



Materials Management Agreement

This Agreement made and entered into as of this 15th day of July, 2020 by and between Contractor and Customer.

C U S T O M E R	Customer Legal Name			
	Town of Lake Lure			
	Street Address			
	2948 Memorial Hwy.			
	City / Town	County	State	Zip Code
	Lake Lure		NC	28746
C O N T R A C T O R	Synagro Legal Name			
	Synagro Central, LLC (Synagro)			
	Street Address			
	435 Williams Court			
	City / Town	State	Zip Code	
	Baltimore	MD	21220	
T E R M	Commencement Date: July 15, 2020		Expiration Date: July 14, 2021	
	The "Term" of this Agreement shall be from the Commencement Date up to and including the Expiration Date. This Agreement and any extensions shall automatically renew on a year-to-year basis following expiration of the Term, until Contractor or Customer delivers notice to the other party of its intent to terminate the Agreement. Such notice must be delivered at least 30 days prior to the end of the then-current Term. If Contractor provides Contractor Services to Customer outside of the Term without another written agreement, then such services shall be deemed provided pursuant to the terms of this Agreement (other than the Term) and Customer's request for or acceptance of Contractor Services shall be deemed consent to the terms of this Agreement. No such provision of services by Contractor shall be deemed an agreement to provide any further services or extend the term of this contract for additional periods.			
B I L L I N G	Customer Contact Name		Telephone #	
	Town of Lake Lure		(828) 625-9983 Ext 102	
	Street Number / P.O. Box		Fax #	
	Address		Contact Person	
	2948 Memorial Hwy.		Samuel Karr	
			E-mail Address	
			findir@townoflakelure.com	
	City / State		Zip Code	
	Lake Lure, NC		28746	
S I G N A T U R E S	FOR CUSTOMER:		Date	
	Signature		7/27/20	
	Name and Title			
	C. SHANNON BALDWIN / TOWN MANAGER			
	FOR CONTRACTOR:		Date	
	Signature			
	Name and Title			

SCOPE OF SERVICES AND PRICING APPENDIX

Scope of Service.

See Attachment 1, Synagro's July 9, 2020 response to Customer's Invitation for Bid.

Customer Materials.

Per Customer's specifications, materials shall consist of non-hazardous municipal biosolids. Such material, after dewatering, shall be acceptable to a Subtitle D disposal facility and in compliance with all local, state, and federal requirements.

Estimated volume of material is 100 dry tons to be removed from two locations as indicated below:

- Sediment Basin – 85 dry tons
- Sludge Holding Tank – 15 dry tons

Method of Delivery of Customer Materials.

The Customer Material shall be delivered to Contractor "as is" contained in the Customer's normal processing vessels and infrastructure.

"Customer Facility" shall mean the following locations where Customer Material(s) are generated or stored:

182 Memorial Hwy, Lake Lure, NC 28746

Contractor right to refuse loads. If trucks or containers are loaded by Customer or its agents, Contractor has the right to refuse loads that are not within legal weight restrictions, are defective, or are not filled to mutually agreed-upon minimums or maximums.

PRICE

The Agreement Price(s) shall be as follows:

RATE	QUANTITY	UNIT	SERVICE
\$20,000.00	1	Lump Sum	Mobilization and demobilization of equipment and personnel resources
\$820.12	1	Dry Ton	Sludge removal and disposal

GENERAL TERMS AND CONDITIONS

1. Definitions. As used in this Agreement:

A. "Affiliate" shall mean any Person which, directly or indirectly, owns or controls, or is under common Customership or control with, or is owned or controlled by, such Person.

B. "Agreement" shall mean this agreement, and each and every exhibit, appendix and schedule attached hereto, and by reference made part of this Agreement.

C. "Agreement Price(s)" shall mean any one or, collectively, all the prices to be paid by the Customer to Contractor for Contractor Services.

D. "Authorizations" means all authorizations, permits, applications, notices of intent, registrations, variances, and exemptions required for the removal, transportation and land application of Customer Materials in compliance with all Laws.

E. Agreement shall consist of the following documents which Customer acknowledges receiving copies of:

1. The Agreement
2. Scope of Service and Price Appendix
3. General Terms and Conditions

F. "Contractor Facility" shall mean a facility operated or controlled by Contractor or an Affiliate of Contractor.

G. "Contractor Services" shall be those services described in Scope of Service and Price Appendix.

H. "Customer" shall mean the entity identified as Customer in the first paragraph of this Agreement and its permitted successors and assigns.

I. "Customer Material(s)" shall mean the materials generated by or stored at the Customer's Facility which are described in Scope of Service and Price Appendix, Section A. 2. and meet(s) the requirements set forth in Appendix 2.

J. "Governmental Authority" means any governmental authority including the United States of America and any State, local authority, political subdivision, agency, department, commission, board, bureau, court, tribunal having jurisdiction over this Agreement, Customer Material(s), or Contractor, Customer, or Customer Facility.

K. "Hazardous Materials" means any "petroleum," "oil," "hazardous waste," "hazardous substance," "toxic substance," and "extremely hazardous substance" as such terms are defined, listed, or regulated under Laws.

L. "Intended Use" shall mean any use, placement or disposal of Customer Materials pursuant to this Agreement including by example, land application, composting, deposit in landfill, or incineration.

M. "Laws" means any Authorization and any applicable federal, state, or local law, rule, regulation, ordinance, order, decision, principle of common law, consent decree or order, of any Governmental Authority, now or hereafter in effect.

N. "Non-Conforming Material(s)" shall mean material(s) which (i) fail(s) to meet the description or characteristics described in Appendices 1 and/or 2, or (ii) are Hazardous Materials, or (iii) contain a concentration of polychlorinated biphenyls equal to or greater than 50 milligrams per kilogram of total solids (on a dry weight basis) or (iii) contains PFOA/PFAS levels in excess of any federal or state guidelines or regulations.

O. "Party" shall mean either Customer or Contractor; "Parties" shall mean Customer and Contractor.

P. "Person" shall mean any partnership, corporation, Governmental Authority, trust or legal entity, as well as a natural person.

Q. "Term" shall mean the term of this Agreement including any extensions, as provided for in the Agreement.

3. Services. Contractor shall provide Contractor Services to Customer.

4. Price and Adjustments.

A. The Agreement Price(s) for Contractor Services is set forth in Scope of Services and Price.

B. Contractor will have no duty to handle Non-Conforming Materials unless Customer and Contractor mutually agree to terms including cost for the handling of such Non-Conforming Materials on a case-by-case basis. If Contractor discovers material is Non-Conforming

after it takes possession, then Customer shall reimburse all costs and expenses of Contractor in handling such Non-Conforming Material until Customer arranges for removal and transportation of such Non-Conforming Material for appropriate processing and disposal, plus 10% of such costs and expenses.

5. Customership of Materials. Customer shall retain all title to and Customership of the Customer Material and Non-Conforming Materials.

6. Rejection or Revocation of Acceptance of Materials.

A. Contractor shall have the right to reject any Non-Conforming Material prior to taking possession or revoking its acceptance after taking possession of any Non-Conforming Material, provided that Contractor notifies Customer by telephone or in writing of such rejection of Non-Conforming Materials promptly upon Contractor's discovery thereof. Any such notice of rejection not given initially in writing shall be promptly confirmed in writing to Customer. Contractor shall provide Customer with the documentation used to identify Customer Materials as Non-Conforming, and Customer shall have the right to re-test the Customer Materials.

B. Within twenty-four (24) hours after receipt of notice of rejection of Non-Conforming Material (or such longer period provided that Customer is acting with due diligence). Customer shall in accordance with Laws, arrange for and pay all costs associated with the testing, removal and transport of such Non-Conforming Material for appropriate processing and disposal. If Customer fails to remove Non-Conforming Material(s) within 10 business days of the date Customer is notified by Contractor, then Contractor shall have the right, but not the obligation, to remove, store, handle, transport, store, process and dispose of Non-Conforming Materials and Customer shall reimburse Contractor for all costs and expenses associated therewith, plus 10% of such costs and expenses.

C. Nothing in this section shall be construed to limit Customer's obligation to indemnify Contractor.

7. Change in Conditions Affecting Quality of Materials. Customer shall immediately notify Contractor of changes or irregularities related to the creation, processing or conditions that would reasonably be expected to affect the quality, character or composition of Customer Materials. Customer shall promptly furnish to Contractor any information regarding known or suspected changes in the composition or characteristics of the Customer Materials.

8. Record Keeping. Contractor shall maintain records of the Contractor Services to the extent Contractor is required by Law, and further, shall maintain records to the extent specifically set forth in Scope of Services and Price. Customer shall maintain records to the extent Customer is required by Law. Customer shall keep and maintain records showing all data necessary for computation of the invoiced amounts during the term of the Agreement and for eighteen (18) months after the termination of the Agreement. Customer shall, upon reasonable notice from Contractor, allow Contractor to inspect and copy all records reasonably necessary for Contractor to compute the amounts to be invoiced.

9. Terms of Payment. Customer shall pay Contractor the full amount due under any invoice within thirty (30) days of the date of the invoice. Any invoice amount not paid in full within thirty (30) days of the date of the invoice shall bear interest at the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the maximum legally permissible interest rate on any unpaid balance thereof. Interest shall be computed from the date of the invoice.

10. Default Termination.

A. In the event a Party seeks to terminate this Agreement because the other Party has failed to perform one or more of its material obligations hereunder, then the non-defaulting Party shall give a default notice to the defaulting party. Such default notice shall list with reasonable detail the nature of the default. Unless otherwise stated in Subsection B below, a defaulting Party shall have a right to cure a default within 10 days. If the defaulting Party fails to cure the default within 10 days after the receipt of the default notice, then this Agreement may be terminated by the non-defaulting party by delivery of notice of termination, effective on the termination date stated in in such termination notice.

B. Notwithstanding any provision herein to the contrary, Contractor may immediately terminate this Agreement upon notice to Customer if:

- (i) Customer fails to make full payment within 30 days of any invoice date;
- (ii) there is a change in or to the interpretation of any Laws which increases Contractor's risk or cost, or which would serve to delay Contractor's performance of Contractor Services;
- (iii) Contractor reasonably determines that performing Contractor Services will cause personal injury, or damage to a Party's facilities, equipment or operation, or will cause Contractor to be in violation of Laws, or will produce or cause to be produced a process byproduct that is classified as Hazardous Material(s); or
- (iv) Customer fails to provide the NANI or NANI Equivalent as provided for in Section 29.A.4.b. of this Agreement.

C. Non-Default Termination

If the Customer has exercised a discretionary right to early termination that is not based on default, the Contractor will be compensated for early termination costs, including but not limited to, recovery of capital costs, lost profit, demobilization costs, employment severance payments and cost to terminate subcontractors and equipment leases.

11. Indemnification.

A. Contractor shall defend, indemnify and hold harmless Customer, its directors, officers and agents from and against any and all claims, suits, actions, proceedings, liabilities, losses, damages, fines, penalties and expenses of every character whatsoever (including, but not limited to, liability for pollution, environmental or natural resource damage or restoration, nuisance, bodily injury, sickness and/or disease, including death, and loss of or damage to property), to the extent proximately caused by Contractor's negligence or breach of this Agreement. If any such suits, actions or proceedings are threatened or commenced, Customer shall promptly notify Contractor.

B. Customer shall defend, indemnify and hold harmless Contractor, its partners, directors, officers, employees and agents from and against any and all claims, suits, actions, proceedings, liabilities, losses, damages, fines, penalties and expense of every character whatsoever (including, but not limited to, liability for pollution, environmental or natural resource damage or restoration, nuisance, bodily injury, sickness and/or disease, including death, and loss of or damage to property), to the extent they arise out of: (i) Customer's failure to comply with any of its obligations under this Agreement; (ii) Customer's delivery of Non-Conforming Material to Contractor; (iii) Contractor's acceptance, handling, use or application of Non-Conforming Material; and (iv) any other negligent act or omission or willful misconduct by Customer. If any such suits, actions or proceedings are threatened or commenced, Contractor shall promptly notify Customer.

12. Access. Customer shall provide Contractor access to Customer Facility(ies) as and when requested by Contractor in order to provide Contractor Services. Customer shall bear all costs or fees associated with providing access to Contractor.

13. Compliance with Laws. Unless otherwise specifically provided in this Agreement, Contractor shall comply with Laws directly regulating Contractor Services and Customer shall comply with all Laws imposed upon.

14. Physical Damage Responsibility; Insurance.

A. Contractor shall provide workers compensation insurance for all its employees providing services under this Agreement in accordance with applicable law. Contractor's liability and out of pocket expenses is capped at the insurance provided in this agreement.

B. Contractor shall provide commercial general liability insurance to cover the liabilities of Contractor arising out of the Contractor Services with limits of one million dollars (\$1,000,000) for each claim, one million dollars (\$1,000,000) products aggregate and two million dollars (\$2,000,000) general aggregate. Such insurance shall provide that coverage shall not be canceled without thirty (30) days prior notice to Contractor and Customer, or ten (10) days' notice in the event

that such coverage is cancelled for non-payment. Contractor shall provide evidence of said insurance, in the form of an insurance certificate, within thirty (30) days from the date hereof. Said certificate shall name Customer as an additional insured.

C. Contractor shall provide general liability and property damage insurance to cover the liabilities of Contractor arising out of the use of vehicles in the performance of Contractor Services with a combined single limit of one million dollars (\$1,000,000), with an umbrella policy of five million dollars (\$5,000,000).

15. Force Majeure. Neither Party shall be liable to the other Party for breach or for failure or delay in the performance of its obligations hereunder caused by any act or occurrence beyond its reasonable control, including, but not limited to: fires; floods; strikes (except any strikes involving a Party's personnel); a change in Federal, State, or local law or ordinance; orders or judgments of any Federal, State or local court, administrative agency or governmental body; change in permit conditions or requirements; accidents; extreme weather conditions including, for example, hurricanes, tornadoes, unusually high amounts of precipitation, unusual extremes of temperature or wind, or unusually extended periods of adverse weather conditions; acts of war, aggression or terrorism (foreign or domestic); equipment failure (other than due to the inadequate maintenance thereof); and acts of God. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute an act or occurrence beyond a Party's reasonable control: (i) reasonably anticipated weather conditions normal for the region in which the work is performed or (ii) any failure to pay any sums in accordance with the terms of this Agreement. Whenever the provisions of this Section are believed to apply, the Party relying thereon shall give prompt notice to the other Party of the circumstances, the basis for applicability of this Section and the time required to cure such breach or delay and Contractor and Customer shall use reasonable best efforts to agree on appropriate mitigating actions under the circumstances. This provision provides performance (including schedule) and financial relief if a Force Majeure event interferes with the Contractor's performance.

16. Representation of Authority. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver and perform this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

17. Survival of Obligations. Notwithstanding the expiration or sooner termination of this Agreement, any duty or obligation which has been incurred and which has not been fully observed, performed and/or discharged, and any right, conditional or unconditional, which has been created and has not been fully enjoyed, enforced and/or satisfied, shall survive such expiration or termination until such duty or obligation has been fully observed, performed and/or discharged and such right has been fully enjoyed, enforced and/or satisfied.

18. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and verbal, between the Parties with respect to the subject matter hereof.

19. Amendments. This Agreement may be amended from time to time only by an instrument in writing signed by the Parties to this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same contract. The Parties may execute more than one copy of this Agreement, each of which shall constitute an original.

21. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties thereto and their successors and permitted assigns. The Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except that Contractor may assign performance and/or collection to an Affiliate of Contractor without the consent of Customer.

22. Modification. This Agreement may not be amended, altered or modified except in writing signed by the Parties hereto. No waiver by



Materials Management Agreement

either Party of any breach by the other Party of any provisions of this Agreement shall be construed as a waiver of any subsequent breach, whether of the same or of any different provision of this Agreement. No course of conduct or series of dealings shall constitute a waiver hereunder.

23. Governing Law, Venue Selection. This Agreement shall be governed by and construed under the laws of the State of Delaware.

24. No Third-Party Liability. Neither this Agreement nor any Subcontract is intended to give rise to or recognize any third-party beneficiary to this Agreement.

25. Partial Invalidity. If any provision of this Agreement is determined to be invalid, illegal or unenforceable for any reason, that provision shall be deleted from this Agreement and such deletion shall in no way affect, impair, or invalidate any other provision of this Agreement, unless it was material to the consideration for the performance required. If a provision is deleted which is not material to such consideration, the remaining provisions shall be given the force and effect originally intended.

26. Consent to Breach Not Waiver. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. No consent by any Party to, or waiver of, a breach by the other Party shall constitute consent to, waiver of, or excuse of any other different or subsequent breach.

27. Notice. Except as otherwise specifically provided in this Agreement, all notices must be given in writing sent by recognized overnight courier or registered or certified US mail, postage prepaid, return receipt requested, addressed listed on the first page and with an additional copy of any notice to Contractor sent to:

General Counsel
435 Williams Court, Suite 100
Baltimore, MD 21220
Attn: Legal Manager

Notice shall be sent to the referenced persons and addresses unless the Parties are otherwise notified in writing of a change in the name or address of the person to be notified.

28. Consequential Damages. In no event shall Contractor, its affiliated corporations and Affiliates or its and their directors, officers, employees or any of its subcontractors be liable for any incidental, indirect, special, punitive, economic or consequential damages, suffered or incurred by Customer or any of its agents or contractors as a result of Contractor's performance or non-performance of services pursuant to this Agreement. In no event shall Contractor's liability hereunder exceed the value of the payments to Contractor under this Agreement, regardless of legal theory.

29. Drafting Responsibility. Neither Contractor nor Customer shall be considered the drafter of this Agreement, and any ambiguities herein shall not be construed against either Contractor or Customer, both having participated in the drafting of this Agreement.

30. Customer Materials. Customer represents and warrants the following with respect to the quality of Customer Materials:

A. Biosolids.

1. Hazardous Materials. Customer will not provide Hazardous Materials to Contractor.

2. Polychlorinated Biphenyls. Customer Materials shall not contain a concentration of polychlorinated biphenyls (PCB's) equal to or greater than 50 milligrams per kilogram (dry weight basis), nor shall Customer Materials violate more stringent state or local standards, where applicable.

3. Suitability of Materials for Intended Use. All Customer Materials are suitable for their Intended Use and the qualities and characteristics of Customer Materials meet or exceed the minimum requirements under Laws for Intended Use.

4. Land Application of Biosolids. If land application is an Intended Use of Customer Materials, the following shall apply:

a. Customer agrees to provide Contractor with Customer Materials that meet federal, state and local land application criteria at the time they are released to Contractor. Where

Contractor Services include pathogen reduction requirements and/or vector attraction reduction, Customer is not obligated to meet pathogen and/or vector attraction reduction requirements.

b. Customer shall provide Contractor documentation that Customer's biosolids meet 40 CFR PART 503, state and local land application quality criteria with respect to the three biosolids quality criteria (i.e. metals content, pathogen reduction requirements, and vector attraction reduction requirements) unless Contractor has specifically agreed otherwise as part of the Contractor Services described below. This information is to be supplied to Contractor using a Notice and Necessary Information ("NANI") form or NANI Equivalent within 45 days after the end of the Customer's monitoring period based on the biosolids testing frequency in 40 CFR 503.16. "NANI Equivalent" shall mean lab results which clearly show the three biosolids quality criteria are met (e.g. metal test results, fecal coliform test results, SOUR test results). If Customer has more than one Customer Facility, a NANI Form or NANI Equivalent is required for each Customer Facility at which Contractor Services are being provided. If Customer uses more than one treatment process within Customer Facility, (for example, customer produces anaerobically digested and lime stabilized biosolids) a NANI form or NANI Equivalent is required for each treatment process used by the Customer. If Customer has stored biosolids in more than one location/structure within Customer Facility produced over different time periods or tested separately due to its unique characteristics or Customer's desired sampling program, a NANI form or NANI Equivalent are required for each Customer Facility storage location/structure. Contractor shall have the right to rely upon any information or certification provided by Customer and shall not have any independent duty to investigate or inquire regarding the subject matter of Customer's certification or of the information which Customer provides to Contractor. Where Contractor Services include pathogen reduction requirements, the NANI Form or NANI Equivalent provided Customer is not required to document compliance with pathogen reduction requirements by Law. Where Contractor Services include vector attraction reduction, the NANI Form or NANI Equivalent provided by Customer is not required to document compliance with vector attraction reduction requirements.

c. If Customer fails to provide the NANI Form or NANI Equivalent when required by Law, Contractor shall have the immediate right, but not the obligation, to suspend or terminate Contractor Services or this Agreement. Customer shall be liable for all additional costs and expenses arising out of such suspension or termination.

d. Contractor will land apply Customer Materials based on the most current NANI Form or NANI equivalent test results provided to the Contractor.

5. Disposal of Biosolids into Landfill. Where Customer Materials are to be disposed of in landfill(s), Customer Materials must meet the requirements in 40 CFR Part 258 (e.g., pass paint filter test and be non-hazardous per 40 CFR Part 261) and any applicable state requirements

B. Industrial Residuals:

1. Hazardous Materials. Customer will not provide Hazardous Materials to Contractor.

2. Polychlorinated Biphenyls. Customer Materials shall not contain a concentration of polychlorinated biphenyls (PCB's) equal to or greater than 50 milligrams per kilogram (dry weight basis), nor shall Customer Materials violate more stringent state or local standards, where applicable.

3. Suitability of Materials for Intended Use. All Customer Materials are suitable for their Intended Use and the qualities and characteristics of Customer Materials meet or exceed the minimum requirements under Laws for Intended Use.

4. Cadmium. Customer will provide Contractor with the total cadmium (Cd) concentration of the residuals in milligrams per kilograms (mg/kg) dry weight with the frequency required by Laws.



Materials Management Agreement

5. Disease Vectors. Customer Materials shall not attract disease vectors that endanger public health.

6. Disposal of Biosolids into Landfill. Where Customer Materials are to be disposed of in landfill(s), Customer Materials must meet the requirements in 40 CFR Part 258 (e.g., pass paint filter test and be non-hazardous per 40 CFR Part 261) and any applicable state requirements.

C. Additional Customer Materials (if any):