

HOST AGREEMENT

This Host Agreement (the “Agreement”) is made and entered into this ___ day of _____, 2013, by and between CALDWELL COUNTY, TEXAS a political subdivision organized and existing under the laws of the State of Texas, acting through the Caldwell County Commissioners Court (the “County”), and 130 ENVIRONMENTAL PARK, LLC (the “Company”), a limited liability company organized and existing under the laws of the State of Georgia and duly authorized to do business in the State of Texas.

WITNESSETH:

WHEREAS, it is in the best interests of the citizens, residents, businesses and visitors in Caldwell County to provide an economical, efficient, and environmentally sound long-term plan for management and disposal of the non-hazardous solid waste generated within the County and its municipalities in a modern solid waste disposal facility permitted and operated under current federal and state solid waste laws and regulations; and

WHEREAS, the Company proposes to develop, permit, construct and operate a solid waste disposal facility within the County, and the Company is willing to provide certain payments and other benefits to the County in respect to such facility as provided herein; and

WHEREAS, the County through its duly elected Commissioners has determined that it is in the best interests of the citizens and residents of the County to enter into this Agreement.

NOW, THEREFORE, for and in consideration of monetary and other benefits and services to be provided to the County through this Agreement, the respective covenants and agreements herein contained, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged by the parties, the County and the Company hereby agree as follows, each intending to be legally bound:

1. **DEFINITIONS.** As used in this Agreement, the following terms shall have the meanings set forth below:

"Acceptable Solid Wastes" shall mean non-hazardous Solid Waste (as defined herein) which the Facility (as defined herein) is authorized to receive for handling, processing, and disposal by the Permits (as defined herein) and under applicable solid waste laws and regulations and facility operating rules and procedures.

"Act" shall mean the Texas Solid Waste Disposal Act, Texas Health & Safety Code, Title 5, Chapter 361, and future amendments thereto if applicable under law to the subject matters of this Agreement.

"C&D Waste" shall mean non-putrescible construction and demolition materials and as otherwise defined in Title 30, Chapter 330 of the Texas Administrative Code.

"Commencement Date" shall mean that date on which the Landfill (as defined herein) commences receipt of solid waste for handling, processing, and disposal following final permitting and construction of the Landfill pursuant to the Permits.

"Commercial Waste" means all types of Acceptable Solid Waste generated by stores, offices, restaurants, warehouses, and other non-manufacturing facilities.

"Company" shall mean 130 Environmental Park, LLC and any authorized successor or assignee of its rights and obligations under this Agreement.

"County" shall mean Caldwell County, Texas, acting through its duly elected Commissioners Court.

"County Solid Waste Management Plan" shall mean any Plan currently or hereafter adopted for Caldwell County concerning the management of Solid Waste in and for Caldwell County including but not limited to Solid Waste handling, processing, recycling, and disposal.

“*County Waste*” shall have the meaning set forth in Section 6 hereof.

“*Effective Date*” shall mean the last date on which this Host Agreement is executed by the County and the Company as shown by the dates of execution on the signature page of this Agreement.

“*Environmental Law*” shall mean any federal, state, or local statute, law, regulation, rule, ordinance, code, directive, policy, license or permit imposing liability or standards of conduct or responsibility concerning or relating to environmental regulation.

“*Excluded Wastes*” shall mean highly flammable substances, regulated hazardous wastes, , certain pathologic and biological waste, explosives, radioactive materials, petroleum, regulated medical waste, sewage sludge, coal ash, or any other waste excluded by an applicable Environmental Law or excluded by any of the terms and conditions of the Permits. This term shall also include such other Solid Waste materials which the Company determines in its sole discretion, to pose an unreasonable risk to the operational safety of the Facility, the employees thereof, or the environment.

“*Facility*” shall mean the solid waste handling facility to be developed on a portion of the Facility Site (as defined herein), consisting of the Landfill and ancillary and appurtenant structures, facilities, improvements, and contiguous land used for the handling, storage, processing, or disposal, or the recycling and recovery, of Solid Waste or materials in Solid Waste. The Facility may include a recycling facility for C & D Waste materials, a processing facility for recovery of recyclables and reusable materials, and a Green Waste (as defined herein) mulching facility.

“*Facility Site*” shall mean that area of real property consisting a total of approximately 1,229 acres in northern Caldwell County east of Toll Road 130/US 183 and north of FM 1185, as

more fully described in Exhibit “A” attached hereto, on which the Company proposes to develop and operate the Facility.

“*Footprint*” shall mean the area of land within the Landfill permitted for placement and disposal of Solid Waste underlain by the regulatory liner system.

“*Force Majeure*” shall mean an act, event, or condition, beyond the reasonable control of the party that makes performance under this Agreement impossible or impracticable, upon which a party reasonably relies as justification for delay or excuse from performing or complying with any obligation or agreement herein. Such events shall include the following: act of God; act of public enemy; interference by a third party; strike or similar industrial or labor action; fire; flood; accident; or order of any court, regulatory or civil authority which delays or prevents any aspect of the permitting or construction of the Facility contemplated herein.

“*Green Waste*” shall mean leaves, brush, shrub and tree prunings, nursery residuals, forestry residuals, and other vegetative matter capable of being mulched for beneficial reuse.

“*Host Fees*” shall mean the amounts payable pursuant to the terms of Section 5 of this Agreement, based on the volume of Acceptable Solid Wastes disposed of at the Landfill for which the Company receives payment of Tipping Fees (as defined herein).

“*Industrial Waste*” shall mean Solid Waste generated by manufacturing or industrial activities and processes that is not hazardous waste, and as otherwise defined in the Act and/or the Solid Waste Rules (as defined herein), or by the applicable Permits.

“*Landfill*” shall mean a Type I municipal solid waste landfill, as defined and permitted under the Act and Solid Waste Rules, located, designed, and operated according to the engineering and environmental protection standards of the “Subtitle D” landfill regulations of the

U. S. Environmental Protection Agency and the Act and Solid Waste Rules, and all appurtenant structures, facilities, and improvements.

“Operator” shall mean the Company or an affiliate thereof or any other qualified company having experience in the design, construction, operation and maintenance of similar facilities.

“Permits” shall mean the solid waste handling permit, air quality permit, and all other necessary permits, approvals, and authorizations issued by TCEQ and any other state or federal agency authorizing the development, construction, and operation of the Facility or any component of the Facility.

“Permit Area” shall mean the 519.746 acre area located within the Facility Site and described in Appendix IC of landfill permit application No.2383 on file with TCEQ.

“130 Environmental Park” shall mean a mixed used development commercial and industrial park including the Facility, located within the boundaries of the real property described in Exhibit A hereto.

“Recovered Materials” shall mean materials removed from Solid Waste delivered to the Facility for processing and disposal which are diverted from the waste stream for sale, reuse, recycling, or other beneficial use.

“Solid Waste” shall mean municipal solid waste, as defined in the Act and Solid Waste Rules, and other non-hazardous solid waste allowed by the Permits, but shall not include any Excluded Wastes.

“Solid Waste Rules” shall mean the current applicable rules and regulations governing solid waste management set forth in Chapter 330 of the Texas Administrative Code and any other applicable sections of the Texas Administrative Code, future amendments to those

regulations if applicable under law to the subject matters of this Agreement, and any other applicable requirements of the TCEQ for the permitting, design, construction, operation, and maintenance of the Facility.

“TCEQ” shall mean the Texas Commission on Environmental Quality, including the officials and staff of that agency.

“Tipping Fees” shall mean the fees established at the Facility for the handling and disposal of County Waste and other Solid Waste, as determined by the Company pursuant to the provisions of Section 6 of this Agreement.

“Ton” shall mean 2000 pounds.

“Transfer Station” shall mean a Type V municipal solid waste processing facility to be located within the Permit Area as proposed in registration application No. _____[to be inserted when provided by TCEQ] on file with TCEQ.

The terms “Hazardous Waste,” “Municipal Solid Waste”, “Municipal Solid Waste Landfill”, “Municipal Solid Waste Disposal Facility”, and any other undefined terms of art used herein, shall have the definitions given those terms in the Act and or the Solid Waste Rules, which definitions are incorporated herein by reference.

2. **FACILITY DEVELOPMENT.** Subject to the Company's acquisition of legal title to the Facility Site, and the Company's receipt of all necessary Permits and associated approvals authorizing the development, construction and operation of the Facility, the Company shall develop, construct and operate the Facility on and within the Facility Site. The Company agrees that the permitting, development, construction and operation of the Facility will comply in all respects with the Act and the Solid Waste Rules, and with all other applicable Environmental

Laws, (subject to the Company's right to contest in good faith the interpretation, application, and enforcement of any such laws).

3. COUNTY OBLIGATIONS.

(a) Cooperation and Compliance with Law. To the full extent authorized or required by local, state, or federal law, and subject to compliance with all such applicable law, the County agrees to cooperate with the Company with respect to the permitting and development of the Landfill and the Facility contemplated in this Agreement, and the operation of the Facility following the Commencement Date. The County agrees to carry out in a timely manner, in accordance with existing County ordinances and State law requirements as applicable, all County administrative or other functions necessary for Company to obtain and maintain the Permits and associated approvals for permitting and development of the Landfill and Facility. The County further agrees to comply with all public notice and meeting requirements required by law for official actions and decisions taken by the County with respect to this Agreement or the Facility.

(b) Zoning and Land Use. The County confirms and represents that no zoning and/or other land use law or restriction exists under the current ordinances or orders of the County which would restrict or prohibit the permitting, development, and operation of the Facility, as proposed in landfill permit application No.2383 and transfer station registration application No. _____[to be inserted when provided by TCEQ] on file with TCEQ. The County may exercise all regulatory and land use authority granted to it in connection with any other proposed land use on the Facility Site.

(c) Solid Waste Plan. If subsequent to the Effective Date of this Agreement the County prepares or adopts any solid waste plan or similar plan with respect to solid waste

management in the County, pursuant to state law or regulation or otherwise, the Company may propose for the County's consideration specific modifications to any such solid waste plan as the Company deems necessary or appropriate relating to the Facility.

(d) Council of Governments Process. The County agrees to cooperate with the Company in connection with any required process and proceedings before the applicable Council of Government (COG) relating to the Facility.

(e) No County Funds. Except for the payment of the Tipping Fees for acceptance for processing and disposal of County Waste at the Facility under the terms of Section 6, and the normal and customary operating expenses, legal expenses and incidental expenses incurred by the County in connection with this Agreement and other incidental expenses to carry out the functions of the County contemplated herein and the obligations accepted herein by the County, the County shall not be required to provide any manner of financing, or pledge or expenditure of County funds, for or in connection with the permitting, development, construction, or operation of the Facility.

(f) The County, subject to applicable legal requirements, agrees to cooperate with the Company as reasonably requested in connection with proposed development within the land comprising the Facility Site of a mixed use commercial and industrial park.

(g) Local Taxes. For purposes of State and County ad valorem property taxation, the County agrees that the Facility Site and all improvements thereon will be assessed at their fair market value in the same manner as comparable commercial and industrial properties located in the County. To the extent allowed by law, all vehicles and equipment owned by the Company and based at the Facility will be registered and taxed in the usual manner in Caldwell County.

4. **PERMITTING AND OPERATION OF THE LANDFILL AND FACILITY.**

(a) Permits. The Company agrees that the Landfill and Transfer Station shall be permitted/registered in accordance with all applicable State of Texas laws and regulations governing the permitting, development, construction, operation, closure, and post-closure care of such solid waste handling facilities, and with other applicable Environmental Laws. The Company also agrees that the Landfill will be consistent with the engineering design and operation standards contained in the “Subtitle D” municipal solid waste landfill regulations of the U. S. Environmental Protection Agency, 40 C.F.R. Part 258, as adopted in the Act and Solid Waste Rules. Upon reasonable request by the County, the Company shall inform the County of the current status of all permit applications, and shall provide the County with copies of public documents following submittal to TCEQ in connection with the Company’s application(s) for the Permits. The County acknowledges that a complete copy of the Company’s applications for the solid waste handling permit/registration for the Landfill and Transfer Station as submitted to TCEQ has been placed in the Dr. Eugene Clark Public Library in Lockhart, Texas prior to the Effective Date of this Agreement. The Company agrees that it will never seek a permit for an industrial hazardous waste facility on the Facility Site. The Company further agrees that it shall not seek to change or amend any provision of the permits/registration for the Landfill or Transfer Station affecting any requirement under this Agreement without first obtaining a resolution approving such change or amendment from the Caldwell County Commissioners Court.

(b) Time. The Company shall exercise reasonable and diligent efforts to apply for and obtain the Permits authorizing construction and operation of the Facility. The Company and the County acknowledge and agree that the periods of time necessary for the Company to obtain the Permits in final form, and to complete the construction of the Facility for

commencement of operation, are uncertain and are not within the control of the Company and, therefore, this Agreement is not intended to establish or require any specific date or deadline for commencement of operation of the Landfill or other component of the Facility.

(c) Acceptable Waste. The Company will accept for handling, processing, and disposal at the Facility only Acceptable Solid Wastes allowed by the Permits. The Solid Waste accepted for handling, processing, and disposal at the Facility may include but is not limited to Municipal Solid Waste, non-hazardous Industrial Waste, C & D Waste, and Green Waste. The Company agrees that it will not accept for handling, processing, or disposal in the Facility any amount of Excluded Waste, industrial hazardous waste, untreated medical waste, sewage, dead animals, slaughterhouse waste, sludge, grease or grit trap waste, liquid waste from municipal sources other than such waste that the Company may accept for solidification/stabilization and disposal in the Landfill, municipal hazardous waste from conditionally exempt small quantity generators, out-of-state waste, coal ash, sewage sludge, regulated Medical Waste, or regulated Hazardous Waste (“Municipal hazardous waste”) as those terms are defined in Title 30, Chapter 33, Section 330.3 of the Texas Administrative Code in effect on the date of this Agreement. .

(d) Landfill Footprint. The Company agrees that the Footprint shall be limited to a total area over the life of the Landfill of two hundred fifty (250) acres.

(e) Landfill Elevation. The Company agrees that the final maximum elevation of the Landfill shall not exceed 175 feet above the existing ground elevation at that location.

(f) Buffer Zone. The Company agrees to maintain a minimum separation distance of 250 feet between the Footprint and the Facility Site boundary on all sides of the Facility.

(g) Sources of Wastes. The Company agrees it will accept Solid Waste for handling, processing, and disposal at the Facility only from sources (generators, haulers, or TCEQ-authorized transfer stations) within the State of Texas.

(h) Host Fees. The Company during the term of this Agreement shall pay the County Host Fees and the City Host Fees based on the tonnage of Acceptable Solid Waste disposed of at the Landfill, as more specifically provided in Section 5 hereof.

(i) Hours of Operation. After the Commencement Date, the operation of the Facility shall be conducted on weekdays and Saturdays only. The Facility will not accept waste any time on Sunday, without the prior approval of Caldwell County. The Company will conduct other necessary activities at the Facility at times determined by the Company. Except for Facility construction activities and work required due to an emergency situation, no activity shall be conducted at the Facility outside of the regular hours of operation or on Sunday. "Emergency situation" as used herein shall refer to any directive or approval from TCEQ or other regulatory agency, or any condition that creates an imminent threat to the operation of the Facility or to the environment as determined by the Company. The Company will make reasonable efforts under the circumstances to provide prior notice to Caldwell County, when such activities will be conducted at the Facility on Sunday or outside of the normal hours of operation, provided that notice of activities to respond to an emergency situation shall be given as soon as reasonably possible under the circumstances.

(j) Operating Rules. In addition to requirements of the Permits, the Act, and the Solid Waste Rules, the Company shall have the right to implement such additional measures, rules and procedures as it deems necessary or appropriate for the safe and efficient operation of the Facility in accordance with the Permits. A copy of such rules and procedures shall be provided to the County on a timely basis.

(k) Facility Tipping Fees and Charges. Subject to the terms of Section 6 with respect to the payment of Tipping Fees for County Waste, and subject to the payment of Host Fees as provided in Section 5 hereof, the Company shall have the sole right to establish, charge, collect and retain any and all fees and charges at the Facility, including but not limited to any and all Tipping Fees for the handling, processing, and/or disposal of all Solid Waste received at the Facility.

(l) Recordkeeping; County Audits and Inspections. The Company will maintain records concerning operation of the Facility, receipt, processing, and disposal of Solid Waste, and any other records required to be maintained by the Act and/or the Solid Waste Rules. The Company agrees to maintain sufficient records to demonstrate compliance with all Permits for construction and operation of the Facility, and compliance with the terms of this Agreement related to the operation of the Facility and payment of the Host Fees including the volume and tonnage of Solid Waste received at the Landfill. Upon receipt of a written request from the County, the Company will allow the County's designated representative to review or audit the following records, within seven (7) business days from the Company's receipt of such written request: (i) records of the volumes and sources of waste received at the Landfill; (ii) financial records relating to the calculation and payment of the Host Fees; and (iii) records relating to inspections and regulatory compliance of the Facility with the Permits. Such records shall be

subject to review or audit by the County's authorized representative, at the Facility, during regular business hours. The County agrees that its requests to review records as provided in this subsection shall not occur more frequently than once per calendar month and that its requests to audit records as provided in this subsection shall not occur more frequently than once per calendar quarter. The Company acknowledges that the County must comply with the Texas Public Information Act, and cannot agree to withhold information from public disclosure, unless the information is confidential under state law. As such, if the County's request includes information that the Company determines is confidential, the Company shall notify the County in writing what information it believes is confidential and provide the legal basis for confidentiality. The County agrees that it will seek to withhold information that is confidential under state law, from public request, as provided by the Texas Public Information Act. The Company shall provide to the County no later than ten (10) business days following receipt by the Company a copy of any administrative or consent enforcement order, if any, received by the Company from TCEQ concerning the Facility.

(m) Facility Inspections. The County shall be permitted to designate one or more County officials or employees who shall, from and after the Commencement Date, be provided access to the Facility for the purpose of observing operations at the Facility and conducting general inspections of the Facility related to compliance with the terms of this Agreement. The County agrees that the Company or the Operator shall be entitled to provide one or more employees to accompany such person(s) designated by the County during any such inspection. Such designated County representative shall be required to abide by all facility safety rules and requirements.

(n) Local Hiring, Contractors, Vendors and HUB businesses. The Company agrees to use reasonable efforts to hire employees, utilize contractors and subcontractors, and to purchase materials, supplies and equipment from vendors in Caldwell County in connection with the construction and operation of the Facility. The County acknowledges that certain aspects of the construction and operation of the Facility require specialized equipment and expertise and other services that may not be available locally in Caldwell County or the surrounding area. When purchasing materials, supplies, or equipment necessary for day-to-day operation of the Facility, the Company will give preference to Caldwell County merchants and vendors, provided that the materials, supplies, or equipment are offered for sale in that area at a competitive price and meet the Company's procurement requirements. In addition, the Company agrees to use its best efforts to grant a preference in hiring to Caldwell County residents, provided they meet the Company's pre-hire job qualifications. The Company shall maintain a list of qualified, historically under-utilized businesses and shall utilize its best efforts to notify and provide opportunities to contract with said businesses.

(o) Property Value Protection Program. The Company will implement a Property Value Protection Program in the vicinity of the Facility Site, in accordance with the terms set forth in Exhibit "B" to this Agreement.

(p) Facility Entrance. The Company agrees that ingress and egress to and from the Facility for commercial operation shall be provided by an entrance/exit road with appropriate signage and signalization, in accordance with all necessary approvals required from the Texas Department of Transportation or other governmental agency having jurisdiction. The Company agrees that the location, width, and other specifications for the entrance road shall be determined by the Company, and shall be sufficient to prevent traffic congestion at the entrance

on US Highway 183 by ensuring adequate capacity for all vehicles which enter the landfill property, subject to required permits and regulatory approvals.

(q) Traffic. The Company agrees to require that waste haulers contracting with the Company shall, within the County, be permitted to transport loaded Solid Waste transfer trailers to the Facility only upon state or federal roads and highways.

(r) Landscape Plan. The Company agrees prior to the Commencement Date to provide landscaping of the Landfill in the vicinity of Hommanville Trail that will include soil berms and plants..

(s) Litter Control. From and after the Commencement Date, the Company will provide a Litter Control Program for collection of litter on a daily basis on the public right-of-way on US Highway 183 for a distance of two miles in both directions from the entrance road to the Facility, on the public right-of-way of FM1185 from its intersection with US Highway 183 to its intersection with Homannville Trail, and on the public right-of-way of Homannville Trail adjacent to the boundary of the Facility Site.

(t) Facility Website. The Company agrees that promptly following the Commencement Date the Company at its expense shall create and maintain a public website available to the County and its citizens, which shall contain at minimum the following information: (i) the amount in tons of Solid Waste disposed in the Landfill as reported to the TCEQ or other applicable state agencies; (ii) the amount of Host Fees paid for the preceding calendar quarter following issuance of payment; (iii) applicable rules and procedures for the receipt of Solid Waste at the Facility from County citizens, and a schedule of fees for delivery of waste materials to the Facility by the public; rules for use of the citizens convenience center described in Section 7(b); rules for operation of the Property Value Protection Program; copies

of final inspection reports for the Facility by the TCEQ following receipt of the report by the Company; a copy of any final administrative order or consent order if any, as may be issued by any governmental entity regarding the operation of the Facility. The Company shall cooperate with the County to create an electronic link from the County website to the Facility website described in this subsection.

5. PAYMENT OF HOST FEES.

(a) Following the Commencement Date and during the Term of this Agreement (unless earlier terminated), a Host Fee shall be paid by the Company to the County in the amount of One Dollar (\$1.00) per ton for all Acceptable Solid Wastes disposed of at the Landfill from any source, subject to the exceptions and limitations to the Host Fee payments provided below in this subsection (e) of this Section 5 (the "County Host Fee"). The Host Fees payable pursuant to the provisions in this Section 5 are in lieu of any other fees, surcharges, or other monetary amounts payable to the County or to municipalities within the County with respect to the delivery, processing, or disposal of Solid Waste at the Facility during the Term of this Agreement, except as provided herein with respect to adjustment of Host Fee, and except for payment of state and county ad valorem property taxes, and any other state or county taxes, if any, as may be imposed by general law without regard to the nature of the Facility as a solid waste handling and disposal facility. Payment of the County Host Fees, and the City Host Fees described in subsection (c) below, shall be in addition to the per ton fee payable by regulation to the state of Texas and available to local governments by grant as provided in such regulations.

(b) Payment of Host Fees. The payment of the County Host Fees shall be made by the Company before the last day of the month following the end of each calendar quarter, with respect to all Solid Waste received at the Landfill during the preceding calendar

quarter for which the Host Fees are payable pursuant to the provisions of this Section 5. With the payment of the Host Fees the County shall be provided a reconciliation showing the total number of tons of Solid Waste received at the Landfill from any source during the preceding calendar quarter for which the Host Fees are payable, subject to the exceptions and limitations provided below in this subsection (e) of Section 5 (the “County Host Fee”).

(c) City Host Fees. In addition to the County Host Fee, the Company after the Commencement Date shall pay a Host Fee of Twenty Five Cents (\$0.25) per ton for all Acceptable Solid Wastes disposed of at the Landfill from any source, subject to the exceptions and limitations to the Host Fee payments provided in subsection (e) below, to and for the benefit of municipalities in Caldwell County (the “City Host Fee”). Except for the provisions in this subsection regarding the City Host Fees, no municipality located with the County shall have any contractual rights under this Agreement, unless such municipality enters into a municipality waste contract with the Company as provided in Section 6(b) of this Agreement.

(d) Host Fee Adjustment. On the anniversary of the Commencement Date, and every year thereafter, the amount of the County Host Fee and the City Host Fee shall be adjusted and increased based upon any increase in the Consumer Price Index since the date of the last adjustment of the Host Fee amount, utilizing the Consumer Price Index – Southern Region City Average, All Urban Consumers – All Items (1992-1994 equal 100), as published by the United States Department of Labor, Bureau of Labor Statistics, for the month prior to each such annual anniversary of the Commencement Date. Such increase in the Host Fees by the CPI adjustment shall be capped on an annual basis at an amount no more than two percent (2%) above the previous amount of the Host Fee. If this CPI is no longer available, then a comparable replacement index will be used, subject to approval by the County which approval shall not be

unreasonably withheld. There will be no decrease in the County Host Fee or the City Host Fee by reason of any decrease in the Consumer Price Index.

(e) Exceptions to Host Fee Payments. No County Host Fees or City Host Fees shall be payable by the Company for or in respect to any of the following:

(i) No Host Fees shall be payable in respect to Solid Waste collected through a County or municipality litter abatement program and accepted for disposal in the Landfill at no charge pursuant to the provisions of Section 7(d), any household Solid Waste, white goods, or bulky waste delivered to the Citizens Convenience Center by an individual citizen free of charge pursuant to provisions Section 7(b), or for any Solid Waste accepted at no charge on County cleanup days as allowed by Section 7(e), or any Recovered Materials;

(ii) No Host Fees shall be payable in respect to Solid Waste delivered to the Facility for disposal in the Landfill for which the Company receives a Tipping Fee in an amount less than ten dollars (\$10) per ton.

(f) Host Fee Payment Dispute Resolution. In the event of any unresolved dispute between the parties regarding any matter under this Section 5 involving payment of Host Fees, the parties agree to resolve such dispute in accordance with the following procedures:

(i) The parties shall first attempt to resolve by mutual agreement any such dispute between the parties pertaining to the method or amount of payment of the Host Fees, including but not limited to the accuracy of tonnage, by good faith negotiation between authorized representatives of the parties;

(ii) In the event such a dispute cannot be settled amicably through negotiation, then either party may submit such dispute to a formal mediation process, to be

participated in by authorized representatives of both parties, to occur with thirty (30) days of a final good faith determination by either party that the dispute cannot be resolved through the mutual negotiations described in (i) above;

(iii) In the event such dispute cannot be settled through formal mediation, the parties agree to jurisdiction and to participate in a proceeding before a state or federal tribunal wherein the prevailing party shall recover its fees, damages, costs, attorneys' fees, and such other and further relief from the non-prevailing party, general or special, at law or in equity, to which the prevailing party may show itself justly entitled and that the state or federal tribunal deems reasonable and necessary.

(iv) The continued performance of this Agreement by both parties shall not directly or indirectly be prevented, hindered, or interrupted by reason of a dispute between the parties with respect to the calculation or payment of the Host Fees or the initiation of any dispute resolution process as described herein.

6. WASTE SERVICES TO COUNTY. During the Term of this Agreement following the Commencement Date (unless earlier terminated), the Company will provide the following Solid Waste handling and disposal services to and for the benefit of the County and its citizens:

(a) County Waste Disposal Capacity Assurance. The Company guarantees that it will accept and have sufficient capacity and capability for disposal at the Landfill for the Term of this Agreement following the Commencement Date (unless earlier terminated) of all Acceptable Solid Waste generated by residences in the County, or any participating municipality located within the County, whether collected by the County or those municipalities directly or collected for a fee by a private contractor having a waste collection contract with or residential

waste collection franchise from the County or a municipality to provide residential waste collection services within its geographic boundaries. The Company further guarantees that it will have sufficient capacity and capability for disposal at the Landfill of Commercial Waste and Industrial Waste (as defined herein) generated within the County, or within a participating municipality located within the County, provided such wastes are Acceptable Solid Waste as defined in this Agreement. The Tipping Fees for processing and disposal in the Landfill of County Waste shall be determined as provided in this Section 6.

(b) Municipality Waste Contracts. The Company agrees that it will enter into appropriate agreements with those municipalities within the County desiring to utilize the Facility or the Landfill for their Solid Waste processing and disposal needs (a “participating municipality”).

(c) County Tipping Fees. The Company will accept eligible County Waste described in this subsection for processing or disposal in the Facility and the Landfill for a Tipping Fee of _____ (\$_____) per ton, subject to annual adjustment of the Tipping Fee as provided below (the “County Tipping Fee”). The County Tipping Fee shall apply to all Solid Waste generated at a residence within the County and delivered to the Facility by a resident of such residence, or generated at any buildings or facilities owned or operated by the County and delivered to the Facility by the County (except for Solid Waste delivered to the Facility for handling and disposal without charge as provided in the provisions of Section 7). Tipping Fees for Commercial Waste and Industrial Waste received for processing or disposal at the Facility shall be as provided in subsection (d) of this Section 6. The County shall be invoiced by the Company on a monthly basis at the amount of the County Tipping Fee for the amount of County Waste delivered to the Facility by the County. All invoice amounts shall be payable to

the Company within thirty (30) days of the invoice date. If the Company ever charges to a third party (an entity or individual not affiliated with the Company) a disposal-only tipping fee below \$____ per ton for a waste load generated outside of Caldwell County, the Company shall immediately lower the County Tipping Fee for the same type of waste and terms (including volume discounts, etc.) to an amount less than such lower rate. Further, on the anniversary of the Commencement Date, and every year thereafter, the amount of the County Tipping Fee shall be adjusted and increased based upon any increase during the preceding one year period in the Consumer Price Index – Southern Region City Average, All Urban Consumers – All Items (1992-94 equal 100), as published by the United States Department of Labor, Bureau of Labor Statistics for the month prior the applicable adjustment date. The increase in the County Tipping Fee by this CPI-Adjustment shall be capped on an annual basis at an amount no more than two percent (2%) above the previous applicable County Tipping Fee amount. If this CPI is no longer available, then a comparable replacement index will be used, subject to approval by the County which approval shall not be unreasonably withheld. In addition to the CPI adjustment described above, the County agrees that the County Tipping Fee may be adjusted by the Company from time to time during the Term of this Agreement by the amount of any fee, assessment, surcharge, or tax imposed on the Facility, or on the Solid Waste processing and disposal services provided to the County by the Facility under the terms of this Agreement, by or pursuant to any federal or state law or regulation which takes effect after the Effective Date of this Agreement.

(d) Commercial and Industrial Waste Tipping Fees. The Tipping Fees at the Facility for handling and disposal of Commercial Waste generated by businesses in the County and Industrial Waste generated by manufacturing and industrial businesses within the County, or located within any participating municipality in the County, shall be determined in the

Company's reasonable discretion based upon prevailing rates for handling and disposal of similar waste materials in the State of Texas.

(e) Tipping Fees for any County Waste received at the Facility for processing or disposal that requires special handling shall be determined by the Company in its sole discretion, except that such Tipping Fee may not exceed the rate charged or that would be charged to a third party at that time for processing or disposal of the same type of waste.

7. **ADDITIONAL BENEFITS AND SERVICES TO COUNTY.**

(a) Community Pavilion. The Company will construct at its expense a pavilion to be used for community events and meetings on the Facility Site at a location selected by Company to take advantage of the views of the lake on the property and other natural areas.

(b) Citizens Convenience Center. The Company will establish and maintain after the Commencement Date a Citizens Convenience Center at a suitable, accessible location on the Facility. Between the hours of 8:00 a.m. and noon each Saturday, the Citizens Convenience Center shall be open to individual citizens of the County and participating municipalities located within the County for delivery of household Solid Waste from individual residences, including but not limited to white goods and bulky wastes, at no charge to County citizens, other than any fee required to be paid to the State of Texas or a state agency. The amount of such household Solid Waste accepted at the Citizens Convenience Center at no charge shall be limited to pickup truck loads or other vehicle loads not exceeding two (2) cubic yards in volume.

(c) Recycling. The Citizens Convenience Center shall also be available to citizens of the County and participating municipalities between the hours of 8:00 a.m. and noon each Saturday for drop off of recyclables. Recyclables accepted at the Citizens Convenience

Center shall include aluminum and bi-metal cans, newsprint, recyclable cardboard materials, and white goods. Recyclables shall be accepted at the Citizens Convenience Center at no charge to the Citizens of the County and participating municipalities. The Company from time to time will evaluate other recyclables markets and, in its sole discretion, may add other materials to this list of accepted recyclables, if recycling of such materials is determined by the Company to be economically viable.

(d) County Litter Abatement Program. From and after the Commencement Date, Solid Waste generated or collected through any litter abatement program sponsored by the County or by a participating municipality shall be accepted for disposal at the Facility at no cost, other than any fee required to be paid to the State of Texas or a state agency. This waste disposal service to the County will also be provided to any participating municipality. The provisions of this subsection shall not apply to Solid Waste for which any cost or fee has been or will be received by any commercial contractor(s) or other person(s) for the collection, transportation, or disposal of that Solid Waste collected through such County or municipality sponsored litter abatement program.

(e) County Clean-up Days. From and after the Commencement Date the Company will sponsor County-wide clean-up days six times each year, to be designated by the Caldwell County Commissioners Court. During regular operating hours on these Saturdays, the Company shall accept for handling and disposal at the Facility, at no charge to the County or its citizens or to any participating municipality or its citizens, other than any fee required to be paid to the State of Texas or a state agency, any acceptable Solid Waste collected from public property within the County or a participating municipality requiring clean-up (provided that the Facility will not accept any Excluded Waste). Alternatively, such waste may be deposited in

specially designated collection dumpsters located in the County on said Saturdays, and then delivered to the Facility at no charge through the following Wednesday. The acceptance of Solid Waste at no charge on these annual clean-up days will not include Solid Waste for which monetary payment or fee has been or will be received by any commercial contractor(s) or other person(s) for collecting, transporting, or disposing of such waste. In addition, the Company will assist the County with organizing “amnesty” days for citizens of the County to deliver to the Facility for disposal for proper handling, at no cost to those citizens, household hazardous materials, and unused agricultural chemical residues, which require special handling and are not authorized to be disposed in a municipal solid waste landfill, such as electronics, computers, paint, household chemicals, residential pesticides, and medications.

(f) Public Education. The Company agrees that, following the Commencement Date, it will provide access to the Facility and appropriate literature for field trips by classes of students from the public school system and other schools located in the County who are studying environmental sciences or similar studies. The Company also agrees to provide access for field trips by local civic groups or similar groups and organizations, as reasonably requested by the County. All such field trips shall be scheduled at appropriate times by the Company and shall be coordinated with the Company by appropriate authorized officials of the school, group, or organization requesting a field trip to the Facility.

(g) Citizens Advisory Committee. The Company agrees that the County shall be authorized, after the Effective Date, to form a Citizens Advisory Committee, consisting of five (5) persons who are Caldwell County residents. The County shall appoint the members of the Citizens Committee. The term of each appointment shall be alternating two (2) year terms. The purpose of the Citizens Committee shall be to communicate with representatives of the

Company concerning the Facility and its operation as representatives of the citizens of Caldwell County, including communicating with the Company with respect to concerns or grievances of Caldwell County residents.

(h) Development of 130 Environmental Park. After the Permits are issued and become final and non-appealable, the Company shall exercise its best efforts to develop 130 Environmental Park (as defined herein) within the boundaries of the real property described in Exhibit A. As used herein the term “best efforts” shall mean diligent efforts and commitment of business resources, including but not limited to monetary and personnel resources, that a reasonable person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved within a reasonable period of time under the circumstances, provided that this term shall not require the violation of any laws or regulations or efforts that would create financial hardship to the Company or that are financially unfeasible, or that require the Company to ensure results that are beyond the company’s reasonable control.

(i) Scholarships. From and after the Commencement Date, the Company will fund a general scholarship in the amount Two Thousand and No/100 Dollars (\$2,000.00) annually for each public high school with an attendance zone located within the County.

(j) Upon the Commencement Date and each anniversary date thereafter for a period of four(4) years thereafter, the Company shall pay the sum of \$5,000 to the County to be utilized for county library support. Upon the fifth anniversary date of the Commencement Date and each anniversary date thereafter for a period of four (4) years thereafter, the Company shall pay the sum of \$10,000 to the County to be utilized for county library support.

8. TERM. The Term of this Agreement shall commence as of the Effective Date, and shall continue for a period of thirty (30) years after the Commencement Date and for so long

thereafter as Solid Waste is being accepted at the Facility, unless sooner terminated under the termination provisions in Section 13 of this Agreement. In the event any federal or state law operates to limit or modify the Term of this Agreement as provided in this Section 8, and subject to the right of either party to challenge the legality of such law, the parties agree that the Term of this Agreement shall extend for the longest period of time authorized by applicable law and the provisions of this Section.

9. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

(a) Representations, Warranties and Covenants of the County. The County represents, warrants, and agrees as follows:

(i) the County is validly existing as a political subdivision in good standing under the laws of the State of Texas, and the County through its Commissioner's Court has full power and authority to enter into this Agreement and to perform all obligations of the County hereunder;

(ii) the County has determined that it is in the public interest of the County and its citizens to enter into this Agreement, and the County Commissioners Court has duly authorized the execution and delivery of this Agreement and the County's performance of the obligations contained herein;

(iii) this Agreement constitutes a valid and legally binding obligation and agreement of the County enforceable in accordance with its terms

(iv) the County will cooperate with the Company in defending any claim or suit seeking to invalidate this Agreement or any right of the Company or obligation of the County provided in this Agreement.

(b) Representations, Warranties and Covenants of the Company. The Company represents, warrants, and agrees as follows:

(i) it has been duly organized under the laws of the State of Georgia, is qualified to do business in the State of Texas, and will continue to be qualified throughout the Term of this Agreement so long as the Company is a party to this Agreement;

(ii) the Company has all requisite corporate powers and authority to enter into and fully perform its obligations in this Agreement;

(iii) the Company's execution and delivery of this Agreement and performance of its obligations contained herein have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement is enforceable against the Company in accordance with its terms; and

(iv) there is no action, suit, or legal proceeding pending or threatened against or affecting the Company wherein any decision would materially and adversely affect the transactions contemplated herein.

10. INSURANCE AND FINANCIAL RESPONSIBILITY.

(a) Liability Insurance. Beginning no later than the commencement of construction at the Facility pursuant to the Permits, and continuing so long as this Agreement remains in effect and such insurance coverage remains available, the Company will carry liability insurance insuring the Company against claims arising out of the Company's construction and operation of the Facility, as follows:

(i) public liability insurance in the sum of at least Two Million Dollars (\$2,000,000) insuring the Company against personal injury and property damage claims arising out of the Company's construction or operation of the Facility;

(ii) commercial general liability insurance coverage with combined single limits of no less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate;

(iii) commercial automobile liability insurance coverage with limits of no less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage; and

(iv) umbrella liability insurance coverage with limits of no less than Three Million Dollars (\$3,000,000). Such liability insurance coverages shall be carried with an insurance company or companies licensed to do business and in good standing in the State of Texas.

The Company shall cause the County to be named as an additional insured on all liability insurance policies required by these provisions. The Company shall furnish the County with certificates attesting to the existence of the foregoing liability insurance coverages.

(b) Financial Responsibility – Facility Operation. The Company will comply with all applicable requirements of the Act and the Solid Waste Rules with respect to financial responsibility for emergency actions, preventive or corrective actions, monitoring, and related actions regarding the Landfill and its operation.

(c) Financial Responsibility – Post-Operation. The Company will comply with all requirements of the Act and the Solid Waste Rules with respect to financial responsibility for closure and post-closure care of the Landfill. Upon final approval of a financial responsibility instrument for the Facility by TCEQ, the Company will provide to the County complete copies of all approved financial responsibility documentation and TCEQ approval.

11. **FORCE MAJEURE.** From and after the Commencement Date, in the event the Company or the County is rendered unable, wholly or in part, by an event of Force Majeure to carry out any of its obligations under this Agreement, then such obligation of the Company or the County may be suspended during the continuation of such inability so caused by the event of Force Majeure, but for no longer period. At any time the Company or the County intends to rely upon an event of Force Majeure to suspend its obligations under this Agreement as provided in this Section, the Company or the County shall notify the other party as soon as reasonably practicable describing in reasonable detail the circumstances of the event of Force Majeure, and shall provide prompt written notice to the other party when the event of Force Majeure has ceased.

12. **ASSIGNMENT.**

(a) **By Company.** The Company shall not assign this Agreement, any permits or rights to the Landfill or Transfer Station, or any portion of the Facility Site to any entity that is exempt from county property taxes. Provided that the Company is not in default hereunder, the Company shall have the right to assign this Agreement and all rights and obligations of the Company hereunder to any other person or entity, upon written notice to the County, provided that such assignment by the Company shall be subject to the following requirements: (i) prior to the effective date of such assignment or transfer, a proposed assignee or transferee of this Agreement shall be required to assume in writing the obligations and liabilities of the Company to the County under this Agreement; (ii) an assignment of this Agreement shall be subject to the County's right to require that the proposed assignee provide documentation reasonably demonstrating the financial ability of the proposed assignee to carry out the terms of this Agreement; and (iii) an assignment of this Agreement shall be subject to the County's right to

require that the proposed assignee (including a corporation, partnership, or association, an officer, director, manager, or shareholder of 5 percent or more of stock or financial interest in said corporation, partnership, or association) provide a certification of no prior “bad acts” as described herein. The term “bad acts” shall include anytime the proposed assignee (ii) has obtained or attempted to obtain a permit or registration by misrepresentation or concealment; (iii) has been convicted by final judgment, and all appeals have been exhausted, in any state or any federal court of any felony involving moral turpitude within the three years immediately preceding the proposed assignment; (iv) has been convicted of any violations of any environmental laws punishable as a felony in any state or federal court within the five years preceding the proposed assignment; or (v) has been adjudicated in contempt of any court order enforcing any federal environmental laws or any State’s laws within the five years preceding the proposed assignment. In the event of an assignment of this Agreement by the Company, the term “Company” as used herein will apply in all respects to such assignee. In the event of a sale of the majority ownership interest in the Company to, a merger of the Company with, or a lease or operating agreement for the Landfill or Facility with, another entity, the County may require that it be provided with: (a) documentation reasonably demonstrating the financial ability of such entity to carry out the terms of this Agreement; and (b) a certification of no prior “bad acts” as described above. The foregoing conditions to assignment of this Agreement by the Company shall not apply to assignment and transfer of this Agreement and the rights and obligations of the Company under this Agreement to any affiliate of the Company. As used herein “affiliate” means any company or other legal entity controlled by the Company or under common ownership or common control as the Company. The Company shall not assign any rights and/or obligations to a proposed assignee that: (1) has intentionally misrepresented or concealed any

material fact in the financial documents submitted to the County; or (2) cannot provide a certification of no prior “bad acts” as described above.

(b) By County. The County may assign this Agreement to a County-controlled solid waste management authority, resource recovery authority or similar governmental entity created for the purpose of solid waste management, if any, created or activated by the County after the Effective Date pursuant to applicable Texas law, provided that such an assignment by the County may not materially alter the obligations of the County in this Agreement.

(c) The Company in the performance of certain obligations in this Agreement may utilize the services of qualified independent contractors, professionals, and consultants, provided that the Company will remain responsible to the County for the performance of its obligations hereunder.

13. TERMINATION OF AGREEMENT.

(a) Termination by Company. The Company shall have the right to terminate this Agreement at any time upon occurrence of any of the following events:

(i) if, prior to fifteen (15) years after the Commencement Date, the County authorizes or enters into an agreement with any other person or entity with respect to the location or development in the County of any other Type I municipal solid waste facility;

(ii) if TCEQ fails or refuses to issue, grant, or renew any Permit, license, consent, authorization, or approval required by the Company for the construction, operation, or continuation of operation of the Landfill;

(iii) if TCEQ or other agency with jurisdiction permanently suspends, revokes or terminates any Permit or other license, consent, authorization or approval necessary for continuation of operation of the Landfill;

(iv) if a change occurs in any applicable law, regulation, rule, ordinance, or Permit condition, or in the interpretation or enforcement thereof, or any new law, regulation, rule, ordinance or Permit condition is imposed or takes effect, the impact of which prevents or materially impairs the ability of the Company to construct, operate, or continue to operate the Landfill, or to carry out the Company's performance obligations under this Agreement;

(v) if any order, judgment, action or determination of any federal, state or local court, agency, or governmental body is entered or imposed which prevents or materially impairs the ability of the Company to construct, operate, or continue to operate the Landfill, or to perform its obligations under this Agreement;

(vi) an event of Force Majeure occurs and continues unabated for a period of one hundred eighty (180) days which, in the Company's sole discretion, renders the permitting, construction, operation or continued operation of the Landfill impossible or unfeasible for financial or other reasons;

(vii) if the Company (1) determines in its reasonable discretion that the Landfill cannot feasibly or economically be permitted, constructed, or continue to be operated after the Commencement Date for reason(s) other than the grounds for termination specifically described above in this subsection (a), and (2) agrees and commits, in a covenant running with the land, not to accept solid waste at the Facility after the date of termination;

(viii) if a default of this Agreement is committed by the County that is not cured in accordance with the terms in Section 14 of this Agreement (subject to the Company's right to waive such default by the County);

(ix) if the County, acting through a majority of the County Commissioner's Court acting in an official capacity: requests that TCEQ or any other agency conduct a contested case hearing regarding any of the Permits; seeks party status in any contested case hearing to oppose any of the permits; otherwise opposes, assists others in opposing, objects to or otherwise seeks to prevent or delay efforts by the Company to obtain any of the Permits; or brings, aids, supports, or participates, except as a defendant, in any legal proceeding seeking to invalidate this Agreement, or to terminate any material right of the Company or material obligation of the County under this Agreement.

(b) Termination by County. The County shall have the right to terminate this Agreement in the event a default of this Agreement is committed by the Company that is not cured in accordance with the terms of Section 14 of this Agreement. The County agrees that in the event any such termination of this Agreement by the County occurs subsequent to the Company's receipt of the Permits, the County's remedies for such default shall be limited to a claim for damages, if any, caused by such default of the Company, and/or specific performance or injunctive relief to enforce the covenants running with the land provided for in this agreement. The Company will remain liable for payment of all Host Fees, if any, accrued and payable pursuant to Section 5 of this Agreement as of the date of delivery to either party of a notice of termination as provided in subsection (c) below.

(c) Termination Notice. Any termination of this Agreement shall be by written Notice of Termination delivered to the other party by hand or certified mail, setting forth

in detail the reason(s) for termination. Unless otherwise agreed by the parties, termination of the Agreement shall be effective thirty (30) days after the date of delivery of such written Notice of Termination, unless the Notice of Termination is contested by the other party by legal means, or if the parties mutually agree to delay such termination date.

(d) Project Continuation. The County acknowledges and agrees that an election by the County at any time to terminate this Agreement for any reason shall not prevent or preclude the right of the Company in accordance with applicable law and the Permits (if then issued), to Permit, develop, construct, operate, or continue to operate the Landfill and Facility contemplated by this Agreement. The Company agrees that such termination of this Agreement by the County shall not release Company from any obligation imposed upon the Company by the Permits, the Act, or the Solid Waste Rules, or by any other applicable Environmental Law, concerning the operation, closure, or post-closure maintenance of the Facility, or other legal or regulatory requirements applicable to the Facility.

14. DEFAULT AND REMEDIES.

(a) Default. An event of default shall mean a breach of this Agreement by the Company or by the County, which breach is not cured pursuant to the provisions of this Section. A "breach" shall mean a material breach of a party to comply with a material provision or obligation of this Agreement, which results in a material harm, damage, or injury to the other party. In the case of any breach of this Agreement by a party, that party upon receipt of notice or breach from the other party shall either:

(i) cure the breach within sixty (60) days of receipt of written notice from the non-breaching party, or

(ii) continuously demonstrate within such cure period that it is actively and continuously pursuing a course of action which can reasonably be expected to lead to a curing of the breach, and in such case the sixty-day period will be extended for so long as the breaching party is actively and continuously pursuing a cure of the breach. Notwithstanding the foregoing, in the event of a failure of any party to this Agreement to pay the other party any monetary amount required to be paid when due hereunder, the cure shall consist of payment to be made within fifteen (15) days of written demand from the non-breaching party, together with interest accruing at the legal rate from the date the payment originally was due.

(b) Remedies. In the event of a default under this Agreement, the non-defaulting party, upon five (5) days prior written notice to the defaulting party, shall have the right, but not the obligation or duty, to cure such default, and to offset the cost of curing the default against any sums due or which thereafter become due to the defaulting party. If an event of default occurs in the payment obligations of either party and is not cured in the manner provided in subsection (a) of this Section, Agreement shall continue in force and the non-defaulting party shall have the right to take whatever action it deems necessary or desirable to collect any amounts then due or thereafter to become due under this Agreement. Subject to the provisions of Section 11 with respect to an event of Force Majeure, if the Company during the Term of this Agreement after the Commencement Date is unable, for any reason not caused or contributed to by the County, to accept County Waste as provided in Section 6 for a continuous period three (3) business days, and if the County is therefore required to dispose of County Waste at some other solid waste disposal facility, then the Company agrees to reimburse the County for the amount by which the actual costs of disposal of the County Waste at such other

solid waste disposal facility exceeds the County Tipping Fee, but only if and for so long as the Facility is unable to accept County Waste for processing or disposal.

15. INDEMNIFICATION. Except to the extent caused by or resulting from (a) the negligence or willful misconduct of the County, or any of its commissioners, officers, or employees, or (b) caused by or resulting from a breach by the County of any obligation, covenant, representation, or warranty of the County contained in this Agreement, the Company agrees to defend, indemnify, and hold harmless the County, including its commissioners, officers, and employees (collectively the "County Indemnitees"), from and against any loss, claim, suit, cause of action, liability, penalty, fine, demand, or damages, as well as related costs and expenses (including costs of defense, any monetary settlement, and reasonable attorney's fees and expenses of litigation) ("Indemnified Costs"), caused by or directly resulting from the following: (i) any negligent or willful act or omission of the Company, its agents, employees, or contractors in connection with the Company's development, construction, or operation of the Facility; (ii) default by the Company of its obligations, covenants, representations, or warranties contained in this Agreement; or (iii) arising from the existence of this Agreement or actions by the County pursuant to its obligations under this Agreement with respect to the Landfill (an "Indemnified Claim"). The Company will reimburse the County Indemnitees for Indemnified Costs arising from an Indemnified Claim within forty-five (45) days of receipt from the County of invoices or other satisfactory documentation of such Indemnified Costs and the amount thereof. With respect to an Indemnified Claim, the County Indemnitees agree they will employ legal counsel, experts and other professionals only when reasonably necessary to defend any Indemnified Claim, and that such professionals shall be mutually agreed to by the parties. Nothing herein shall limit the ability and the obligation of the County Indemnitees to assert any

sovereign immunity, official immunity, or legislative immunity defense or any other defense under applicable law against any claim or suit described herein involving an Indemnified Claim.

16. **NOTICES.** All notices or other communications to be given hereunder shall be in writing and may be given by personal delivery or by registered or certified United States Mail, return receipt requested, properly addressed as follows:

To the Company: 130 Environmental Park, LLC
c/o Green Group Holdings, LLC
132 Riverstone Terrace, Suite 103
Canton, Georgia 30114
Attention: Ernest C. Kaufmann

With a copy to: Brent W. Ryan
McElroy, Sullivan, Miller, Weber & Olmstead L.L.P.
P. O. Box 12127
Austin, Texas 78711

To the County: Caldwell County Commissioners Court

Attention: County Judge

With a copy to: _____

A change of address by either party shall be communicated by notice given to the other in the same manner as specified above. Any notice or other communication under this Agreement shall be deemed given at the time of actual delivery if personally delivered in writing, or if such notice is sent by registered or certified United States mail as provided above, then upon the third regular business day following the date on which such notices were deposited with the United States Postal Service or upon actual delivery as shown by a return receipt, whichever first occurs.

17. **GOVERNING LAW.** This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of laws principles.

18. **SEVERABILITY.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Provided that such invalidation of a provision of this Agreement does not materially alter the rights or obligations of a party under this Agreement, the parties further agree that, in lieu of any material term or provision held to be invalid, illegal or unenforceable, there shall be added by mutual consent as part of this Agreement an alternative term or provision to such invalidated term or provision as shall be valid, legal and enforceable. (Notwithstanding anything to the contrary in this Section, either party shall continue to have in such event the right of termination of this Agreement in accordance with the terms of Section 13 hereof).

19. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective authorized successors and assigns.

20. **CONSTRUCTION.** This Agreement is a result of joint negotiations and authorship by the parties and, therefore, no part of this Agreement shall be construed as the product of any one of the parties hereto.

21. **FURTHER ASSURANCE.** The parties each agree to cooperate in good faith to enter into such amendments or addenda to this Agreement as shall be reasonably necessary or appropriate to carry out the purposes and intent of this Agreement.

22. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement and understanding between the Company and the County and, unless otherwise specifically provided, cancels and supersedes all prior negotiations, representations, understandings and agreements, whether written or oral, between the parties with respect to the subject matter hereof. No changes, amendments, alterations, or modifications to this Agreement will be effective unless in writing and signed by the parties hereto.

23. **COUNTERPARTS.** This Agreement may be executed in two (2) counterparts each of which will be considered an original.

24. **AUTHORITY OF PARTIES.** The individuals who have executed this Agreement on behalf of the respective parties expressly represent and warrant that they are authorized to sign on behalf of the respective party for the purpose of duly binding that party to this Agreement. The County represents and warrants that it has taken all official action in accordance with applicable law for the approval and authorization of the execution of this Agreement on behalf of the County.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or officials as of the date(s) and year provided below.

COMPANY:

130 ENVIRONMENTAL PARK, LLC

By: _____

Typed or Printed Name: _____

Title: _____

Date of Execution: _____

Attest: _____
Title: _____

BEFORE ME, the undersigned authority, on this _____ day of _____,
_____, personally appeared _____, on behalf of 130 Environmental
Park, LLC, known to be the person whose name is subscribed to the foregoing instrument and
acknowledged to me that he executed the same for the purposes and consideration therein
expressed.

Notary Public

My commission expires on: _____

(seal)

CALDWELL COUNTY, TEXAS

By: _____

Printed or Typed Name: _____

Title: County Judge, Caldwell County

Date of Execution: _____

Attest: _____

Title: _____

[COUNTY SEAL]

BEFORE ME, the undersigned authority, on this _____ day of _____, _____, personally appeared _____, on behalf of Caldwell County, Texas, known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Notary Public

My commission expires on: _____

(seal)

Draft September 23, 2013

EXHIBIT "A"

DESCRIPTION OF THE FACILITY SITE

Legal Description

EXHIBIT “ B” TO HOST AGREEMENT

PROPERTY VALUE PROTECTION PROGRAM

1. Effective Date. This Property Value Protection Program (“this Program”) shall take effect when the Company (as defined in the Host Agreement) has received all final, non-appealable Permits (as defined in the Host Agreement) for the construction and commencement of operation of the 130 Environmental Park Type I solid waste disposal and recycling facility (“the Facility”) and as of that date the Facility commences commercial operation (the “Effective Date”).

2. Eligibility. The Program will be available to property owners who hold legal title to residential real property, as of the effective date of the Host Agreement between the Company and Caldwell County (the “Eligibility Date”), located within a one (1) mile radius of the boundaries of the approved waste disposal area (footprint) within the facility as identified in the Permits. As used herein, eligible residential real property means property consisting of a legal tract of no more than thirty (30) contiguous acres, as designated by the property owner, which, as of the Eligibility Date, contains a personal residence occupied or leased by the property owner. Eligibility to participate in the Program extends only to the lawful owner or owners of such eligible property on the Eligibility Date, and will not be transferable to a subsequent purchaser of the real property after the Eligibility Date. Eligibility to participate in this Program will not be transferrable to a subsequent purchaser after the Eligibility Date.

3. Participation in Program. On or after the Effective Date, the Company will provide written notice by certified mail to each eligible property owner of the rights and obligations provided by this Program, including the Owner’s right to participate in the Program,

the Effective Date of the Program, and the requirements for participation in the Program. A copy of this Exhibit “B” to the Host Agreement shall be provided to the property owner with such notice. The property owner may elect to participate in the Program by delivering notice to the Company in writing, no later than ninety (90) days after the date of receipt of such notice from the Company, that the property owner desires to participate in the Program. The property owner (hereinafter the “Participant”), at the same time of such notification to the Company of the Participant’s election to participate in the Program, shall also provide the Company with a copy of the deed or other legal instrument demonstrating the Participant’s legal ownership of the property, including a complete legal description and any existing survey plat of the Participant’s eligible property. Any eligible property owner who fails to timely elect to participate in the Program in this manner will not be authorized to participate in this Program after expiration of the 90-day notice period provided in this Section. For any eligible property having more than one lawful owner as of the Eligibility Date, the owners shall be authorized to participate in this Program only if each owner elects to participate by notifying the Company in the manner and within the time period provided in this Section.

4. Sale of Property. If an eligible Participant during the Term of the Program as defined below desires to sell his or her eligible property, then the Participant must notify the Company in writing, and, no later than ninety (90) days after such notification, provide the Company with either: (a) a copy of the most recent certified appraised value of the eligible real property from the Caldwell County Appraisal District; or (b) a written appraisal of the Property, performed by a qualified appraiser having at least five (5) years of appraisal experience and having no current or former relationship with the Company or the Participant. The eligible property shall include improvements to the property existing as of the Effective Date. The

appraisal shall determine the fair market value of the eligible property as of the Eligibility Date without regard to any potential or theoretical impact to the market value of the property from the existence and operation of the Facility. If the Company disagrees with the appraised value of the property provided by Participant, then the Company may, within ninety (90) days, obtain a second, independent appraisal of the property, at the Company's expense. If the second appraisal results in an appraised value of the property which is less than the first appraisal by more than five percent (5%) of the first appraisal value, then the average of the two appraisals will constitute the fair market value of the property for purposes of this Program.

5. Property Value Protection. To be eligible for the property value protection provided under this Program, the Participant's eligible property (a) must be offered or listed for sale and actively marketed by the Participant or a real estate broker at a price no less than the appraised fair market value determined by the appraisal method described in Section 4 above, and (b) must be sold to a *bona fide* purchaser for value. "*Bona fide* purchaser for value" means a third party not related by blood, marriage, or business association to the Participant, and with whom the Participant has entered into a good faith, arms length agreement in writing for sale and purchase of the property for a *bona fide* price. Upon closing of the sale of the Property and lawful conveyance of title to the *bona fide* purchaser, the Participant shall furnish the Company complete and accurate copies of the sales contract and all closing documents pertaining to the sale, including the deed or other legal instrument transferring title to the *bona fide* purchaser. If the Participant sells his or her property in this manner, and if the actual sales price is less than the fair market value of the property as determined under Section 4 above, then the Company will reimburse the Participant for the difference between such actual sales price, as shown in the closing documents, and the fair market value as determined by the appraisal method described in

Section 4. Unless the Company has notified the Participant that the information provided by the Participant is incomplete, or the Company has notified the Participant of an objection to the Participant's request for reimbursement due to a failure to comply with the terms of this Program, then the Company shall reimburse the Participant the amount due under the terms of this Section 5 no later than thirty (30) days from the Company's receipt of the Participant's request for reimbursement with the required documentation. This Program shall apply only to the first sale of an eligible property following the Effective Date. If the Participant is unable to sell the eligible property within twelve (12) months of the original listing date, provided the property has been actively marketed for sale during the full 12-month period, Company shall pay the Participant the difference between the appraised value determined in accordance with the provisions of Section 4 and the highest *bona fide* offer price received by the Participant during the 12-month period or other period of the listing for sale. Alternatively, the Company in such case shall have the option of purchasing the eligible property for the amount of such highest *bona fide* offer received by the Participant.

6. Term of Program. This Program shall remain in effect for a period of ten (10) years from the Effective Date. No Participant shall have any rights under the Program after that termination date, unless the Company has received from the Participant prior to that termination date the written notification and documentation of a *bona fide* sale of the Participant's property as required the provisions of Section 5.

7. Release. Each Participant, by and through his or her election to participate in this Program, agrees that such participation in this Program will be in lieu of any right of Participant to make or assert any legal complaint, claim, or demand alleging that the value of the Participant's property has been damaged or diminished due to the presence or operation of the

Facility. In consideration for the benefits of participation in this Program, the Participant may be requested by the written notification from the Company of the Participant's eligibility to participate in the Program, to execute a written waiver and release of all rights to assert any such complaint, claim, or demand, against the Company, in consideration of the Participant's election to exercise the rights granted by this Program.

8. Wherever used herein, the term "Company" shall have the meaning given that term in the Host Agreement. As used herein the term "Participant", with respect to any property having more than one legal owner, shall be deemed to include all such owners, provided that each legal owner shall have elected to participate in the Program in accordance with the provisions in Section 3 hereof.