

COPY

STATE OF TEXAS §
 §
COUNTY OF POLK §

ORDER APPROVING SECOND ADDENDUM TO LANDFILL AND MUNICIPAL SOLID WASTE SYSTEM OPERATING AGREEMENT


WHEREAS, Polk County, Texas has an Operating Agreement with Santek Environmental of Texas, LLC for the operation and maintenance of the Polk County Solid Waste Landfill; and

WHEREAS, the collection and marketing of landfill gas from the Solid Waste Landfill would provide an environmental sound energy source and additional revenue to Polk County;

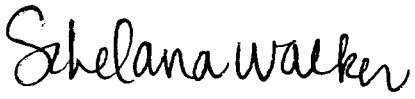
Upon consideration of the attached Second Addendum to Landfill and Municipal Solid Waste System Operating Agreement (this "Addendum"), It is hereby **ORDERED** as follows:

1. Pursuant to Section 262.024, Local Government Code, the approval of the attached Addendum is necessary to preserve and protect the public health or safety of the residents of the county; and
2. The attached Addendum is hereby approved and the County Judge of Polk County is authorized to execute and deliver the Addendum.

Read and Adopted by a vote of 5 ayes and 0 nays on this _____ day of 8th day of June, 2010.


 John P. Thompson
 Polk County Judge

ATTEST:



 Polk County Clerk



COPY

**SECOND ADDENDUM TO LANDFILL AND MUNICIPAL SOLID
WASTE SYSTEM OPERATING AGREEMENT**

THIS SECOND ADDENDUM (this "Addendum") is entered into as of the 8 day of June, 2010, by and between POLK COUNTY, TEXAS (the "County"), a municipal entity created under the laws of the State of Texas and the entity having legal jurisdiction over the ownership and management of the Polk County Municipal Solid Waste System, and SANTEK ENVIRONMENTAL OF TEXAS, LLC, a limited liability company organized under the laws of the State of Texas ("Contractor"), which is authorized and licensed to do business in the State of Texas.

RECITALS:

WHEREAS, the County and Contractor entered into that certain Landfill and Municipal Solid Waste System Operating Agreement (the "Agreement") as of December 1, 2001, amended September 1, 2006, wherein the County has contracted with the Contractor for the general operation and maintenance of the Polk County Type I Solid Waste Center Landfill, as expanded (the "Landfill");

WHEREAS, the County desires to supplement the Agreement to provide for the collection, management and marketing of Landfill Gas (as defined hereafter) in order to more efficiently manage and operate the Landfill, to improve the environment for Polk County, and to generate additional revenue for the County;

WHEREAS, pursuant to Section 3.3(e) of the Agreement, the County reserved the right to collect, manage and market Landfill Gas;

WHEREAS, the County and Contractor wish to amend and supplement the terms of the Agreement in order to provide for the performance and financing of the activities necessary to collect, manage and market Landfill Gas; and

NOW, THEREFORE, FOR AND IN CONSIDERATION of the foregoing premises and other considerations the receipt and sufficiency of which are hereby acknowledged by the parties, the County and Contractor do hereby agree as follows:

1. **Definitions.** The terms used in this Addendum shall have the meanings ascribed to them in the Agreement, except expressly otherwise defined herein. This Addendum adds the following definitions to the Agreement:

(a) **Environmental Attributes.** Any benefits, credits, emission reductions, offsets and allowances howsoever entitled, attributable to the Landfill, regardless of now existing or hereafter arising, including without limitation such attributes from the collection of Landfill Gas, destruction of Landfill Gas, displacement of fossil fuel use via generation of energy from Landfill Gas, and/or the sale of Landfill Gas, including without limitation greenhouse gas credits, carbon dioxide credits, renewable energy certificates or credits, tax credits, or similar credits or off-sets that can be sold, traded, or that generate or give rise to an economic benefit.

(b) Gas Facility(ies). Any Landfill Gas collection and management system(s), gas transportation facility(ies) and/or an electric generation facility(ies) and the equipment relating thereto.

(c) Landfill Gas Operations. Landfill Gas Operations collectively includes any and all activities determined by Contractor to be necessary or desirable to collect, manage and/or market Landfill Gas, to generate electric or other energy from Landfill Gas, and/or create Environmental Attributes, including without limitation (i) the design, construction and installation of Gas Facilities, (ii) the operation and maintenance of Gas Facilities and any ancillary equipment thereto (including project design, verification and validation), (iii) any necessary permitting or licenses related to the collection and/or marketing of Landfill Gas, (iv) the marketing and contracting for the sale of Landfill Gas, electric energy and any Environmental Attributes, and (v) any other activities incidental to any of the forgoing.

(d) Landfill Gas. Landfill Gas collectively and individually means any and all gases generated by, arising from or related to the Landfill, including without limitation methane, carbon dioxide and other gases produced by the decomposition of matter in the Landfill cells or otherwise emanating from the Landfill.

(e) Gross Revenue. Shall mean any and all actual receipts from the sale of Landfill Gas, electric or other energy generated from Landfill Gas Operations and/or Environmental Attributes, without deduction for the costs of producing such receipts; provided, that Gross Revenues shall not include: (i) any receipts generated from or related to the Solid Waste disposal operations at the Landfill pursuant to the Agreement, or otherwise arising under the Agreement, (ii) non-operating revenues such as interest income or income from the sale of Gas Facilities or related assets, (iii) setoffs, allowances or discounts between Contractor and the appropriate governmental agencies or third-party customers, (iv) all proper billing credits and adjustments according to generally accepted accounting principles relating thereto, and (v) federal, state or local excise taxes and any other tax based upon or measured by such revenues that is added to or made a part of the amount billed to third-parties or other recipients of such services or goods, whether included in the billing or stated separately.

2. Landfill Gas Obligations. Contractor shall perform at its sole cost and expense all Landfill Gas Operations during the term of the Agreement (the "Landfill Gas Obligations"). The County, as owner of the Landfill and all rights related thereto, hereby exclusively and fully empowers and authorizes Contractor to perform the Landfill Gas Obligations, and to market, contract, trade and/or sell Environmental Attributes and energy generated by Landfill Gas. The County agrees that Contractor's rights hereunder are exclusive throughout the Term of the Agreement.

3. Intent; Covenant to Cooperate. The County and the Contractor agree that the intent of the Agreement, as set forth in Section 3.1 thereof, be expanded to include the collection, management and marketing of Landfill Gas. The County agrees that its obligations to work in good faith with Contractor to facilitate Contractor's performance of the Agreement, as set forth

in Section 3.3(a) thereof, includes the County's agreement to work in good faith to cooperate with and facilitate Contractor's performance of the Landfill Gas Obligations, including without limitation, the covenant to reasonably cooperate with Contractor in its efforts to finance the performance of Landfill Gas Obligations. County further expressly agrees that it shall not take or allow any action that would cause Contractor to breach any contract or other arrangement between Contractor and a purchaser of Landfill Gas, energy generated from Landfill Gas, and/or Environmental Attributes, unless such action is expressly required by applicable law.

4. Consideration to Contractor. In consideration of the performance of the Landfill Gas Obligations, the County agrees that any and all Gross Revenue shall be paid to or retained by Contractor.

5. Consideration to the County. The County shall be entitled to an amount equal to six percent (6%) of Gross Revenue ("Additional Host Fees"). Contractor agrees to pay the County each year during the Term of the Agreement the Additional Host Fees due from the Gross Revenue received by the Contractor during the previous calendar year. Contractor's payment to the County shall be made on or before February 15 of each year. Contractor agrees to provide County with quarterly statements setting forth pertinent information regarding Landfill Gas Operations and Gross Revenue.

6. Assignment. Notwithstanding the provisions of Section 12.2 of the Agreement, the County agrees that Contractor may assign, delegate and/or subcontract this Addendum and/or all or any part of its Landfill Gas Obligations and its rights with respect thereto under this Addendum to any affiliate of Contractor designated from time to time in writing to County.

7. Viability of Landfill Gas Operations. Contractor shall use commercially reasonable efforts to generate revenue from the collection, management, and marketing of Landfill Gas in an amount sufficient to exceed the costs of performing the Landfill Gas Obligations; provided, that Contractor has the right at its option to terminate this Addendum upon thirty (30) days written notice to the County in the event that in Contractor's discretion the Landfill Gas Obligations cannot be performed in a commercially viable manner.

8. Ownership of Gas Facilities. Any and all Gas Facilities placed on the Landfill will be owned by Contractor; provided, that at the end of the Term, the County has the right to purchase any or all Gas Facilities from Contractor at the then established fair market value by providing Contractor written notice of its election to purchase such Gas Facilities prior to the end of the Term.

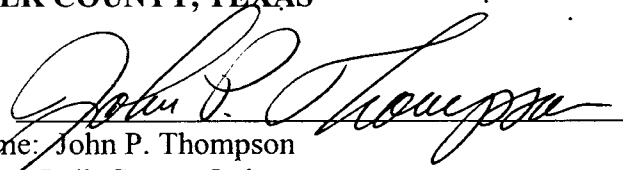
9. Permitting of Landfill Gas Operations. Consistent with the requirements of Section 4.1 of the Agreement, Contractor will be responsible for the proper permitting of any and all Landfill Gas Operations and to the full extent practicable any and all such permits relating to the operation of the Landfill will be issued in the name of the County; provided, that the County will reasonably cooperate and provide assistance to Contractor in obtaining any and all such permits.

10. Incorporation into Agreement. The parties hereby agree that the Landfill Gas Obligations under this Addendum are incorporated into the Agreement by reference and become part of the Work thereunder.


11. Agreement Remains in Effect. Except to the extent expressly amended by the terms of this Addendum, the terms and conditions of the Agreement remain in full force and effect, and the parties hereto acknowledge and ratify the validity and enforceability of this Addendum and the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Addendum as of the day in your first above written.

POLK COUNTY, TEXAS

By: 
Name: John P. Thompson
Title: Polk County Judge

SANTEK ENVIRONMENTAL OF TEXAS, LLC


By: _____
Edward A. Caylor, President