

WASTE SUPPLY AND DISPOSAL AGREEMENT

Between the
CITY OF BLOOMINGTON, ILLINOIS
and
PARADIGM BIOAVIATION, LLC

___ October 2014

Waste Supply and Disposal Agreement

Between the City of Bloomington, Illinois and
Paradigm BioAviation, LLC

This Agreement is dated October ____, 2014 and is between the CITY OF BLOOMINGTON, ILLINOIS, a home rule municipal corporation (“City”) and PARADIGM BIOAVIATION LLC, a Delaware limited liability company (“Paradigm”).

WHEREAS, Paradigm plans to file an application with the Town of Norman (“Town”) for local siting approval for the development and operation, within the Town, of a pollution control facility that is an integrated bio-refinery facility to receive and process waste materials to generate Green Electrical Power, Solid Recovered Fuel, and Alternative jet fuel; and

WHEREAS, the operation of the pollution control facility will require a stock of waste materials for the generation of green electrical power, specified recycled fuel, and alternative jet fuel; and

WHEREAS, the City desires to secure a long-term disposal option for all or portions of its municipal waste; and

WHEREAS, the City and Paradigm desire, for mutual consideration, to enter into a long-term contractual relationship under which the City will deliver or cause to be delivered to Paradigm and Paradigm will accept all of but not less than the guaranteed quantities of City municipal waste.

The parties, therefore, agree as follows:

Article 1. Definitions and Interpretation

Section 1.1. Definitions. As used in this Agreement:

“**Act**” means the Illinois Environmental Protection Act (415 ILCS 5/).

“**Acceptable Waste**” means any waste that is not defined as “Unacceptable Waste”.

“**Ashes**” means residue from fires used for cooking, recreational fires, or heating buildings.

“**Brush**” means trimmings from shrubs, trees, or other woody plants.

“**Bulky Waste**” means individual items of furniture, equipment, or machinery or parts thereof, including, without limitation, auto parts, tires and wheels, mechanical equipment, stoves, refrigerators, furniture pieces, individual items that, but for their weight, would constitute rubbish, individual items of construction and demolition waste, freezers, clothes washers, clothes dryers, dishwashers, trash compactors, water heaters, furnaces, carpeting, bed mattresses, bed box springs, lawn mowers, and similar items.

“**Collection Day**” means any day that the City collects Municipal Solid Waste.

“**Commissioning**” means the process whereby all or part of the IBR plant equipment is tested and monitored under actual operating conditions over an extended period of time, **verified and certified by a recognized qualified agency** for satisfactory performance and compliance with the full terms of the Engineering, Procurement and Construction (“EPC”) contract, carried out **in compliance and accordance with all Federal, State and Local statutory requirements** with a formal acceptance of and handover of

the plant by the contractor to Paradigm has occurred.

“Construction and Demolition Waste” means any lumber, plywood, paneling, plastic board, roofing scraps, sheeting scraps, plastic, glass, concrete, rubble, conduit, pipe, wire, or other waste generated from the construction, remodeling, repair, or demolition of a building, dwelling, or structure or of a portion thereof.

“Garbage” means waste resulting from the handling, packaging, preparation, cooking, or consumption of food.

“IBR” means the integrated bio-refinery facility operated by Paradigm.

“Landscape Waste” means leaves, yard trimmings, and garden waste. “Landscape Waste” does not include grass clippings, turf, sod, or soil that is not collected by the City.

“Materials Recovery Facility” (“MRF”) a specialized plant that receives, separates and prepares recyclable materials through a combination of manual and mechanical sorting, for reuse in manufacturing as well as a clean organic fraction or Biomass as a feedstock suitable for reformation as a fuel.

“Municipal Solid Waste” (“MSW”) means any Acceptable Waste that is collected by the City that is Garbage, Rubbish, Ashes, Bulky Waste, Construction and Demolition Wastes, and other Waste. “Municipal Solid Waste” does not include Brush or separately collected Recyclable Materials.

“Operational Date” means the date on which the IBR is certified as fully compliant with all regulations and requirements pertaining to its operations and is first able to receive and process Municipal Solid Waste from the City and is accepting Municipal Solid Waste, post the commissioning of the IBR.

“Refuse-derived fuel” (“RFD”) or **“Solid Recovered Fuel/Specified Recovered Fuel” (“SRF”)** is a fuel that is produced by shredding and dehydrating solid waste (MSW) with a Waste converter technology such as that to be deployed in the Paradigm IBR.

“Regular Business Hours” during which waste can be received or shipped means 5:00 a.m. to 7:00 p.m. on weekdays and 5:00 a.m. to 1:00 p.m. on Saturdays, with no operation on Sundays or federal holidays. For a Saturday following a federal holiday, “Regular Business Hours” means 5:00 a.m. to 6:00 p.m.

“Rubbish” means any combustibles such as paper, cardboard cartons, wood, boxes, excelsior, plastic, rags, cloth, bedding, leather, rubber, or non-combustibles such as metal, tin cans, metal foil, dirt, stone, bricks, ceramics, crockery, glass, bottles, or combinations thereof.

“Unacceptable Waste” means any of the following:

- (i) “hazardous waste” as defined by Section 3.15 of the Act;
- (ii) “industrial process waste” as defined by Section 3.235 of the Act except any industrial process waste that poses no present or potential threat to human health or the environment and that has no inherent properties that make its disposal in a landfill difficult to manage by normal means and that has been specifically approved by the City;
- (iii) “pollution control waste” as defined by Section 3.335 of the Act;
- (iv) “sludge” as defined by Section 3.465 of the Act;
- (v) “potentially infectious medical waste” as defined by Section 3.360 of the Act;
- (vi) “special waste” as defined by Section 3.475 of the Act, except treated wood ;
- (vii) “polychlorinated biphenyls” as defined in the federal Toxic Substances Control Act and related federal regulations;
- (viii) “source, special, or byproduct nuclear materials”, “radioactive waste”, or “transuranic waste” as defined by the federal Atomic Energy Act and related federal regulations; or
- (ix) “asbestos” as defined in 40 CFR 763.83.

“Waste” has the meaning set forth in Section 3.535 of the Act.

Section 1.2. Captions. Captions of the Articles and Sections of this Agreement are for convenience or reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

Section 1.3. "Includes" not exclusive. Unless otherwise provided, the terms "includes" and "including" are deemed to be followed by the phrase "without limitation".

Article 2. Term and Conditions

Section 2.1. Term.

(a) This Agreement commences on the date of execution by all parties, and it continues in full force and effect until the earlier of (i) 20 years from the Operational Date or (ii) the IBR permanently ceases to accept solid waste or (iii) Paradigm fails to meet the conditions set forth in Section 2.2 or the contractual contingencies set forth in Section 2.3; or (iv) is otherwise terminated in accordance with Section 7.5. The City may further reopen this Agreement at the commencement of each of 5, 10 and 15 year anniversaries of the Operational Date to renegotiate disposal costs if the total per ton disposal cost of the MSW waste stream delivered by the City at the IBR is more than the lowest comparable regular rate charged by Paradigm to any other customer for disposal of MSW during the previous 12 months.

Section 2.2. Conditions. The City's performance under this Agreement is subject to the continuing satisfaction of all of the following conditions:

(1) Paradigm receives and maintains all required governmental permits and approvals for the development, construction, and operation of the IBR, based upon design and operational plans that are materially consistent with the conceptual plans provided to the City for purposes of negotiating this Agreement, attached hereto and made a part hereof as Exhibit 1

(2) Paradigm operates the IBR in compliance with all federal, State, and local laws and with any local siting conditions and terms of the Host Agreement between the Town and Paradigm.

(3) Paradigm has provided the City with a letter of credit in the amount of \$175,000 to cover the City's estimated costs of securing waste-disposal services from another vendor if Paradigm defaults under this Agreement as set forth under Section 7.4 to accept waste or otherwise fails to accept waste on any given day as otherwise required by this Agreement, including for a force majeure event. For the purposes of this item (3), the City's estimated costs are the difference between the tipping fees paid to Paradigm and the estimated costs of those services from another vendor.

Section 2.3. Contractual Contingencies. The effectiveness of this Agreement is contingent upon the following:

(1) Paradigm obtaining siting approval for the IBR from the Town of Normal and obtaining any and all other necessary permits to proceed by July 1, 2017; and

(2) Construction on the IBR commencing on or before August 1, 2017 and being substantially completed by August 1, 2018; and

(3) The IBR facility accepting all MSW delivered by the City by August 1, 2018; and

(4) Paradigm maintaining its solvency and not filing for or declaring bankruptcy or otherwise being subject to an involuntary petition of bankruptcy

If any of the above-referenced contingencies are not met, the City reserves the right, in its sole discretion, to provide written notice canceling and terminating this Agreement, except that the City's requirements under Section 6.9 shall remain an obligation of the City regardless of whether Paradigm

has satisfied the provisions of Section 2.3(3) as long as all other contingencies are met. In addition, if Paradigm is granted siting approval by the Town of Normal and such is timely appealed, the dates set forth in Section 2.3(1) through (3) shall be extended by the time of the appeal. Upon the failure to meet a contingency as outlined in Section 2.3 above, this Agreement shall be null and void with no further obligations by either party.

Section 2.4 Residuals. Paradigm shall be solely responsible for any disposal of any residuals from its IBR and/or operations under this Agreement as well as any pass through waste or byproducts from Paradigm's operation. The City shall not be responsible for the cost of any residue disposals, byproducts or pass through waste nor liable for same in any way. Prior to the Operational Date, Paradigm shall provide the City with a copy of any and all disposal agreements for residuals, byproducts and "pass through" waste.

Article 3. Representations and Warranties

Section 3.1. Authority to enter into Agreement.

(a) Paradigm is a duly organized and validly existing limited liability company in good standing under the laws of the state of Delaware and is duly qualified and authorized to do business and is in good standing in all jurisdictions where it is required to be so qualified, and specifically in Illinois.

(b) Paradigm has the corporate power and authority to (i) own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (ii) execute, deliver, and perform this Agreement.

(c) Paradigm has taken all necessary action to authorize the execution, delivery, and performance of this Agreement. Paradigm agrees to provide the City, at the time of the signing of this Agreement, with a copy of the corporate resolution authorizing the execution of this Agreement.

Section 3.2. No impact on City's site-location position or permitting/authorization authority. The parties agree that the City may review, comment upon, and participate fully in the site-location approval process that will occur before the Town, and nothing in or about this Agreement shall limit or restrict the City in any way or to any extent with respect to its position at and with respect to the site-location proceedings, and with respect to any subsequent permitting or authorization proceedings relevant to the IBR or to Paradigm. Further, nothing in this Agreement binds the City with respect to any prospective request of Paradigm for any authorization, approval, or other official or contractual agreement to the City with respect to Paradigm, the IBR, or any part of the operations or activities of either, including without limitation any wastewater discharge or water usage agreements or approvals. No public statement, position, or action by the City shall be considered, in and of itself, as a breach of this Agreement or a violation of any of its terms.

Section 3.3. Conflict. Paradigm certifies that no City officer or employee has any interest in the proceeds of this Agreement.

Section 3.4. Bribery. Paradigm certifies that it has not committed bribery or attempted bribery of an officer or employee of any governmental official, whether on the federal, state, or local level.

Section 3.5. Debarment. Paradigm certifies that it has not been barred from conducting business with any governmental unit, whether federal, state, or local.

Section 3.6. Sarbanes-Oxley. Paradigm certifies that the business entity and its officers, directors, partners, or other managerial agents of the business have not been convicted of a felony under the Sarbanes-Oxley Act of 2002 nor have any of the same been convicted of any felony under state or federal securities laws.

Section 3.7. Bid rigging/rotating. Paradigm certifies that it has not been barred from contracting with any unit of state or local government as a result of a violation of 720 ILCS 5/33E-3 (bid rigging) or 720 ILCS 5/33E-4 (bid rotating).

Section 3.8. Delinquent payments. Paradigm certifies that it is not delinquent in the payment of any debt or tax due the State or the Town or the City.

Section 3.9. Records. Paradigm certifies that it will maintain books and records relating to the performance of this Agreement as necessary to support amounts charged under the contract for a period of 3 years from the later of the date of final payment under the Agreement or the expiration of the term of the contract.

Section 3.10. Human Rights Acts. Paradigm agrees to comply with applicable provisions of the City of Bloomington Human Rights Ordinance, the Illinois Human rights Act, the U.S. Civil Rights Act, and the Americans with Disabilities Act.

Section 3.11. Non-discrimination. Paradigm certifies that it is an "Equal Opportunity Employer", as defined by Section 2000(e) of Chapter 21, Title 42 U.S. Code and applicable Executive Orders.

Section 3.12. DBE. Paradigm certifies that it is not a Minority and Female Business Enterprise, as defined by the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/).

Section 3.13. Patriot Act. Paradigm certifies that it is in compliance with the Patriot Act and Executive Order 13224 and with the federal Anti-Money Laundering Control Act of 1986, as amended.

Section 3.14. American Recovery and Reinvestment Act. Paradigm certifies that it is in compliance with and will continue to comply with the American Recovery and Reinvestment Act of 2009 when federal funds are used under this Act for the work undertaken by Paradigm.

Section 3.15. Taxpayer identification. Paradigm certifies that its correct Federal Taxpayer Identification (Social Security Number or Federal Employer Identification Number) is 27-4254295.

Section 3.16. Records. To the extent required by Illinois law, Paradigm agrees to comply with the Illinois Freedom of Information Act and produce, upon request, public records of the City of Bloomington held by Paradigm all within the time allowed by law and subject to applicable exemptions allowed by law.

Section 3.17. Indemnification.

(a) Paradigm agrees to defend, indemnify, and hold harmless the City and its officers, employees, and agents from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorneys' fees and costs) arising from or related to any breach of the representations and warranties under this Article 3.

(b) The indemnification under this Section is in addition to and does not, in any way, limit Paradigm's obligation to indemnify the City under other provisions of this Agreement, including specifically Article 6, or any other agreement between the Parties.

Article 4. Delivery and Acceptance of Municipal Waste

Section 4.1. Delivery and volume of Municipal Solid Waste.

(a) The City agrees to deliver or cause to be delivered, each Collection Day, to the IBR all of its Municipal Solid Waste collected on that Collection Day.

(b) The City may, but is not obligated to, deliver or cause to be delivered Brush or Recyclable Materials.

(c) The City shall obtain and maintain all permits, licenses, and approvals required by any regulatory or statutory authority necessary for it to transport waste to the IBR and will not knowingly fail to comply with the provisions contained within Paradigm's operating permit with respect to the composition of the Municipal Solid Waste it delivers to the IBR. The City, however, is not a permittee and should not be referenced as a permittee for any other necessary permits required by Paradigm to operate and/or construct the IBR, nor shall the City have any responsibilities or obligations regarding the acquisition or application of said permits.

Section 4.2. Acceptance of Municipal Solid Waste.

(a) Paradigm agrees to accept all Acceptable Waste delivered to the IBR during its Regular Business Hours and dispose of it in a manner that complies with all federal, State, and local laws and with any local siting conditions and terms of the Host Agreement between the Town and Paradigm.

(b) If, due to an emergency situation unforeseen by the Parties, Paradigm cannot dispose of waste at the IBR, then Paradigm shall make arrangements for lawful disposal of solid waste during the period of the emergency situation at no additional cost to the City. An "emergency situation" as used herein shall refer to a force majeure event, as described in Section 7.5, or an equipment failure. Any other reason for failing to accept the City's MSW shall be subject to the default provisions of Section 7.4.

Section 4.3. Title to Municipal Waste and Paradigm Responsibility.

(a) Title to the waste that is delivered to the IBR is transferred to and rests with Paradigm at the time that the waste is unloaded at the tipping floor of the IBR.

(b) The City bears all risks and responsibilities of the waste until such time as the waste is unloaded at the tipping floor.

(c) The City has no responsibility or liability for, and Paradigm bears all risks and responsibilities of: (i) the waste after title has passed to Paradigm; (ii) any residuals from the processing by Paradigm of MSW it accepts; (iii) any MSW accepted by Paradigm but which is not usable in Paradigm's process and so, or for any other reason, passes through the IBR to some other waste control facility, any emissions, discharges, leaks, spills, or releases of any sort from the IBR, whether associated with Paradigm's operations or from another source, and (v) the production, storage, shipment, quality, quantity or any other attributed of any process materials used in or products produced from Paradigm's operations.

Section 4.4. Delivery of Unacceptable Waste. The City agrees that it will not knowingly or intentionally deliver Unacceptable Waste to the IBR. Paradigm retains the right to refuse or reject any loads containing Unacceptable Waste.

Section 4.5. Assignment.

(a) If the City discontinues using its own employees to collect the City's Municipal Solid Waste and contracts for all such work with a third party, including the issuance of any franchise therefore, then the City must assign this Agreement to that contractor or franchisee and must require that contractor or franchisee to comply with all obligations contained in the Agreement during the remaining term. If such an assignment occurs, then Paradigm shall charge the contractor or franchisee for all Municipal Solid Waste delivered by the contractor or franchisee at the same rate as set forth in this Agreement.

(b) The parties agree that the City retains the right to assign this Agreement to a third party. Paradigm may not assign this Agreement or any of the work described in this Agreement without the written consent of the City.

Article 5. Compensation

Section 5.1. Tipping Fee.

In consideration for the acceptance and disposal of Municipal Solid Waste, the City agrees to pay Paradigm, for each ton of Municipal Solid Waste delivered to and accepted by the IBR, the appropriate rate set forth in Exhibit 2. City agrees that any delivery of Municipal Solid Waste by City to the IBR is deemed to be at least 1 ton per vehicle. The tipping fees set forth herein are subject to the re-opener provisions set forth in Section 2.1 of this Agreement.

Section 5.2. No pass through of fines. At no time during the term of this Agreement, including any renewal term, may any fine or penalty entered against Paradigm for any breach or violation of any federal, State, or local law, statute, ordinance, rule, or regulation be passed through to the City.

Section 5.3. Weight of waste; records.

(a) For the purpose of calculating the Tipping Fee, Paradigm is required to weigh all receipts of Waste on a certified scale, which, at Paradigm's sole cost, is inspected and certified by the State of Illinois at least once each calendar year. Paradigm must submit a certificate of calibration to the City after each inspection and certification.

(b) Paradigm shall maintain records indicating, in significant detail, dates, truck numbers, amounts, tonnages, and all other similar information used to calculate the Tipping Fee.

Section 5.4. Invoices.

(a) Paradigm shall invoice the City for Municipal Solid Waste delivered to the IBR on a semi-monthly basis.

(b) All invoices sent to the City by Paradigm shall be paid within 30 days after approved by the City Council, but, in the event of any dispute as to any invoice, the City will pay the amount that is not in dispute and will undertake discussions and negotiations with Paradigm to resolve any discrepancy or dispute in any invoice and will, upon resolution of any discrepancy or dispute, pay the agreed-upon amount as soon as reasonably possible.

Article 6. Indemnification, Insurance, and Other Obligations

Section 6.1. Definitions. For the purpose of this Article 4:

"Litigation Expense" means any court or agency filing fee, court or agency cost, arbitration fee or cost, witness fee, and each other fee and cost of investigating and defending or asserting any claim for

indemnification under this Agreement, including, without limitation, in each case, reasonable attorneys' fees..

"Loss" means any liability, loss, claim, settlement payment, cost and expense, interest, award, judgment, damages (including punitive damages), diminution in value, fine, fee, penalty, or other charge other than a Litigation Expense.

"Third-Party Claim" means any claim, action, suit, or proceeding against the City by a third party.

"City", for the purposes of the duty to indemnify and defend under this Article, includes not only the municipal corporation, but it also includes any of its officers, employees, or agents.

Section 6.2. Paradigm's duty to indemnify. Paradigm is required to indemnify and defend the City against all Losses and reasonable and necessary Litigation Expenses arising out of or relating to either or both (i) Paradigm's operation of the IBR and (ii) any breach by Paradigm of any covenant set forth in this Agreement.

Section 6.3. Notice of claims.

(a) The City must use best efforts to give prompt written notice of any claim that does not involve a third-party claim. If any third party makes any claim or brings any action, suit, or proceeding against the City, it is a condition precedent to Paradigm's obligation to indemnify and defend against that the City notify Paradigm (i) in writing of the third-party claim and (ii) promptly, but in no event later than 20 business days after the City's receipt of written notice of the claim.

(b) If the City fails to give proper notice, then Paradigm is still obligated to indemnify the City, except that Paradigm is not liable for any Litigation Expense that the City incurs during the period in which the City failed to give proper notice.

Section 6.4. Third-Party Claims.

(a) If Paradigm wishes to assume the defense of the third-party claim, it shall do so by sending notice of the assumption to the City. Paradigm's assumption of the defense acknowledges its obligation to indemnify. Promptly after sending the notice, Paradigm shall choose and employ independent legal counsel with the advice and consent of the City, which consent shall not be unreasonably withheld. After sending the notice, Paradigm is entitled to contest, pay, settle, or compromise the Third-Party Claim as it may determine, subject to the provisions of subsection (d).

(b) Notwithstanding the provisions of subsection (a), the City is entitled to:

(1) participate in the defense of a Third-Party Claim; and

(2) defend a Third-Party Claim with counsel of its own choosing and without the participation of Paradigm if:

(i) Paradigm fails or refuses to defend the Third-Party Claim on or before the 10th day after the City has given written notice to Paradigm of the Third-Party Claim; or

(ii) the representation of the City and Paradigm by the same counsel would, in the opinion of the City, constitute a conflict of interest.

(c) Paradigm is required to pay for all reasonable and necessary Litigation Expenses incurred by the City to and including the date that Paradigm assumes the defense of the Third-Party Claim. Upon Paradigm's assumption of the defense of the Third-Party Claim, Paradigm's obligation ceases for any Litigation Expense that the City voluntarily incurs in connection with the defense of that claim except if:

(1) the City has employed counsel in accordance with the provisions of item (2) of subsection (b) of this Section; or

(2) Paradigm has authorized the City's employment of counsel.

(d) Except as otherwise provided in this subsection, if Paradigm assumes the defense of a Third-Party Claim, it may not effect any compromise or settlement of that claim without the consent of the City, and the City has no liability with respect to any compromise or settlement of any Third-Party Claim effected without its consent. Paradigm may effect a compromise or settlement of a Third-Party Claim without the City's consent if all of the following conditions are met:

- (1) there is no finding or admission of any violation of law or any violation of the rights of any person and no effect on any other claim that may be made against the City;
- (2) the sole relief provided is monetary damages that are paid in full by Paradigm; and
- (3) the compromise or settlement includes, as an unconditional term, the claimant's or the plaintiff's release of the City, in form and substance satisfactory to the City, from all liability in respect of the Third-Party Claim.

Section 6.5. Payment of judgments. Paradigm is required to pay, promptly upon entry, any non-appealable order, judgment, or other final resolution of any claim or dispute arising out of the matters to be indemnified under this Agreement and shall pay promptly when due any fines, penalties, or agreed settlements arising out of the matters to be indemnified under this Agreement.

Section 6.6. Limitation for City's errors and omissions. Paradigm is not responsible for indemnification of any injury or damage to the City if that injury or damage results from the City's negligence or willful misconduct.

Section 6.7. No legal relationship; non-exclusive remedy; no waiver.

(a) This Agreement does not create any legal relationship between Paradigm and the City (such as a joint venture or partnership) with regard to the operation of the IBR. Nor does the City undertake, by virtue of this Agreement, any responsibility or liability for compliance with any law, rule, or regulation relating to the operation of the IBR or the depositing, storage, or control of any waste within the area of the IBR.

(b) Any rights or remedies set forth under this Article 4 do not constitute the exclusive rights or remedies of the City in respect of the matters indemnified under this Article. In addition, any defense and indemnity provided in this Article is independent of and is not limited by reason of the enumeration of any insurance coverage that Paradigm has obtained.

(c) Nothing in this Agreement may be construed as a waiver of any common law or statutory immunity the City may have to any liability.

Section 6.8. Insurance. On or before the Operational Date, Paradigm shall obtain and maintain the insurance that is required under the Host Agreement entered into between the Town and Paradigm on October ____, 2014.

Section 6.9. Waste for Testing & Commissioning.

- (a) During the period of commissioning and prior to the operational date, the City will deliver, if permissible under the City's other waste contracts in existence at the time and upon the reasonable request of Paradigm, up to 5 tons per day of waste to the IBR for use in testing and commissioning of the IBR facility.
- (b) No tipping fee will be charged by Paradigm for the waste delivered to the IBR by the City under this Section 6.9(a).

Article 7. General Provisions

Section 7.1. Independent contractor. It is understood and agreed that Paradigm is an independent contractor.

Section 7.2. Equal opportunity. It is the affirmed policy of the City to encourage the use of the community's human resources on an equal-opportunity basis. The City requires all contractors and vendors doing business with the City not to discriminate against anyone on the basis of race, age, color, religion, gender, ancestry, national origin, marital status, mental or physical disability unrelated to ability, familial status, or sexual orientation. Paradigm shall, upon request from the City, submit an acceptable written affirmative action plan for the use of all available workers on an equal-opportunity basis.

Section 7.3. Choice of law; jurisdiction.

(a) This Agreement is to be governed by and construed in accordance with the laws of the State of Illinois. This contract shall be construed without the aid of any rule of law requiring or permitting construction against the drafter of the contract.

(b) Any litigation filed by Paradigm or the City against the other party and involving this Agreement must be filed in the Circuit Court of McLean County, Illinois, unless the cause of action falls within the exclusive jurisdiction of an administrative agency or the federal courts.

Section 7.4. Default of Paradigm. The occurrence of any one or more of the following items constitutes a material default and breach of this Agreement by Paradigm:

(1) The failure of Paradigm to promptly and properly remedy any actual violation by Paradigm of any law, statute, rule, regulation, permit, or ordinance relating to the development, operation, closure, or post-closure of the IBR. Paradigm is deemed to have acted promptly if it corrects or commences correction of the violation in question within the time allowed by law or within the time otherwise allowed by a court, tribunal, or governmental agency of competent jurisdiction.

(2) The failure of Paradigm to observe or perform any other covenant, term, condition, or provision of this Agreement to be observed or performed by Paradigm if the failure continues for a period of 30 days after written notice by the Town of the failure. If, however, the nature of the failure is such that more than 30 days are reasonably required for its cure and if the City agrees in writing that this is the case, which agreement shall not be unreasonably withheld, then Paradigm is not deemed to be in default if it commences the cure within the 30-day period and, thereafter, diligently prosecutes the cure to completion.

(3) The making by Paradigm of any general assignment, or general assignment for the benefit of creditors; the filing by or against Paradigm of a petition to have Paradigm adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy; the appointment of a trustee or receiver to take possession of substantially all of Paradigm's assets located at or servicing the IBR or of Paradigm's interest in this Agreement; or the attachment, execution, or other judicial seizure of substantially all of Paradigm's assets located at or servicing the IBR site or of Paradigm's interest in this Agreement.

(4) Except for a force majeure event as described in Section 7.5, or an equipment failure lasting less than 30 days, the failure of Paradigm to accept MSW provided by the City for a period of more than 7 days within a 10-day period. In the event Paradigm defaults under this Section 7.4(4), the City shall only be required to provide written notice of the days that MSW was not accepted at the IBR and that it is declaring Paradigm to be in default under this subsection. Upon providing such written notice, the City may exercise any of the remedies set forth in Section 7.6 below.

(5) Paradigm ceases its MRF and gasification processes to produce electricity and/or fuel for more than 45 days or otherwise does not make any such process operational by the date contained in section 2.3(3) above..

Section 7.5. Force Majeure. Neither party will be deemed to be in default or to have breached any provision of this Agreement as a result of any delay, failure in performance, or interruption of services resulting directly or indirectly from acts of God, acts of civil or military authority, civil disturbance, labor interruptions or strikes, or war that are beyond the control of the non-performing party.

Section 7.6. Remedies. In the event of any of the defaults enumerated under Section 7.4 above, the City shall have the right to terminate this Agreement and declare it null and void. In addition, the City shall reserve the right to seek judicial relief for damages, including any costs and expenses, including attorney fees, associated with the default by Paradigm.

Section 7.7. Rights and remedies cumulative. The enumeration of remedies expressly conferred upon a party by this Agreement are cumulative with and not exclusive of any other remedy conferred by this Agreement or by law on that party, and the exercise of any one remedy does not preclude the exercise of any other.

Section 7.8. Waivers.

(a) The parties may waive any provision in this Agreement only by a writing executed by the party against whom the waiver is sought to be enforced.

(b) No failure or delay in exercising any right or remedy or in requiring the satisfaction of any condition under this Agreement, and no act, omission, or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.

(c) A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated. A waiver, once given, is not to be construed as a waiver on any future occasion or against any other person.

Section 7.9. Notice. Any notice 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, and shall be deemed communicated when delivered. 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 the City, notice shall be sent to both the City and the City's Attorney at the following addresses:

TO THE CITY AT:

WITH COPY TO THE CITY'S ATTORNEYS AT:

To Paradigm, notice shall be sent to the Company at the following addresses:

TO PARADIGM AT:

Attention:

Address:

WITH A COPY TO:

Attention:

Address:

Section 7.10. Amendments. This Agreement may be amended only by a written agreement of the parties that identifies itself as an amendment to this Agreement.

Section 7.11. Third parties. Nothing in this Agreement is intended to confer any right or remedy on any person other than the City and Paradigm, and their respective successors and permitted assigns, nor is anything in this Agreement intended to affect or discharge any obligation or liability of any third persons to the City or to Paradigm, nor to give any such third person any right of action or subrogation against the City or Paradigm.

Section 7.12. Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, then the remaining provisions remain in full force if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

Section 7.13. No Merger. In negotiating and entering into this Agreement, the City has relied heavily upon representations and assurances made by Paradigm concerning its financial and technical ability to perform, concerning the expected design of the IBR, concerning the expected operations of the IBR, and concerning the anticipated benefits of the IBR and its operations. At the time of negotiating this Agreement, the technology proposed by Paradigm is not mature and not established at this scale in United States, and Paradigm has never previously designed or operated a comparable facility. However, the waste removal and disposal industry, including such means as transfer station technology, material sorting and recovery, recyclable separation and marketing, landfilling, and other means and methods, is well-established with certain trade customs and understood trade usages. This Agreement proposes the substitution of Paradigm's proposed waste removal and disposal technology for the more traditional waste removal and disposal means and methods previously utilized by the City. Accordingly, all such representations and assurances, and all waste removal and disposal trade customs and usages, are relevant and material to the City's understandings and interpretations of the rights, obligations and remedies expressed in this Agreement, and so may be considered in any action or proceeding that involves the construction or interpretation of any part of this Agreement.

Section 7.14. Surviving provisions. The following provisions of this Agreement survive upon the termination of this Agreement: Section 3.9, Section 3.16, Section 3.17, Article 6, and Article 7.

The parties are signing this Agreement on the date stated in the introductory clause.

PARADIGM BIOAVIATION, LLC	CITY OF BLOOMINGTON
By: _____ Name Title	By: _____ Name Title

EXHIBIT 2

(1) for Municipal Solid Waste including bulky waste, but excluding Landscape Waste and scrap tires-

Period	Amount
3/1/18 to 2/28/23 - Years 1 – 5	\$49.50 per ton
3/1/23 to 2/28/28 - Years 6 - 10	\$56.93 per ton
3/1/28 to 2/29/33 - Years 11 - 15	\$65.47 per ton
3/1/33 to 2/28/38 - Years 16 - 20	\$75.29 per ton

(2) for Landscape Waste-

Period	Amount
3/1/18 to 2/28/23 - Years 1 – 5	\$20.75 per ton
3/1/23 to 2/28/28 - Years 6 - 10	\$23.86 per ton
3/1/28 to 2/29/33 - Years 11 - 15	\$27.14 per ton
3/1/33 to 2/28/38 - Years 16 - 20	\$31.21 per ton

(3) for scrap tires-

Period	Amount
3/1/18 to 2/28/23 - Years 1 – 5	\$77.00 per ton
3/1/23 to 2/28/28 - Years 6 - 10	\$88.55 per ton
3/1/28 to 2/29/33 - Years 11 - 15	\$101.83 per ton
3/1/33 to 2/28/38 - Years 16 - 20	\$117.10 per ton

(4) for Brush, if delivered,-

Period	Amount
3/1/18 to 2/28/23 - Years 1 – 5	\$4.25 per ton
3/1/23 to 2/28/28 - Years 6 - 10	\$4.89 per ton
3/1/28 to 2/29/33 - Years 11 - 15	\$5.62 per ton
3/1/33 to 2/28/38 - Years 16 - 20	\$6.46 per ton