

HOST COMMUNITY AGREEMENT

This Host Community Agreement is made this the 9 day of April, 2013 by and between Groot Industries, Inc. (the "Company"), and Lake County, Illinois ("Lake County").

WITNESSETH:

WHEREAS, the Company desires to file with the Village of Round Lake Park, Illinois a request for siting approval to construct and operate a transfer facility (the "Transfer Facility") on some or all of the property that is legally described in Exhibit A (the "Subject Property"), which is attached hereto and made a part hereof; and

WHEREAS, the Company desires to provide certain benefits to Lake County with respect to the Transfer Facility if the Transfer Facility obtains all required approvals and satisfies all conditions precedent set forth herein; and

WHEREAS, if the Village of Round Lake Park grants siting approval for the Transfer Facility, the Illinois Environmental Protection Agency issues appropriate and necessary permits for the development and operation of the Transfer Facility on the Subject Property, and the Transfer Facility is constructed, commences operations and receives waste, then the Company is willing to afford certain benefits as set forth herein to Lake County; and

WHEREAS, Lake County generally favors (in concept) properly designed and operated Transfer Facilities, which can be of great benefit and can facilitate and enhance

the clean, efficient, lawful, convenient and economical movement of municipal waste and recyclables from homes, businesses and industries; and

WHEREAS, all words used in this Agreement, which are not defined herein, but are defined in the Act and its corresponding regulations shall have the same definitions and meanings as found in the Act and its corresponding regulations in effect on the date of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lake County, and the Company agree as follows:

1. INCORPORATION OF RECITALS

Lake County and the Company agree that the foregoing recitals are material to this Agreement, and are hereby incorporated and made a part of this Agreement as if they were fully set forth herein.

2. DEFINITIONS

“Act” means the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*

“Agreement” means this Host Community Agreement.

“Anniversary Date” means the date that Municipal Waste or Recyclables are first received at the Transfer Facility.

“Application” means the Company’s Application for siting approval for the Transfer Facility pursuant to Section 39.2 of the Illinois Environmental Protection Act (415 ILCS 39.2).

“Authorized Waste” means Municipal Waste, Landscape Waste and Recyclables as defined by Section 2 of this Agreement.

“Company” means Groot Industries, Inc. an Illinois corporation authorized to do business in Illinois.

“County” shall mean Lake County, Illinois, a local unit of government.

“Host Benefit Fee” means the per ton fee payable to Lake County, commencing on the Anniversary Date, as more fully set forth in Section 6 herein.

“Host Benefit Fee Adjustment” means the upward adjustment of the Host Benefit Fee, as set forth in Section 6(c).

“Landscape Waste” means landscape waste as defined in Section 3.270 of the Act.

“Municipal Waste” means garbage, general household and commercial waste, industrial lunchroom or office waste, landscape waste, construction or demolition debris, in accordance with Section 3.290 of the Act. Further, the term municipal waste does not include any: 1) hazardous substance, as defined by Section 3.215 of the Act, 2) hazardous waste, as defined by Section 3.220 of the Act, 3) industrial process waste, as defined by Section 3.235 of the Act, 4) pollution control waste, as defined by Section 3.335 of the Act, 5) sludge, as defined by Section 3.465 of the Act, and 6) special waste, as defined by Section 3.475 of the Act. Municipal Waste includes non-hazardous industrial wastes.

“Operating Year” means the year commencing on the Anniversary Date.

“Parties” means Lake County, and Company.

“Recyclables” means any material, which would otherwise be disposed or discarded, which is separated from Municipal Waste at the source of generation or at the Transfer Facility so as to render it useable in a process, or alone, such that it can be returned to the economic mainstream in the form of raw materials or products.

“Subject Property” means the site described and shown in Exhibit A.

“Lake County” shall mean Lake County, Illinois, a unit of local government.

“Transfer Facility” means “transfer station” as defined by Section 3.500 of the Act, including the property on which the transfer station is located, which may include some or all of the property as described and shown in Exhibit A.

“Waste Subject to the Host Fee” means Municipal Waste, as defined herein, and any other material that is received by the Transfer Facility to the exclusion of only Landscape Waste and source-separated Recyclables collected curbside. Landscape Waste and source-separated Recyclables collected curbside shall be included within Waste Subject to the Host Fee if they are transported to a landfill or other disposal facility.

3. TERM OF AGREEMENT

This Agreement commences on the date of execution, and shall remain in force and effect until the Transfer Facility ceases to operate. The Company agrees to exercise all commercially reasonable efforts to operate the Transfer Facility for a minimum of twenty (20) years. In addition, this Agreement will terminate if: (1) the Company elects (in writing) to cease its efforts to site a transfer station on the Subject Property, (2) if the Company ceases to use all reasonable and timely efforts to site a transfer station on the Subject Property, or (3) the Company ceases to use all reasonable and timely efforts to

commence operation of the transfer facility after (if ever) it receives final, nonappealable siting approval for the transfer facility.

4. AUTHORIZED WASTE

The Transfer Facility shall receive only waste that is acceptable pursuant to permit issued by the Illinois Environmental Protection Agency, which is anticipated to include Municipal Waste, Landscape Waste, and Recyclables (“Authorized Waste”). The Transfer Facility shall not knowingly receive any hazardous substance or hazardous waste, as those terms are defined in the Act. If any waste, other than Authorized Waste, is received at the Transfer Facility, it shall be promptly removed from the waste stream and transferred to an appropriate facility to be legally recycled or disposed of within an appropriate timeframe or placed back on the vehicle that transported said waste to the Transfer Facility. “Authorized Waste” as defined herein shall include Recyclables.

5. HOST BENEFIT FEE

a. Host Benefit Fee. The Company shall pay Lake County a Host Benefit Fee, commencing on the Anniversary Date and continuing thereafter for the term of this Agreement on each ton of Waste Subject to the Host Fee as defined herein. The Host Benefit Fee shall be calculated in accordance herewith. Such Host Fee shall be paid in lieu of any other solid waste surcharge or assessment otherwise allowed by county, state or federal law (including, but not limited to Section 22.15(j) of the Act) to be assessed against the Company or the Transfer Facility, but shall not preclude Lake County from assessing and collecting (or attempting to assess and collect) any such fees or surcharges from the operator of a landfill in Lake County to which such Waste is sent for disposal. Lake County agrees that it will neither levy nor collect, or attempt to levy or collect any

additional fees or taxes, or increase the amount of fees or taxes impacting the Company, the Company's property or any of the operations conducted thereon, provided, however, that the foregoing restriction on the levy and collection of any additional fees or taxes by Lake County shall not apply to: (i) any fee or tax which is uniformly assessed upon all members of a class of taxpayers of which the Company is a member (other than a class of taxpayers based on ownership or operation of a waste transfer station or solid waste management facility), (ii) real estate taxes, (iii) ad valorem taxes similarly assessed on other property or operations, (iv) utility taxes (v) telecommunication taxes, (vi) any other fee or tax which the Company is obligated to pay pursuant to county, state, or federal law, or pursuant to the laws or regulations of any governmental entity with jurisdiction. If, despite the aforesaid, Lake County levies, collects or attempts to levy or collect a fee or tax prohibited by this Agreement, the Company, may (subject to Lake County's right to challenge the propriety of any such deduction/offset), elect to pay any such fee or tax, with written notice to Lake County and deduct the amount thereof from any Host Benefit Fee payable to Lake County pursuant to the terms and conditions of this Agreement.

b. Calculation. The Company shall pay Lake County a Host Benefit Fee on each ton of Waste Subject to the Host Fee in accordance with the following schedule:

Table A. Host Benefit Fee Schedule	
Daily Volume of Waste Subject to the Host Fee	Per Ton Fee
0 – 600 tons per day	\$.45
601 tons and above	\$.55

The Host Benefit Fee shall be calculated on a daily basis, and paid on a quarterly basis, and applied to each ton of Waste Subject to the Host Fee during the previous

quarter of each Operating Year. Each such quarter shall coincide with Lake County's fiscal year, which runs from December 1st of each year to November 30th of the following year. Operating days shall be determined as follows: each operating day Monday through Friday shall count as one (1) operating day, and Saturday shall count as one half (1/2) operating day.

The Host Benefit Fee shall not apply to any Recyclables or Landscape Waste transferred through the Transfer Facility that do not fall within the meaning of Waste Subject to the Host Fee, or to any waste accepted from Lake County at no charge to Lake County pursuant hereto, where such material would otherwise fall within the definition of Waste Subject to the Host Fee.

c. Host Benefit Fee Adjustment. The Host Benefit Fee shall be adjusted on an annual basis after the first three (3) years from the Anniversary Date of the Agreement by the percentage change during the previous calendar year in the Revised Consumer Price Index for All Items (Chicago-Gary-Kenosha) published by the United States Department of Labor Statistics, which shall not exceed three percent (3%) in any given calendar year. The Annual Host Fee adjustment shall be capped at three percent (3%) through the tenth (10th) year from the Anniversary Date of this Agreement. Thereafter the Annual Host Benefit Fee adjustment shall be capped at five (5%) percent. However, if the percentage change and the CPI is negative, it shall be treated as being unchanged. Should, at any time, such calculation in Exhibit B become impossible, the parties shall negotiate in good faith to agree on an alternative method as close as reasonably possible in terms of results to that provided in Exhibit B. Lake County shall have the right to inspect, audit and contest any determination made by the Company that the Host Benefit

Fee was not payable on any material transported from the Transfer Facility. Lake County may dispute any payment statement submitted by the Company within two (2) years of receipt of such statement. In any such dispute, the Parties agree that if the Company has failed to maintain the records required under this Agreement, the Company shall carry the burden of proving that the Host Benefit Fee was not payable on said material. During the pendency of any dispute, the Company shall under any circumstances and in all events pay the undisputed portion of any such Host Benefit Fee.

d. Payment. The Host Benefit Fee shall be payable to Lake County on a quarterly basis. Each quarter upon which the Host Benefit Fee is calculated shall coincide with Lake County's fiscal year, which runs from December 1st of each year to November 30th of the following year. Such quarterly payments shall be paid to Lake County by the 30th day following the end of each quarter. Each payment shall be accompanied by a report documenting the data and methodology used to determine the payment amount.

6. WEIGHING OF TRANSFER STATION RECEIPTS

For the purpose of calculating the Host Benefit Fee, the Company shall maintain and operate a certified scale, which shall be inspected and certified by the State of Illinois at the expense of the Company, at least once each calendar year.

7. RECORDS

a. The Company shall maintain daily records of the amounts and types of Authorized Waste received at the Transfer Facility. Such records shall be maintained for a period of at least two (2) years. Such records shall include disposal tickets or logs, showing the amount in tons of Authorized Waste brought into the Transfer Facility,

recycled material and/or other materials recovered from such Authorized Waste, and Waste Subject to the Host Fee for each truck transferring material from the Transfer Facility. In addition, records shall be kept and shall be provided to Lake County upon written request regarding: (i) the hours of operation of the Transfer Facility, and (ii) the amount of the Host Benefit Fee payable on each ton of Waste Subject to the Host Fee in each calendar quarter, and the total Host Benefit Fee payable during each calendar quarter.

b. Lake County shall have the right to audit the records of the Company upon five (5) business days notice. At Lake County and the County's discretion, the audit may be performed by an accountant or other consultant selected by Lake County and the County.

c. The Company covenants and agrees to fully cooperate with Lake County and its designee during any audit and/or inspection, to respond timely and fully to any questions or request, and to make pertinent Company employees available for interviews.

d. Where such audit determines that the Company has underpaid the Host Benefit Fee, the Company shall pay the reasonable cost of the audit if the Company has underpaid by 5% or more.

Upon reasonable notice, Lake County, its authorized agents and representatives shall be permitted to inspect such records maintained by the Company. Lake County shall also be permitted to inspect any and all records maintained by the Company concerning the Waste Subject to the Host Fee, compliance with this Agreement, and/or compliance with any and all applicable federal, state and local laws, statutes, regulations,

rules and/or ordinances relating to the operation of the Transfer Facility. The Company shall provide digital or hard copies of any records at its cost if requested by Lake County.

8. ENVIRONMENTAL BENEFITS

The Transfer Facility will reduce the amount of emissions otherwise generated by packer trucks by reducing the number of miles packer trucks need to travel within and around Lake County transporting waste for ultimate disposal. Reduced packer truck miles will also result in less wear and tear on Lake County roads, and also reduce the overall traffic impact and environmental impact of packer trucks within Lake County.

9. LAKE COUNTY SOLID WASTE MANAGEMENT PLAN

The 2009 *Solid Waste Management Plan Update for Lake County, Illinois* sets forth recommendations related to the development of transfer stations. For purposes of the Application for the Transfer Facility, the questions identified in Recommendation T.5 may be addressed by the Company in any section of the Application, provided that a table of reference is also included in the Plan Consistency portion of the Application.

Lake County has reviewed the life cycle assessment model prepared on behalf of the company and attended and participated in the public meeting hosted by the Village of Round Lake Park on March 6, 2013. Lake County finds that life cycle assessment model and this Agreement fulfill the requirements of Recommendation T.6 and Recommendation A.1 of the 2009 *Solid Waste Management Plan Update for Lake County, Illinois*, and the proposed Transfer Facility is therefore consistent with Recommendation T.6 and Recommendation A.1 of the Lake County Solid Waste Management Plan.

10. COMPLIANCE WITH LAWS

The Company shall strictly comply with all applicable laws, regulations and ordinances, as well as all final and non-appealable conditions of site location approval pursuant to Section 39.2 of the Act (should it be approved by the Village), as well as the terms, conditions, and requirements of any permit that is issued for the development and operation of the Transfer Facility and the terms and provisions of this Agreement.

11. TRANSFER FACILITY CONTROL MEASURES

a. Litter Control. The Company shall control litter by discharging and loading all waste within the enclosed portion of the Transfer Facility. The Company shall use its best efforts to assure that vehicles hauling waste to, or removing waste from the Transfer Facility shall be suitably covered so as to prevent waste from leaving the vehicles. A fence to aid in the interception of any blowing litter shall surround the Transfer Facility. The Company shall diligently patrol the Subject Property during hours of operation to collect any litter. In addition, the Company shall abide by the litter control plan approved by the Village of Round Lake Park as a result of the siting process. At a minimum the Company will diligently patrol and remove litter from the Subject Property, all property owned or controlled by the Company, and public street and corresponding right-of-way within 1,500 feet of the Subject Property on a daily basis. In addition, the Company shall, at a minimum, patrol and remove litter from property within five hundred (500) feet of the aforesaid public streets and corresponding rights-of-way with the permission of the owner of said property, which permission the Company will diligently attempt to obtain.

b. Dust Control. All access drives, parking areas, storage areas and vehicle-maneuvering areas on the Subject Property shall be paved. The Company agrees to provide a street sweeper to remove mud and dust tracked on to hard surfaces inside and

outside the Transfer Facility, on property owned or controlled by the Company as well as well as public roads and right-of-ways included within the roadway boundaries within, at a minimum, one thousand (1,000) feet of the Subject Property on an as needed basis, but not less frequently than daily. Further a misting system shall be provided to help control dust inside the transfer building.

c. Odor Control. The Company agrees to conduct all waste handling and transfer operations completely indoors and will not emit any noticeable odor beyond the Transfer Facility boundary. The Company further agrees to have the tipping floor free of waste by the end of each operating day and incorporate appropriate odor controls within the Waste Transfer Station Building. Further, an odor neutralization system shall be provided, which system shall be included within the facility's misting system.

d. Noise Control. All equipment utilized for operations shall be equipped with mufflers or other sound suppressing devices required for compliance with applicable State statutes and regulations. Transfer Station Building doors will remain closed each day from the hours of 4:00 am to 8:00 am, and shall only be opened during this time period to allow for the arrival and/or departure of vehicles to and from the Transfer Station Building.

e. Rodent/Vector Control. The Company shall retain a pest control service on an on-going basis to address the potential for infestation by rodents and other vectors, whereby such service shall inspect the Transfer Facility on an as needed, but no less than monthly, basis.

f. Fire Control and Prevention. The Transfer Facility shall be equipped with a sprinkler system that is designed in accordance with the requirements of the Greater Round Lake Fire Protection District.

g. Storage. No waste or other material shall be left on the floor inside the transfer building or outside the transfer building on the Subject Property overnight. Waste may be kept temporarily in transfer trailers for no more than 24 hours (except on weekends and holidays), provided that such trailers are stored indoors and suitably covered. Empty transfer trailers may be stored outdoors for no more than 24 hours (except on weekends and holidays). No outside storage of empty roll-offs, other waste containers, and/or packer trucks shall be allowed other than necessary to meet the ongoing operational needs and requirements of the Subject Property.

h. Traffic. The Company shall ensure that the Subject Property contains adequate queing space for vehicles waiting to access the Transfer Station Building. In addition, the Company shall (at its own expense) install such de-acceleration turning lanes as are necessary to minimize the impact on existing traffic flows.

i. Landscaping/Aesthetic Screening. The Company shall (at its own expense), implement a landscaping/aesthetic screening plan substantially the same as included and depicted in Exhibit C which is attached hereto and incorporated herein by this reference.

j. Minimum Measures. The various control measures contained herein represent minimum control measures which in no way limit the ability of the siting authority to impose further conditions upon siting approval, and/or limit the application of or ability of the primary host community to take any action regarding a nuisance and/or enforce any applicable law, ordinance or regulation.

k. The Company shall conduct all operations in a manner that does not cause a nuisance and is protective of the public health, safety, welfare and the environment.

12. INDEMNIFICATION

To the fullest extent permitted by law, the Company hereby agrees to defend, indemnify and hold harmless the County, its officials, agents and employees, against all injury in any way related to the Transfer Facility or the operation thereof, including, but not limited to all harm, deaths, loss, damages (personal or property), claims, suits, proceedings (administrative, judicial or otherwise), liabilities, judgments, costs of defense, expenses and fees including, but not limited to, attorney and expert fees, (all hereinafter collectively referred to as "injuries") which may in anyway accrue against the Lake County, its officials, agents and employees, regardless of whether those injuries result in whole or in part as a consequence of any action or approval by County or the acts or conduct of the Company, or its successors or assigns, its employees, agents, or subcontractors.

13. INSURANCE

The Company shall purchase and maintain or cause to be purchased and maintained in full force and effect at all times on and after the construction of the Transfer Facility and continuing at all times that waste is received at the Transfer Facility for the term of this Agreement the following insurance coverages:

- a. Commercial General Liability insurance in an amount not less than \$1,000,000 per occurrence and a combined limit of \$2,000,000.
- b. Excess liability insurance covering claims in excess of the underlying insurance described in Section 15 (a) above, with a \$3,000,000 minimum limit.

- c. Workers Compensation Insurance as required by Illinois law and regulations.
- d. Employer's Liability Insurance in the amount of \$1,000,000 per accident
- e. Environmental Impairment and Liability Insurance (both onsite and offsite) in an amount not less than \$1,000,000 per occurrence and a combined limit of \$2,000,000 in the aggregate.

14. NOTICES

Any notices to be given hereunder by either party to the other shall be in writing and be sent by personal delivery, by overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested. Such notice shall be deemed communicated when delivered or two (2) business days from the date of mailing whichever is earlier. Notices shall be addressed as set forth below, but each party may change its address by written notice to the other in accordance with this Section.

TO LAKE COUNTY AT:

County Administrator

Lake County Government

18 N. County Street – 8th floor

Waukegan, IL 60085

TO THE COMPANY AT:

Lee Brandsma

CEO

Groot Industries, Inc.

2500 Landmeier Road

Elk Grove Village, IL 60007-2627

15. ASSURANCE OF PERFORMANCE AND GUARANTEE

The Company shall take in timely fashion all steps that are necessary to insure the prompt and complete performance and satisfaction of all liabilities, obligations, payments and duties of any type, kind or sort which may arise by operation of federal, state and local statute, law, rule, directive, ordinance or mandate, as well as the terms and conditions of this Agreement.

16. COVENANTS RUN WITH THE LAND

The parties agree that the covenants, agreements and understandings contained in this Agreement, including without limitation the obligation to pay the Host Benefit Fee, touch and concern the Subject Property, and that such covenants, agreements, and understanding shall run with the Subject Property and any nonpayment hereunder shall constitute a lien on the Subject Property. The Company agrees that Lake County may prepare, and the Company shall promptly execute duplicate originals of an instrument, in recordable form, which will constitute a memorandum of Host Community Agreement, attaching an executed copy of this Agreement as an exhibit, and record such Memorandum in the Office of the Lake County, Illinois Recorder of Deeds.

17. PRIORITY GIVEN TO LAKE COUNTY WASTE

Commencing with the first day of operation and receipt of waste at the Transfer Facility, and continuing thereafter until the Transfer Facility ceases to operate and accept waste, the Company shall give priority to waste received from Lake County.

18. COMMENCEMENT OF OPERATIONS

Unless otherwise agreed to in writing, the parties agree that operation of the Transfer Facility and initial receipt of waste at the Transfer Facility shall not commence/start earlier than June 1, 2016.

19. SEVERABILITY

If a court of competent jurisdiction holds or adjudges any provision of this Agreement invalid, said judgment shall not affect, impair or invalidate the remainder of this Agreement, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of this Agreement that this Agreement would have been approved had such invalid provision, clause, sentence, paragraph, section, or part thereof not been included.

No amendment, modification or changes to this Agreement shall be effective unless the same shall be in writing and duly executed by Lake County and the Company.

20. GOVERNING LAW AND VENUE

The laws of the State of Illinois shall govern this Agreement. Venue for the purposes of any dispute which may arise between Lake County and the Company, shall be deemed to be the Circuit Court in and for Lake County, Illinois.

21. FORCE MAJEURE

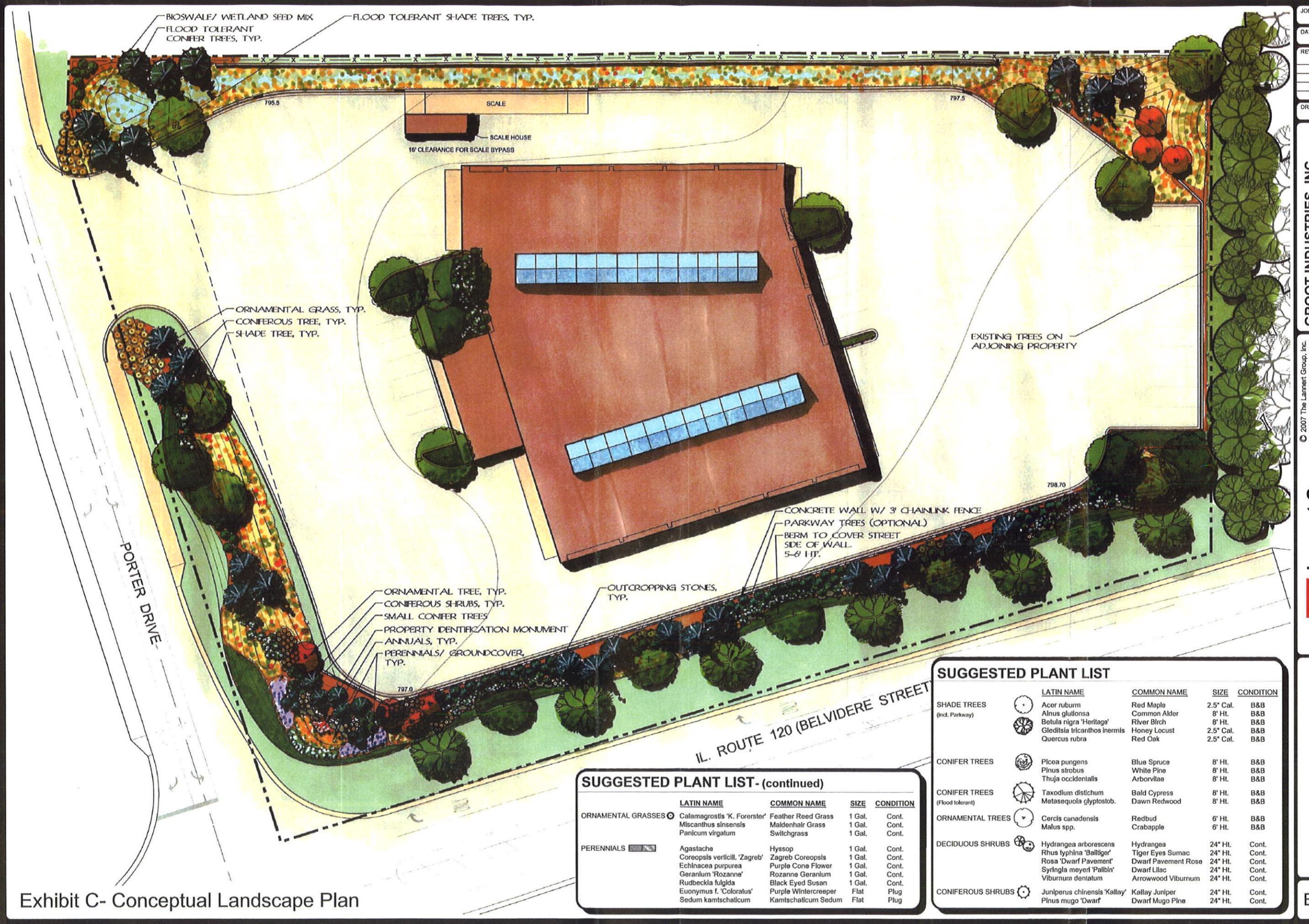
Neither Lake County or the Company shall be liable for its failure to perform under this Agreement to the extent due to contingencies beyond its reasonable control, including, without limitation, strikes, riots, war, fire, acts of God, compliance with any law, regulation or order, whether valid or invalid, of the United States of America or any

LAKE COUNTY

By: Jaron JauR
Its: Chairman

GROOT INDUSTRIES

By: 
Its: PRESIDENT



JOB NO.: 1003
DATE: 05.25.10
REVISIONS: 04.02.13

GROOT INDUSTRIES, INC.
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CONCEPTUAL LANDSCAPE PLAN
NORTH
SCALE 1"=20'
0 10 20 30 40 50 60

Exhibit C
1 OF 1