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Jelle

MATERIAL RECOVERY FACILITY CONTRACT AMENDMENT

THIS AMENDMENT made and entered into the 10th day of August, 2007 between the City of Greensboro, North Carolina ("City"), a municipal corporation with principal offices at 300 West Washington Street, Greensboro, North Carolina and FCR Greensboro, LLC ("FCR", formerly FCR Greensboro, Inc.), a Delaware limited liability company and a wholly owned subsidiary of FCR, LLC (formerly FCR, Inc.) with principal offices located at 809 W. Hill Street, Charlotte, North Carolina.

WITNESSETH:

WHEREAS, the City and FCR entered into a Material Recovery Facility Contract ("the original Contract") on August 13, 1992; and

WHEREAS, the Contract has been amended by written amendment date June 30, 1993 ("First Amendment"), August 29, 1994 ("Second Amendment"), March 6, 1995 ("Third Amendment"), and March 28, 2002 ("Fourth Amendment") (the original Contract, together with these amendments being referred to herein as "the Amended Contract"); and

WHEREAS, the City continues to increase the amount of materials delivered to FCR for processing; and

WHEREAS, the City and FCR wish to continue with the recycling program established by the City, which the parties hereby acknowledge has requirements and features which are believed to be unique to the City; and

WHEREAS, FCR is committed to investing over \$400,000.00 in equipment upgrades this year to increase its ability to recover newspaper and OCC out of the mixed paper, resulting in an increased revenue share to the City; and

WHEREAS, in order to allow FCR the opportunity to get the return required on its aforementioned investment, the Amended Contract is further amended as provided for herein;

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. Capital Improvements. In order to help meet the objectives of the Contract Amendment, FCR will invest in capital improvements costing at least \$400,000.00 to increase its ability to recover newspaper and OCC out of the mixed newspaper. FCR will make the final equipment choice after it has determined the best vendor and technology to use for this application. Before any shut down of operations for capital improvements, the disposal/processing options will be developed by FCR and approved by the City.

FCR shall invest \$9,000.00 to buy new containers for the nine recycling drop-off sites. FCR shall also invest up to \$10,000.00 in a state of the art audiovisual, projection, and camera system. The new system will allow remote access from any computer with the appropriate software installed. Such system will also have the ability to record all activities at the facility 24 hours a day for three months.

2. Term. In order to allow FCR the opportunity to earn a return on its investment in the capital improvements that will be made as a result of this Contract Amendment, the parties have agreed to extend the term of the Amended Contract. Therefore, Paragraph II of the original Contract is hereby stricken and substituted in its place is the following:

Contract Term: The term of this contract shall be for a period beginning on July 1, 2007 up through and including March 31, 2013. If, by mutual agreement between FCR and the City, both parties are willing to continue under the same terms and conditions of the original contract and all current revisions or amendments, the parties have the option to extend this contract for an additional five-year period. Such agreement shall be based on negotiations initiated no later than November 31, 2012.

Notwithstanding the foregoing, the City shall have the right to terminate the Contract at an earlier date provided (a) the City gives FCR not less than 120 days written notice of such termination and (b) within 45 days of giving such notice of early termination, the City shall pay FCR an amount equal to the sum of the following:

- (a) The net book value of all new equipment added after the date of this Contract Amendment less depreciation, plus the current remaining net book value of all equipment added after the Fourth Amendment (March 28, 2002) less depreciation. (Note: the current estimated cost of proposed new equipment is \$ 419,000, to be put into service within nine (9) months of the signing of this Contract Amendment. The current net book value of all equipment added after the Fourth Amendment is \$ 556,121.)
 - (b) Assumption by the City of the property and building lease for the Facility (including responsibility for all payments under the lease due on and after the effective date of the termination of this Amended Contract) or payment by the City to FCR of a sum equal to all such lease obligations and liabilities. The parties further understand and agree, however, that FCR will not exercise its option to extend the lease for the Facility more than one hundred and twenty (120) days before the expiration of the lease term.
3. Fees and Revenue Sharing. FCR hereby agrees to reduce the tipping fee charged to the City from \$61.29 per ton to \$20.00 per ton. To provide a greater incentive for FCR to meet the City's objective to increase the recovery of recyclable material, the basis for the revenue share calculation shall be changed as follows. A revenue share

of 40% shall be allocated to the City after a trigger price of \$80.00 per ton for the average commodity revenue.

4. Bonus Threshold. The bonus threshold shall be adjusted from 1500 tons per month to 1800 tons per month. The City will continue paying FCR a \$20.00 per ton bonus for that portion of City commodities invoiced (City Tons to market) over the bonus threshold. In March of every year, the bonus threshold will be adjusted by 50% of the percentage change in increased total tons delivered to FCR by the City and its agents.
5. Rigid Containers. Rigid containers shall now be accepted from the City or its agents. Rigid containers includes all 1 and 5 gallon buckets with metal handles attached, lawn furniture, milk crates, garbage bins, plastic toys, and any and all rigid plastics.
6. Guaranteed Monthly Volumes. FCR shall lower the charge to the City for the Guaranteed Monthly Volumes to the tipping rate of \$50.00 per ton, as adjusted annually, per month for every ton under the guaranteed minimum of 2500 tons per month. The guaranteed shortfall fee is intended to compensate FCR for loss of revenue due to the loss of tonnage.
7. Effective Date. The terms and conditions of this Contract Amendment will become effective as of July 1, 2007.
8. Full Force and Effect. All other terms and conditions of the Amended Contract shall remain in full force and effect

IN WITNESS WHEREOF, the parties hereto have caused this Contract Amendment to be executed and their respective seals affixed by their duly authorized officers the date and year first above written.

CONSULTANT: FCR Greensboro, LLC

(Affix Seal Below)

By: Sam P. O'By Date: 8/10/07
President/ Vice President

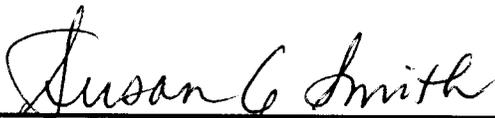
ATTEST: Dominic Carr Date: 8/10/07
Secretary/ Assistant Secretary

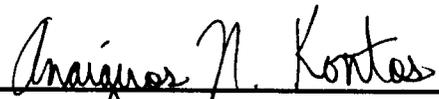
CITY OF GREENSBORO CONTRACT SIGNATURE AUTHORIZATION

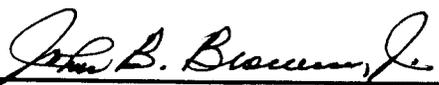
Vendor	Contract #	C/O	TrackingNumber
FCR Greensboro, LLC			16699
Service, Item or Project Description	Department		
Processing and recovery of recyclable materials.	Field Operations		
	Division		

✓  8-16-07
Department Head Recommendation/Authorization Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

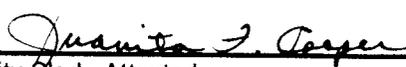
✓  8/20/07
Deputy Finance Officer Date

✓  8/20/07
City Attorney: Approved as to form Date

✓  8/21/07
Assistant City Manager: Authorized Date

Mayor: Executed Date

SEAL

✓
 8-21-07
City Clerk: Attested Date