

Between

SAN JACINTO COUNTY, TEXAS

And

THE POLK COUNTY WASTE MANAGEMENT CENTER

For Landfill Services

WHEREAS the Polk County Commissioner's Court owns the Polk County Waste Management Center of Polk County, Texas and Santek Environmental of Texas, LLC operates a Type I Sanitary Landfill at the Center, located 3.5 miles west of Leggett, Texas under the Texas Natural Resource Commission Permit #1384, issued January 12, 1983 and

WHEREAS it is the stated desire of Polk County and Santek Environmental of Texas, LLC to provide these facilities and services, especially to other governmental entities through the provisions of the Interlocal Governmental Act, then...

THEREFORE, let it be known that SAN JACINTO COUNTY, TEXAS represented by the County Judge and Commissioner's Court, herein referred to as "CUSTOMER," desires to enter into an agreement with POLK COUNTY and SANTEK, herein referred to as "COUNTY REPRESENTATIVE," for landfill services under the following terms and conditions:

SECTION 1. BASIC CONTRACTUAL AGREEMENT

BEGINNING on or before March 1, 2008, and continuing for a period of 67 months from this date, CUSTOMER agrees to bring COUNTY REPRESENTATIVE all of CUSTOMERS waste. After a period of 30 months, CUSTOMER and COUNTY REPRESENTATIVE may review the terms and conditions of this contract to address any issues.

SECTION 2. STIPULATION OF RATES

Based on the term of agreement identified in SECTION 1 above, the CUSTOMER is eligible for a volume discount rate of \$5.89 per cubic yard, inclusive of current applicable State Fees, and subject to the following provisions:

- A. CUSTOMER and COUNTY REPRESENTATIVE agree that the stated rate identified in Section 2 is inclusive of any and all State Fees applicable to the disposal of

solid waste as of the date of this agreement. CUSTOMER and COUNTY REPRESENTATIVE agree and understand that should any State Fees be increased or any other governmental fees become applicable to the disposal/processing/and or treatment of solid waste subject to this agreement, subsequent to the effective date of this agreement, those fees will be passed through to the CUSTOMER as applicable.

B. CUSTOMER agrees that the rates stipulated in this SECTION are applicable only to waste processed at the CUSTOMER'S solid waste collection stations and will not apply should the CUSTOMER process its waste through a transfer station.

C. CUSTOMER agrees and understands that the COUNTY REPRESENTATIVE may, based on its cost of operations, increase the stated volume discount rate pertaining to the following schedule of rate increases. The CUSTOMER agrees that during the term of this agreement the CUSTOMER will reimburse the COUNTY REPRESENTATIVE for its proportionate share of any increased expenditures required by federal, state or local law, regulation, rule, ordinance, order, permit or permit condition that becomes effective after the date of this agreement. The COUNTY REPRESENTATIVE shall adjust the rate as of the listed schedule to reflect increases in the Consumer Price Index (new series)(the "United States City Average All Items For All Urban Consumers CPI-U, 1982-84=100"), as issued by the Bureau of Labor Statistics of the United States Department of Labor (the "Price Index"). The adjusted rate shall be established for the year following each July 1st by multiplying each component of the rate by a fraction, the numerator of which is the Price Index for the last full calendar month preceding the most recent anniversary date, and the denominator of which is the Price Index for the last full calendar month preceding the Commencement Date. If publication of the Price Index is subsequently discontinued, the parties shall thereafter accept comparable statistics on the cost of living increases for the United States as they shall be computed and published by an agency of the United States or by a responsible financial periodical of recognized authority then to be selected by the parties. In this event, or in the event that the Price Index is no longer published annually for the last full calendar month preceding the Commencement Date, there shall be made a method of computation herein provided such revisions as the circumstances may require to carry out the intent of this Section 2.

Schedule of rate increases:

March 1, 2008 – February 28, 2009: \$5.89 Cubic Yard
 July 1, 2009 and each anniversary date thereafter on July 1st of each concurrent year, a CPI adjustment shall be made until the end of this agreement.

SECTION 3. TERMS OF PAYMENT

CUSTOMER understands and agrees that the COUNTY REPRESENTATIVE shall bill the CUSTOMER for landfill services/capacity by the 10th of each month following the prior month's services, and payment is expected by the end of that same month. Payment not received

on or before the last day of the billing month will be subject to a 1.5% (one and one half per cent) late payment penalty to be assessed and payable on the subsequent month's statement. The CUSTOMER further understands and agrees that such late payment penalty shall be compounded each month thereafter for up to 90 days, and if full payment is not received at the end of the 90 days, CUSTOMER shall be subject to the default provisions of the agreement.

SECTION 4. LANDFILL FACILITY ACCESS AND SERVICE AVAILABILITY

COUNTY REPRESENTATIVE agrees to make the landfill facility and services available to the CUSTOMER five days a week, Monday through Friday, 7:30 a.m. to 4:00 p.m. and on Saturdays from 8:00 a.m. to 11:00 a.m., with the exception of the following official holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. These hours are subject to change in relation to the permit and or contractual agreement with POLK COUNTY. COUNTY REPRESENTATIVE will agree to open the landfill on days other than regular operating days in case of emergency and when special conditions/circumstances dictate the opening, and on request of the CUSTOMER. A rate of \$500.00 per day, plus regular agreement fees will be required by the COUNTY REPRESENTATIVE for these exceptions.

SECTION 5. ACCEPTANCE OF WASTE DISPOSAL AT LANDFILL SITE

COUNTY REPRESENTATIVE agrees to receive the CUSTOMER'S vehicles and assist in discharging the waste onto the working face of the disposal area, without undue delay, and to insure a speedy turn around for the vehicle making the delivery. CUSTOMER understands and agrees to fully comply with all rules, regulations and laws governing solid waste, as imposed on said entities and their facilities by the State of Texas or Federal Government that may have authority over the control and management of solid waste as authorized by law. Any waste declared "unauthorized," by State or Federal laws, and not appropriate for disposal in a Type I Landfill, shall not be delivered to the facility by CUSTOMER for processing or disposal. CUSTOMER understands that Subtitle D of the Resources Conservation and Reclamation Act of 1976, requires facility personnel to conduct random waste screenings. CUSTOMER agrees that in the event that unacceptable waste is discovered in the CUSTOMER'S load at the time of discharge, the CUSTOMER'S official representative will be notified immediately, and the CUSTOMER shall be responsible for the removal of said unauthorized waste to an appropriate facility. However, the CUSTOMER may at the CUSTOMER'S option request the COUNTY REPRESENTATIVE to remove said unauthorized waste to an appropriate facility, with all costs associated with said removal/ processing and disposal of said unauthorized waste to be executed at the complete and total expense of the CUSTOMER.

SECTION 6. TERM AND TERMINATION OF AGREEMENT

This agreement shall commence on March 1, 2008. The initial term of this agreement shall be from the commencement date of this agreement through September 30, 2013.

Either party shall have the right to terminate this agreement upon thirty (30) day's prior written notice to the other party in the event of a material breach by such other party. In the event such a breach has not been cured within such 30-day period, all rights and obligations hereunder shall terminate, except the payment obligations under Sections 2 & 3, that are then outstanding and except as otherwise provided by this agreement. In addition, this agreement shall be subject to cancellation in the event that any regulatory authority having jurisdiction over the landfill closes the facility or the landfill operations agreement between COUNTY REPRESENTATIVE and POLK COUNTY is terminated.

SECTION 7. RENEWAL/NONRENEWAL OF AGREEMENT

Both parties agree that 90 days prior to the appropriate expiration date of this agreement, either party may notify the other party of its intent not to renew this agreement.

SECTION 8. CONTRACT ASSIGNABILITY

The CUSTOMER expressly understands that this agreement shall not be assignable or transferable to another party, without the full knowledge of, and prior approval of the COUNTY REPRESENTATIVE, which approval (a) shall not unreasonably be withheld, and (b) if approval cannot be reasonably withheld by the COUNTY REPRESENTATIVE, approval shall be timely given.

SECTION 9. RESOLUTION OF DISPUTES

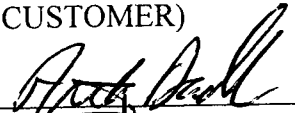
Both Parties agree that this agreement exists for the mutual benefit of both Parties, and as such a bond of trust exists between both Parties to extent said mutual benefit exists between both Parties. In the event of any misunderstanding, disagreement or dispute between the CUSTOMER and the COUNTY REPRESENTATIVE, both Parties agree to enter into discussions to resolve said misunderstandings, disagreements or disputes. COUNTY REPRESENTATIVE and CUSTOMER agrees to consider any and all just requests of the other Party, and when possible, agree to seek solutions of mutual benefit without the incurring of any undue or extraordinary expenses by either Party.

SECTION 10. CONTRACT PERFORMABILITY

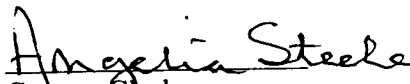
The obligations and undertakings of each of the parties to this agreement shall be performable in Polk County, Texas.

Agreed to and accepted this 22nd day of April, 2008.

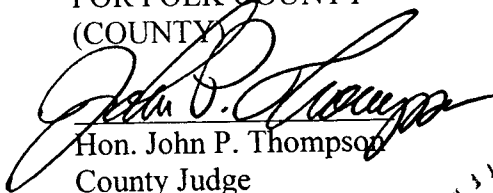
FOR SAN JACINTO COUNTY
(CUSTOMER)


Hon. Fritz Faulkner
County Judge

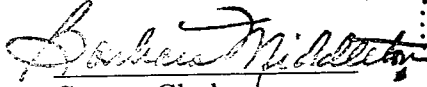
Attest:


County Clerk
San Jacinto County

FOR POLK COUNTY
(COUNTY)


Hon. John P. Thompson
County Judge

Attest:


County Clerk
Polk County



REPRESENTATIVE FOR POLK
COUNTY

Santek Environmental of Texas, LLC.

