Agreement, subject to the payment of reasonable costs for locating, copying, and mailing such records.

ARTICLE 5

TAX CREDITS AND LIABILITIES

5.1 Tax Credits. All applicable Internal Revenue Code tax credits and any other similar state, federal or local credits or deductions arising from the processing of biosolids or Yard and Green Waste and the generation and sale of compost shall be the property of CCBRC.

5.2 Liability for Taxes. Charlotte County shall pay all taxes and assessments imposed on Charlotte County with respect to the ownership of the BRC Site and operation of the Landfill, Charlotte County's facilities and associated equipment, including all applicable employment related taxes. CCBRC shall pay all taxes and assessments imposed upon CCBRC with respect to the sale of compost, the operation of the BRC Site, and the ownership and operation of the BRC and associated equipment, including all applicable employment related taxes but not including any real estate, personal property or ad valorem taxes on the BRC. Neither Party shall be responsible or liable for any taxes, or any other statutory charges levied or assessed against or with respect to any of the facilities, assets, employees, or operations of the other Party used or employed for the purpose of carrying out the provisions of this Agreement.

ARTICLE 6

AUTHORITY AND PERMITS

6.1 Permits; Authorizations. Charlotte County and CCBRC each, at their respective expense, shall obtain and maintain all permits, authorizations, easements, rights of way, and consents of third parties required for the performance of their respective obligations hereunder and necessary for each party's respective facilities. By executing this

Agreement, each party represents, warrants, and covenants to the other that it currently has, and/or will at all relevant times have, all such permits, authorizations, easements, rights of way, and consents.

A. CCBRC, at its cost and in its name, shall obtain and maintain throughout the term of this Agreement the permits required (if any) for installation and operation of the BRC and the sale of compost from the controlling governmental agencies and shall perform and pay for all testing related to the maintenance and renewal of those permits. CCBRC shall, at its cost, prepare and make application for, any amendment or modification to permits held by Charlotte County pertaining to the Landfill which must be modified to allow construction and/or operation of the BRC.

B. The County shall, at its cost and in its name, obtain and maintain throughout the term of this Agreement all the permits required for operation of the Landfill, and other Charlotte County facilities, and shall perform and pay for all testing related to maintenance and renewal of those permits. The County shall cooperate in a prompt manner with CCBRC to achieve modifications to any permits held or to be held in the name of the County pertaining to the Landfill which must be modified to allow for construction and/or operation of the BRC.

C. Each party shall provide the other with a copy of all relevant permits, notices of violations, notices of regulator inspections, and authorizations obtained promptly upon receipt thereof. Charlotte County and CCBRC shall cooperate with each other in the acquisition of all such permits and authorizations, except that such cooperation shall not include any obligation to incur expenses or expend funds on the other party's behalf. In no event shall Charlotte County be deemed an owner, operator, or person in control of any of the BRC or any other property or equipment of CCBRC.

6.2 Mutual Assistance. Upon request, the parties hereto shall use reasonable efforts to support and assist one another in the acquisition of any permit or authorization required for any activity necessary to carry out the transactions contemplated by this Agreement. Such support shall include, subject to Subsection 6.1(C) above, participation in regulatory proceedings and provision of information concerning each party's operations.

ARTICLE 7

TERM AND TERMINATION

7.1 Term. This Recycling Agreement shall become effective on the Contract Date and shall continue in effect for an initial term of Twenty (20) Contract Years after January 1 of the year following the Commercial Operations Date, as established in accordance with Section 2.1. Thereafter, the term of this Recycling Agreement may be extended, upon mutual agreement achieved no later than one hundred eighty (180) days before the end of the then current term, for up to two periods of five (5) years each.

7.2 Events of Default by CCBRC. (A) Events of Default. The following events shall be considered Events of Default by the CCBRC under this Recycling Agreement:

(1) Failure to Perform Material Obligations. Subject to Section 7.4, the CCBRC's failure to perform any material obligation under this Recycling Agreement;

(2) Failure to Pay. The failure, refusal or other default by the CCBRC in its duty to pay any amount required to be paid to the County under this Recycling Agreement in accordance with Article 4 within 60 days following the due date for such payment;

(3) Representations and Warranties. Any representation or warranty of the CCBRC hereunder was false or inaccurate in any material respect when made, and the legality of this Recycling Agreement or the ability of the CCBRC to carry out its obligations hereunder is thereby adversely affected;

(4) Abandonment. The abandonment or failure to operate all or a substantial portion of the BRC for an unreasonable number of days in any Contract Year;

(5) Insolvency. The insolvency of the CCBRC as determined under the Bankruptcy Code;

(6) Voluntary Bankruptcy. The filing by the CCBRC of a petition of voluntary bankruptcy under the Bankruptcy Code; the consenting of the CCBRC to the filing of any bankruptcy or reorganization petition against the CCBRC under the Bankruptcy Code; or the filing by the CCBRC of a petition to reorganize the CCBRC pursuant to the Bankruptcy Code;

(7) Involuntary Bankruptcy. The issuance of an order of a court of competent jurisdiction appointing a receiver, liquidator, custodian or trustee of the CCBRC of a major part of the CCBRC's property, respectively, or the filing against the CCBRC of a petition to reorganize the CCBRC pursuant to the Bankruptcy Code, which order shall not have been discharged or which filing shall not have been dismissed within 90 days after such issuance or filing, respectively;

(8) Applicable Law. CCBRC's failure to adhere to Applicable Law, but only in the event that such failure adversely affects County's or CCBRC's ability to carry out their respective obligations hereunder or otherwise materially and adversely affects County.

(B) Assignment Not Event of Default. County consents to the assignment of the agreement to Lender. Lender shall have the opportunity cure a default by the CCBRC in the same manner as CCBRC.

(C) Notice of Impending Default. Upon the County's receipt of reliable information that an event listed in subsection (A) has occurred, County shall promptly provide written notice to the CCBRC stating that in its opinion a specified default under subsection (A) has occurred which gives the County a right to declare an Event of Default under this Section, and describing the default in reasonable detail.

(D) (1) Opportunity for Cure. Subject to the other provisions of this subsection, if the CCBRC has not secured temporary, preliminary, or permanent injunctive relief preventing County from treating such default as an Event of Default, or initiated within a reasonable time (in any event not more than 30 days from the initial default notice) and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence, then the County may declare an Event of Default. If the CCBRC shall have initiated within such reasonable time and continued with due diligence to carry out to completion all such actions and if the CCBRC continues to provide processing services for County Biosolids supplied by County during the period of time the CCBRC is curing or attempting to cure the default, the default shall not constitute an Event of Default during such period of time (in any event not more than 180 days from the initial default notice) as the CCBRC shall continue with due diligence to carry out to completion all such actions.

(2) County shall not be responsible for payment of any additional costs the CCBRC may incur in curing any default and preventing its recurrence, or any additional costs the CCBRC incurs in providing the processing services during the cure period.

(E) Default Notice. Should any Event of Default by the CCBRC under this Recycling Agreement occur, any such notice hereunder shall set forth the nature of the Event of Default and the actions required to prevent termination due to such Event of Default.

(F) Payments to Continue During Cure Period. During all periods in which the CCBRC or its Lender are making efforts to cure an alleged Event of Default under this Recycling Agreement, so long as the processing services are being provided, all payments being made pursuant to Article 4 shall continue, reduced by documented costs incurred by County as a result of the alleged Event of Default.

(G) Remedies Upon CCBRC Event of Default. Upon an Event of Default, and if all notice requirements have been met and the Lender shall not have cured the Default in accordance with this Section despite being given the opportunity to do so as provided herein, this Recycling Agreement and the Lease shall terminate. In addition to the termination, and upon such termination of this Recycling Agreement and the Lease for an Event of Default by the CCBRC, County shall have the right to damages in the amount of all substantiated direct costs incurred by County arising directly out of the Event of Default by the CCBRC (under the Recycling Agreement and the Lease), but in all events such damages shall not exceed an amount equal to one year's Rent under the Lease, at the rate applicable just prior to termination (or for Contract Year 1, if Rent has not commenced), upon termination of the Recycling Agreement and Lease.

(H) County's Purchase of the BRC. Upon termination of this Recycling Agreement by the County for an Event of Default by the CCBRC, or for other reasons as set forth in Section 7.4, and if the County so notifies the CCBRC prior to the date of termination, the County shall have the right to purchase and receive title to the BRC and, at its option, the Rolling Stock on the BRC Site as existing on the date of the Event of Default or termination. The County purchase price shall be the Fair Market Value.

7.3 Events of Default by the County. (A) Events of Default. The following events shall be considered Events of Default by the County under this Recycling Agreement:

(1) Failure to Perform Material Obligation. The County's failure to perform any material obligation under this Recycling Agreement other than the obligation to make payments under this Recycling Agreement;

(2) Representations and Warranties. Any representation or warranty of the County hereunder was false or inaccurate in any material respect when made, and the legality of this Recycling Agreement or the ability of the County to carry out its obligations hereunder is thereby adversely affected;

(3) Failure to Pay. The failure, refusal or other default by the County in its duty to pay any amount required to be paid to the CCBRC under this Recycling Agreement within 60 days following the due date for such payment;

(4) Applicable Law. County's failure to adhere to Applicable Law, but only in the event that such failure adversely affects CCBRC's or County's ability to carry out their respective obligations hereunder or otherwise materially and adversely affects CCBRC.

(B) (1) Notice. Upon the CCBRC's receipt of reliable information that an event listed in subsection (A) has occurred, CCBRC shall immediately provide written notice to the County stating that in its opinion a specified default under subsection (A) has occurred which gives the CCBRC a right to declare an Event of Default under this Recycling Agreement for cause under this Section, and describing the default in reasonable detail.

(2) Opportunity to Cure. If the CCBRC's notice to County states that the Event of Default arises out of the County's failure to make payments within 60 days of the date due, CCBRC's notice shall provide County with fifteen (15) additional days to cure any failure to pay. If no payment is received by the County within such fifteen (15) day period, CCBRC may declare an Event of Default and pursue the remedies outlined in this Section. If the County has not challenged in an appropriate forum the CCBRC's conclusion that a failure or refusal to perform has occurred or that such constitutes a material breach of this Recycling Agreement or initiated within a reasonable time (in any

event not more than 30 days from the initial default notice) and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence, then the CCBRC may declare an Event of Default; except that if the County shall have initiated within such reasonable time and continued with due diligence to carry out to completion all such actions, the default shall not constitute an Event of Default during such period of time (in any event not more than 120 days from the initial default notice) as the County shall continue with due diligence to carry out to completion all such actions.

(C) (1) Remedies Upon County Event of Default. The parties acknowledge the following facts: (a) that the County is a primary source of revenues for the CCBRC and that such revenues are necessary to allow the CCBRC to perform its obligations hereunder, and (b) that CCBRC's continued access to and use of the BRC Site is necessary to allow CCBRC to uphold its obligations under contracts for Outside Biosolids, such as are contemplated by this Recycling Agreement; thus, a Default by the County arising out of its failure to pay the Fees or other amounts payable to the CCBRC set forth in Article 4, or for any other reason, would cause irreparable harm to the CCBRC and a remedy at law is likely to be inadequate to compensate the CCBRC for its losses resulting from the Default by the County. Therefore, in addition to any other rights and remedies available to the CCBRC, in the event of a Default by the County of its payment or other obligations hereunder, the CCBRC may seek and be granted a writ of mandate or other equitable remedy by a court of competent jurisdiction compelling the County to meet its payment obligations and/or to provide continuation of the Lease for the Term.

(2) Termination. In addition to the foregoing, upon any Event of Default, if the County shall not have cured the Default in accordance with this Section despite being given the opportunity to do so as provided herein, the CCBRC shall have a right of termination. In addition to the right to terminate, and upon such termination of this Recycling Agreement by the CCBRC for an Event of Default by the County, the CCBRC shall have the right to damages as determined by law and the equitable right to require the County to: (i) continue to Lease the BRC Site to CCBRC for the Term, (ii) maintain the County's operating obligations as set forth herein such that the BRC can continue its

operations uninterrupted, and (iii) maintain the County's governmental approvals and permits required for operation of the BRC for such time which is required for CCBRC to process Outside Biosolids for the Term.

7.4 Other Termination or Modification. (A) CCBRC's Failure to Achieve the Commercial Operations Date. Notwithstanding, and in lieu of, any default, termination or remedy rights set forth elsewhere in this Recycling Agreement, this paragraph 7.4(A) shall apply exclusively to the CCBRC's failure to achieve the Commercial Operations Date within the time set forth in Section 2.1. In the event of CCBRC's failure to achieve the Commercial Operations Date in such time period, notwithstanding any provision to the contrary contained in this Recycling Agreement, unless otherwise agreed by the parties to amend the Recycling Agreement to allow for CCBRC's alternative management of County Biosolids, this Recycling Agreement and the Lease shall terminate and neither party shall be liable to the other for any costs or damages, if any, arising out of the failure of the CCBRC to achieve the Commercial Operations Date under this Recycling Agreement. If construction at the BRC has commenced at the BRC Site prior to termination under this Section, the County may exercise its option to purchase the BRC in accordance with Section 7.2(J). If the County determines not to exercise its purchase option, CCBRC shall remove the BRC and return the BRC Site to its condition prior to construction; at CCBRC's cost.

(B) CCBRC's Determination of Economic Infeasibility After the Commercial Operations Date. Notwithstanding, and in lieu of, any default, termination or remedy rights set forth elsewhere in this Recycling Agreement, this paragraph 7.4(B) shall apply exclusively to the CCBRC's sole determination, after achievement of the Commercial Operations Date, of the economic infeasibility of the continuation of its obligations to operate the BRC at the BRC Site. Should CCBRC determine that, for any other reason, and in its sole discretion, it is no longer commercially reasonable or economically feasible for CCBRC to continue to operate the BRC, it may cease operation of the BRC and terminate the Lease, so long as CCBRC agrees to pay to the County, as liquidated damages and in lieu of all other damages or remedies which may be otherwise set forth herein (except amounts due and owing for services rendered or host fees incurred but unpaid prior to the date of termination), an amount equal to one year's Rent under the

Lease, at the rate applicable just prior to termination (or at the rate for Contract Year 1, if Rent has not commenced), upon termination of the Recycling Agreement and the Lease. The County may exercise its option to purchase the BRC in accordance with Section 7.2(J). If the County determines not to exercise its purchase option, CCBRC shall remove the BRC and return the BRC Site to its condition prior to construction, at CCBRC's cost.

7.5 Other Termination Issues. (A) Payment of Amounts Owed Through the Termination Date. Upon any termination pursuant to this Article, the CCBRC and County shall be paid all amounts due under Article 4 for services performed but not yet paid as of the date of termination.

(B) Completion or Continuance by County. After the date of any termination under this Section, the County may at any time (but without any obligation to do so) take any and all actions necessary or desirable to continue and complete the obligations of CCBRC under this Recycling Agreement so terminated, including, without limitation, entering into contracts with other operators and contractors.

(C) Removal of the CCBRC Equipment. In the event that, after termination of this Recycling Agreement, the County does not elect to exercise its right of purchase as set forth in Section 7.2(J), in all events of termination of the Recycling Agreement other than an Event of Default by County, CCBRC shall remove the Rolling Stock and other personal property from the BRC Site in a reasonably prompt manner, at its cost.

(D) County Right of Purchase at the End of the Term. If there is no early termination of the Recycling Agreement and Lease, at the end of the Term, County may purchase the BRC for Fair Market Value.

ARTICLE 8

FORCE MAJEURE

8.1 Excuse from Performance. Notwithstanding any other rights or obligations set forth herein, Force Majeure shall apply and excuse performance, other than the obligation to pay money, if any party is prevented from or delayed in performing its duties under this Agreement, in whole or in part, by circumstances beyond its control, whether or not foreseeable, including, without limitation, fires, typhoons, hurricanes,

severe weather, floods, volcanic eruption, pandemics, quarantines, war, civil disturbances, acts of terrorism, labor disputes, acts of God, or significant threats of such circumstances, or any Change in Law ("Force Majeure"). In the event of Force Majeure, then the affected party shall be excused from performance hereunder during the period of such disability, provided that the party claiming Force Majeure promptly notifies the other party of the existence of the Force Majeure event, and undertakes reasonable and practicable measures to mitigate the delay, or effects thereof, occasioned by the Force Majeure event. Force Majeure shall not include (i) increases in the costs associated with the construction or operation of either party's facilities, (ii) change in market conditions which make uneconomic the operation of either party's facilities in accordance with the terms of this Agreement, or (iii) loss, reduction, or elimination of tax credits. The party claiming Force Majeure shall promptly notify the other party when the Force Majeure condition has terminated.

8.2 Total Constructive Loss. In the event that a Force Majeure causes a total constructive loss of the BRC, or in the event a Force Majeure causes an extraordinary increase in CCBRC's costs, the parties shall, within ninety (90) days of the Force Majeure, meet and agree on a course of action relative to the continuation or termination of this Agreement. A "total constructive loss" for this purpose shall be deemed to have occurred: (1) if so determined by the casualty insurance carrier; or (2) if the BRC is reasonably anticipated to be inoperable for a period of at least six months following the occurrence of the Force Majeure. "An extraordinary increase" in CCBRC's costs shall be deemed to have occurred for this purpose if costs proposed to be incurred by CCBRC resulting from the Force Majeure would cause an increase of more than 20% from the prior contract year when compared to such amounts that would have been payable during the comparable periods had no Force Majeure occurred.

ARTICLE 9

INDEMNIFICATION

9.1 Each party shall defend, indemnify and hold the other party, its directors, officers, trustees, partners, shareholders, employees, agents, representatives, co-venturers, contractors, and servants, harmless from and against any and all claims, penalties, demands, actions, proceedings, liabilities or losses of whatsoever nature,

including reasonable attorneys' fees, for injury or death to person(s) or for damage or loss to or of property to the extent arising out of or caused by: (i) a breach of this Agreement or the Site Lease by the indemnifying party; or (ii) the indemnifying party's intentional misconduct or negligent actions or omissions; or (iii) a breach of a statutory or regulatory obligation by the indemnifying party. In no event shall either party be liable to the other for loss of anticipated profits or consequential, special, or punitive damages. Nothing contained herein shall constitute a waiver of sovereign immunity protections under section 768.28 Florida Statutes.

ARTICLE 10

EXTENT OF AGREEMENT / SEVERABILITY / MODIFICATION

10.1 Extent of Agreement. This Agreement represents the entire and integrated agreement between the County and CCBRC and supersedes all prior negotiations, representations or agreement, either written or oral.

10.2 Severability. In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any breach of any provision, term, condition or covenant shall not be construed by the other party as a waiver of any subsequent breach.

10.3. Modification. No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed by both parties.

ARTICLE 11

INSURANCE

11.1 CCBRC's Insurance Requirements. Starting on the Construction Date, CCBRC shall maintain the following insurance coverage with an insurance company reasonably acceptable to Charlotte County:

A. Worker's Compensation Insurance, covering liability under applicable Worker's Compensation law, at the statutory coverage levels, including employer's liability insurance in required minimum amounts; and

B. Comprehensive General Liability and property damage insurance having a combined single limit of not less than \$5,000,000 for death or injury to any person(s) or

for property damage as a result of or in connection with CCBRC's operation of its facilities required for the performance of its obligations hereunder.

C. Business Auto Policy having a minimum limit of \$1,000,000 Per Occurrence Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall include owned vehicles, hired and non-owned vehicles and employee non-ownership.

11.2 Charlotte County's Insurance Requirements. At all times during the term of this Agreement, Charlotte County shall maintain insurance coverage for local governments as required by Florida Statute, including:

A. Worker's compensation insurance, covering liability under applicable worker's compensation law, at the statutory coverage levels, including employer's liability insurance in an amount not less than \$1,000,000 for each accident; and

B. Comprehensive general liability and property damage insurance in a combined single limit of not less than \$5,000,000 for death and injury to any person(s) or for property damage as a result of any one occurrence which may arise out of or in connection with Charlotte County's operation of its facilities required for the performance of its obligations hereunder.

C. Business Auto Policy having a minimum limit of \$1,000,000 Per Occurrence Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall include owned vehicles, hired and non-owned vehicles and employee non-ownership.

11.3 Certificates of Insurance. Upon request, each party hereto shall provide to the other party certificates of insurance to evidence that the required insurance coverage is in effect at all times during the term hereof. CCBRC shall name the County as an additional insured party and shall provide for thirty (30) days' written notice to the other party in advance of any termination or material change in coverage (but only ten days's notice in the event of termination for non-payment), and such policies shall contain a waiver of subrogation rights.

ARTICLE 12

OTHER REMEDIES AND DAMAGES

Any activities during the Term by CCBRC that interfere with the operation of the Landfill or damage any County facilities shall be compensated by actual damages. Any activities by the County during the Term that interfere with the operation of the BRC or damage any CCBRC facilities shall be compensated by actual damages.

ARTICLE 13

INDEPENDENT CONTRACTOR STATUS

CCBRC is an independent contractor and is not an employee, servant, agent, partner or joint venturer of the County. Neither the County nor any of its employees shall have any control over the conduct of CCBRC or any of CCBRC's employees, except as herein set forth, and CCBRC expressly warrants not to represent at any time or in any manner that CCBRC or any of CCBRC's agents, servants or employees are in any manner agents, servants or employees of the County. It is understood and agreed that CCBRC is, and shall at all times remain as to the County, a wholly independent contractor and that CCBRC's obligations to the County are solely as prescribed by this Agreement.

ARTICLE 14

AUDIT REQUIREMENTS

CCBRC shall maintain books, records, documents, and other evidence directly pertaining to or connected with the services under this Agreement which shall be available at CCBRC's offices. All books, records, documents, and other evidence directly pertaining to or connected with any fees owed by CCBRC to the County under this Agreement will be available at CCBRC's offices for the purpose of inspection, audit, and copying during normal business hours by the County, or any of its authorized representatives. Such records shall be retained for a minimum of three (3) years after completion of the services. Prior to destruction of any records relating to payments made or owed to the County by CCBRC, the CCBRC shall notify the County and deliver to the County any records the County requests. CCBRC shall require all subcontractors to comply with the provisions of this paragraph by insertion of the requirements hereof in a written contract agreement between CCBRC and the subcontractor.

ARTICLE 15
MISCELLANEOUS

15.1 Assignment. Neither party may assign, transfer, or delegate any of its rights, liabilities, or obligations under this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld. CCBRC may assign this Agreement to an affiliate, a bank or other financial institution as a collateral assignment securing project financing.

15.2 Notices. Any notice, request, demand, statement and/or payment provided for herein shall be in writing and, except as otherwise provided herein, shall be sent to the Parties hereto at the following addresses:

CCBRC:

COUNTY:

Name: Charlotte County Bio-Recycling
Center, LLC
Attention: Facilities General Mgr.
Address: Synagro Technologies, Inc.
7014 East Baltimore Street
Baltimore, MD 21224
Copy to: Synagro Technologies, Inc.
Attn: General Counsel
1800 Bering Drive, Suite 1000
Houston, TX 77057

Purchasing Division
Name: Senior Division Manager of Purchasing
Address: 18500 Murdock Circle, Ste. 344
Port Charlotte, FL 33948
Copy to

All payments, not made by electronic methods, by the Parties shall be sent to the applicable address shown above.

Such notices, etc., shall be deemed to have been given and received when personally delivered or upon receipt as evidenced by a U.S. Postal Service Receipt for Certified Mail or by facsimile or by evidence of delivery by a private express mail service. Either party may change the address to which communications or payments are to be made by written notice to the other party as set forth above.

15.3 Integration and Amendments. This Agreement is intended by both parties as the expression of their agreement with respect to the subject matter and supersedes all previous understandings, agreements, commitments, proposals, or communications, whether written or oral. This Agreement may be modified only by a written amendment executed by both parties.

15.4 No Waiver. No waiver of any obligation, liability, or breach under this Agreement shall be effective unless it is set forth in a writing signed by the party making

the waiver. The waiver by either CCBRC or Charlotte County of any failure on the part of the other party to perform any of its obligations under this Agreement shall not be construed as a waiver of any future or continuing failure or failures, whether similar or dissimilar thereto.

15.5 Choice of Law. This Agreement and any provisions contained herein shall be interpreted under the laws of the State of Florida applicable to contracts made and to be performed entirely within the State of Florida without regard to principles of conflict of law.

15.6 Lender Protection. A. Pledges. The CCBRC may, from time to time, subject to the terms and conditions hereof, grant a pledge to the Lender of all or any part of the Company's interest or rights in or to this Recycling Agreement, the Lease, the BRC, the BRC Site, the Rolling Stock or any Fees owed the CCBRC, and such pledge or assignment is hereby consented to by the County subject to the provisions of this Section 15.6. During the Term hereof, the Lender shall be entitled to the protections set forth in this Section if the Lender has (1) given notice to the County of its making of a loan or other financing to the CCBRC, (2) specified the amount, amortization and other terms of such loan and described the nature of the transaction under which the Lender has been granted or acquired an interest from the CCBRC, and (3) provided the County with the Lender's address for notices hereunder.

15.7 Further Assurances. A. Financing. The County shall, from time-to-time at the request of the CCBRC or the Lender, take any and all actions, including without limitation the amendment of this Recycling Agreement and the Lease, or the execution of new or additional consents or other documents which may be reasonably necessary or helpful to implement the provisions of this Section or to facilitate the financing of the BRC with the Lender; provided, however, that such amendment or other document shall not in any way affect the Term hereof or affect adversely any rights of the County or the CCBRC pursuant to this Recycling Agreement, unless expressly agreed by such party, or in respect of the Financing Obligations; and provided further that County shall not be required to guaranty any Financing Obligation; and provided further that CCBRC will reimburse County for any documented material cost of any such action.

B. Generally. The County and CCBRC each agree to execute and deliver such further instruments and to perform any acts that may be necessary or reasonably requested in order to give full effect to this Agreement and the Lease. The County and the CCBRC, in order to carry out this Agreement and the Lease, each shall use all commercially reasonable efforts to provide such information, execute such further instruments and documents and take such actions as may be reasonably requested by the other and not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from or in excess of or in addition to those expressly provided for herein.

15.8 Rate Covenant. Until the termination of this Recycling Agreement, the County shall set and maintain rates charged to users of its services and maintain reasonable reserves such that any payment by the County required to be paid hereunder may always be paid in a timely manner as provided herein.

15.9 Change in LLC Membership of CCBRC: The County recognizes that CCBRC is currently a single member limited liability company and the membership of the limited liability company may change over the term of this Recycling Agreement. The County reserves the right to approve, in advance, a substantial change in membership of the limited liability company, which shall not be unreasonably withheld. Substantial change shall include the sale of the membership to another entity or the addition of new members during the Term. To facilitate the County's evaluation of the impact the change of membership may have on CCBRC's obligations hereunder, CCBRC shall provide the County sufficient evidence of the capability of new members to fulfill the Recycling Agreement obligations as well as evidence of litigation history.

[signatures appear on the next page]

IN WITNESS WHEREOF, the parties hereto have caused the execution of these premises as of the date and year first above written.

Charlotte County Bio-Recycling Center, LLC

WITNESSES:

Signed By: Amber Celestine

Print Name: Amber Celestine

Date: January 19, 2012

Signed By: Melisa Jacobs

Print Name: Melisa Jacobs

Date: 1-19-2012

By: Joseph L. Page, Vice President & Secretary

Date: 19 Jan. 2012

ATTEST:

Barbara T. Scott, Clerk of Circuit Court and Ex-officio Clerk to the Board of County Commissioners

By: Barbara T. Scott
Deputy Clerk XREF: 2012-004
AGR

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By: Christopher G. Constance
Christopher G. Constance, Chairman

Date: Jan 10, 2012

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Janette S. Knowlton
Janette S. Knowlton, County Attorney
LR 11-1615 KCB

Exhibits

Exhibit A - Site Lease

IMAGED
2-1-12 AP

SYNAGRO

August 29, 2013

Charlotte County - Purchasing Department
Attn: Director of Purchasing
18500 Murdock Circle, Ste. 344
Port Charlotte, FL 33948

**RE: Charlotte County Bio-Recycling Center, LLC – Site Lease Agreement
ADDRESS CHANGE NOTIFICATION**

Dear Director:

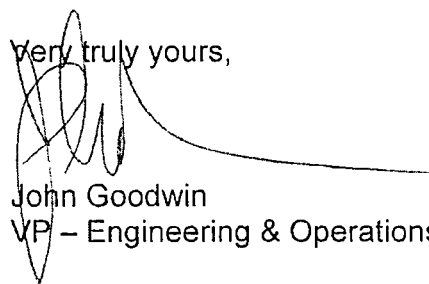
Charlotte County Bio-Recycling Center, LLC (CCBRC) and Charlotte County entered into a Site Lease Agreement on the 19th of January 2012. The site lease relates to approximately 8 acres located at Charlotte County's Zemel Road Landfill.

This correspondence is being sent to confirm an address change to CCBRC as listed in the Site Lease Agreement and so please be advised that the current address for any notice, request, demand, statement and/or payment as outlined in Section 26 of the Site Lease Agreement is as follows:

Charlotte County Bio-Recycling Center, LLC
Attn: General Counsel/Synagro
435 Williams Court, Suite 100
Baltimore, MD 21220

Thank you for your attention to this address change notice to the Site Lease Agreement and if you have any questions, please do not hesitate to let me know.

Very truly yours,



John Goodwin
VP – Engineering & Operations Support

cc: Charlotte County - Environmental & Extension Services Department
25550 Harbor View Road, Suite 2
Port Charlotte, FL 33990

Nancy Van Nest – CCBRC/Synagro (via e-mail only)



March 12, 2014

Ms. Kimberly Corbett
Senior Division Manager of Purchasing
Charlotte County
18500 Murdock Circle
Suite 344
Port Charlotte, FL 33948

Dear Ms. Corbett:

**RE: Charlotte County Bio-Recycling Center LLC
Notice of Commercial Operations Date**

In accordance with Section 2.1 of Contract No. 2011000278 Agreement between Charlotte County and Charlotte County Bio-Recycling Center LLC dated January 19, 2012, we hereby provide notice of achievement of the Commercial Operations Date on January 17, 2014.

Further, in accordance with Section 7.1 of the aforementioned agreement, the initial term of the contract shall continue through December 31, 2034.

Our achievement of this milestone could not have happened without the support of Charlotte County, for which we again thank you.

Should you have any questions regarding this notice do not hesitate to contact me at (443) 489-9119.

Regards,

A handwritten signature in black ink, appearing to read "D. Sulzbach", written over a horizontal line.

Daniel R. Sulzbach
Controller – Engineering and Ops Support

**AMENDMENT #1 TO CONTRACT NO. 2011000278
AGREEMENT BETWEEN CHARLOTTE COUNTY
and
CHARLOTTE COUNTY BIO-RECYCLING CENTER, LLC
for
BIOSOLIDS MANAGEMENT AND RECYCLING**

THIS AMENDMENT #1 to Contract (the "Contract") is made by and between CHARLOTTE COUNTY, a political subdivision of the State of Florida, 18500 Murdock Circle, Port Charlotte, Florida 33948-1094 ("County"), and CHARLOTTE COUNTY BIO-RECYCLING CENTER, LLC, 435 Williams Court, Suite 100, Baltimore, MD 21220 ("CCBRC").

WHEREAS, the parties entered into Contract No. 2011000278 on January 19, 2012 for Biosolids Management and Recycling at County's Zemel Road Landfill; and

WHEREAS, the parties desire to amend the Contract to clarify provisions relating to payment of ad valorem and real estate taxes and modify the amount of the Host Fees for Outside Biosolids processed at the CCBRC facility.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the County and CCBRC amend Contract No. 2011000278 as follows:

1. The effective date of this Amendment #1 is the date upon which this Amendment is signed by both parties.
2. Article 4, "Price, Billing, and Payment," Section 4.2.A. "Host Fees—Outside Biosolids" is hereby amended to read as follows:
 - A. Host Fees—Outside Biosolids. In consideration of the obligations of County as set forth hereunder, after the Commercial Operations Date, CCBRC shall pay county Host Fees at the following rates:
 - i. Partial year following the Commercial Operations Date and Contract Years 1-5: \$21/wet ton of Outside Biosolids received for processing by CCBRC at the BRC
 - ii. Contract Years 6-10: \$2.50/wet ton of Outside Biosolids received for processing by CCBRC at the BRC.
 - iii. Contract Year 11 and later: \$3.00/wet ton of Outside Biosolids received for processing by CCBRC at the BRC.

Not less than six (6) months prior to the end of Contract Year 5, the parties shall meet to review and discuss the financial status of the BRC and whether the Host Fees for Outside Biosolids should be further modified.

3. Article 5, "Tax Credits and Liabilities," Section 5.2, "Liability for Taxes" is hereby amended to read as follows:

5.2 Liability for Taxes. Charlotte County shall pay all taxes and assessments imposed on Charlotte County with respect to the ownership of the BRC Site and operation of the Landfill, Charlotte County's facilities and associated equipment, including all applicable employment related taxes. CCBRC shall pay all taxes and assessments imposed upon CCBRC with respect to the sale of compost, the operation of the BRC Site, and the ownership and operation of the BRC and associated equipment, including all applicable employment related taxes ~~but not including any real estate, personal property or ad valorem taxes on the BRC.~~ Neither party shall be responsible or liable for any taxes, or any other statutory charges levied or assessed against or with respect to any of the facilities, assets, employees, or operations of the other Party used or employed for the purpose of carrying out the provisions of this Agreement.

4. All other provisions of the Contract not in conflict with this Amendment #1 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused the execution of this Amendment #2 as of the date and year written below.

WITNESSES:

CHARLOTTE COUNTY BIO-RECYCLING
CENTER, LLC

Signed By: Constance Reynolds
Print Name: Constance Reynolds
Date: Dec. 8, 2016

Signed By: Herbert F. Hingley
Print Name: Herbert F. Hingley
Title: Sr. Vice President
Date: Dec 8, 2016

Signed By: Robert E. Pepperman
Print Name: Robert E. Pepperman
Date: Dec. 8, 2016

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By William G. Truex
William G. Truex, Chairman

ATTEST:

Barbara T. Scott, Clerk of Circuit Court and
Ex-officio Clerk to the Board of County
Commissioners

Date: December 13, 2016

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Michelle D. Brando
Deputy Clerk

By: Janette S. Knowlton
Janette S. Knowlton, County Attorney
LR15-3212 _____

**AMENDMENT #1 TO SITE LEASE AGREEMENT
BETWEEN CHARLOTTE COUNTY
and
CHARLOTTE COUNTY BIO-RECYCLING CENTER, LLC**

THIS AMENDMENT #1 to Site Lease Agreement (the "Agreement") is made by and between CHARLOTTE COUNTY, a political subdivision of the State of Florida, 18500 Murdock Circle, Port Charlotte, Florida 33948-1094 ("LESSOR"), and CHARLOTTE COUNTY BIO-RECYCLING CENTER, LLC, 435 Williams Court, Suite 100, Baltimore, MD 21220 ("LESSEE").

WHEREAS, the parties entered into a Site Lease Agreement on January 19, 2012 for certain property owned by County at the Zemel Road Landfill; and

WHEREAS, the parties desire to amend the Agreement to clarify provisions relating to the payment obligations of ad valorem and real estate taxes by the Parties.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the LESSOR and LESSEE amend the Site Lease Agreement as follows:

1. The effective date of this Amendment #1 is the date upon which this Amendment is signed by both parties.
2. Paragraph 10, "Taxes," is hereby amended to read as follows:
 10. Taxes: LESSOR shall pay for any local, state or federal ~~real estate or ad valorem~~ taxes, including County or other real property taxes, incurred by LESSOR on for the Leased Premises. LESSEE shall pay for any all local, state or federal ~~sales or income taxes but not for any local, state, or federal real estate or ad valorem taxes, including County or other real property taxes on the Leased Premises, or personal property taxes on the BRC,~~ incurred by LESSEE as a result of the use of the property by the LESSEE in accordance with the provisions of the lease and the Recycling Agreement.
3. All other provisions of the Site Lease Agreement not in conflict with this Amendment #1 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused the execution of this Amendment #1 as of the date and year written below.

WITNESSES:

**CHARLOTTE COUNTY BIO-RECYCLING
CENTER, LLC**

Signed By: Constance Reynolds

Signed By: [Signature]

Print Name: Constance Reynolds

Date: Dec. 8, 2016

Signed By: [Signature]

Print Name: Robert E. Pepperman

Date: Dec. 8, 2016

Print Name: Herbert F. Hingley

Title: Sr Vice President

Date: Dec. 8, 2016

ATTEST:

Barbara T. Scott, Clerk of Circuit Court and
Ex-officio Clerk to the Board of County
Commissioners

By: Michelle D. Berardino
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF CHARLOTTE COUNTY, FLORIDA

By: William G. Truax
William G. Truax, Chairman

Date: December 12, 2016

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Jarrett S. Knowlton
Jarrett S. Knowlton, County Attorney
LR15-3212 _____