

Business Terms and Conditions OWRRS Project

The following are general business terms and conditions for an agreement between Kurtz Brothers, Inc. or its assignee [affiliated company] (KBI), the City of Columbus and the Solid Waste Authority of Central Ohio (SWACO) for the design, construction and operation of an Organic Waste Recovery and Reuse System (OWRRS) project to process municipal sewage sludge, food waste, animal waste, yard waste and other organic material.

- At KBI's option, the City of Columbus shall deliver an amount not to exceed 25,000 wet tons/year of biosolids to the OWRRS. The biosolids will be mixed in various blend ratios and varying percent solids content consistent with the RFP. The biosolids will be provided "as is" as it is extracted from the sludge silo. City of Columbus shall pay KBI at the following rates:
 - Year One - \$45.00/wet ton
 - Year Two - \$40.00/wet ton
 - Year Three - \$35.00/wet ton
 - Year Four - \$30.00/wet ton
 - Year Five - \$25.00/wet ton
 - Years Six – Ten - \$20.00/wet ton
- Subsequent to KBI's notification to the City of Columbus that its base load is no longer needed, upon request of the City of Columbus KBI will use best efforts to accept biosolids from the City of Columbus at a rate not to exceed the current posted rate at the SWACO landfill or the lowest unit price accepted by KBI from any other customer for biosolids processing, whichever is lower.
- KBI shall accept Fats, Oils and Grease (FOG) at an initial price not to exceed 16 cents per gallon or the current City of Columbus rate at the time of commencement of commercial operations of the OWRRS. KBI shall hold this price for the first year of operation. Future price changes shall be by mutual agreement of KBI and the City of Columbus.
- The OWRRS project will be designed, constructed and operated by KBI at Scioto Downs in Franklin County, Ohio or at an alternative site acceptable to SWACO and the City of Columbus.
- The project will have a minimum design throughput capacity of 25,000 wet tons/year of organic waste with a maximum potential throughput capacity of up to 35,000 wet tons/year.
- KBI will secure financing for the project utilizing Industrial Revenue Bonds, or other financial instrument, utilizing the full faith and credit of KBI backed

by a bank letter of credit. SWACO will assist KBI in obtaining tax exempt project financing by acting as a conduit for the issuance of revenue bonds, or other similar financial instrument, backed by the full faith and credit of KBI. SWACO will not act as cosignatory on any bond issue, or similar financial instrument, that obligates SWACO in the event of default by KBI.

- SWACO will contract with KBI for project processing services over a ten year period with one five year option mutually acceptable to KBI and SWACO the parties that will commence upon securing financing for the project and startup of operations.
- SWACO and the City of Columbus will assist KBI in promoting public awareness of the availability of the project as a viable technical and economic alternative to the Franklin County Sanitary Landfill for disposal of organic waste material and beneficial use.
- SWACO pay for yard waste delivered under its District program to KBI for processing and reuse/energy recovery at the unit rate of \$17 per ton upon project contract execution and \$15 per ton upon startup of project operations. If the project is not operational within one year of contract execution, the unit rate will be \$16 per ton upon the one year anniversary of contract execution until such time as operations commence. The unit rate will then remain at \$15 per ton for the ten year term of the service agreement.
- SWACO agrees to pay the City of Columbus the lowest competitively bid price for yard waste processing for any acceptable City of Columbus generated residential yard waste delivered to the City Compost Facility.
- SWACO will retain its rule banning acceptance of yard waste at the Franklin County Sanitary Landfill throughout the duration of the ten year term of the service agreement.
- When the OWRRS commences commercial operations with respect to acceptance of FOG, the City of Columbus shall ban deliveries of FOG to its Trucked Waste Disposal Facility.
- The City of Columbus, SWACO and KBI will use its best efforts to assure that organic waste materials is managed in the most environmentally sound and cost-effective methods for the community.