AL3-00367

Contract Routing Control Sheet
Field Operations

Contact: Sheldon Smith Phone: 373-4379

Other Type Agreement

Tracking#: 5450 **Date Submitted:** 2/1/2013 **Date Needed:** 2/16/2013
Date Started: 4/1/2013 **Est End Date:** 3/31/2018
Contract#: **Change Order#:** **Lease#:** **Bid#:**
Coliseum#: **NCDOT#:** **Resolution#:**
Requisition#: **Email For Pickup:** ☐ **Rush:** ☐

Description: FCR/ReCommunity Greensboro, LLC contract to commence April 1, 2013. This contract is for one year and renewable for up to 5 years.

Comments: Please return all copies of the contract and direct all inquiries to Tonya Williams (373-2517).

Vendor: FCR Inc
Vendor#: 3354
Location:

PO Box 1364
Willistown, VT 05495

Account #	CBR	Amount
101-4301-03.8600		($800,000.00)
	Total:	

Signatures

☑ Dept Director	Reviewed By:		Date: 1-31-13
☑ Finance	Reviewed By:		Date: FEB 4 PM 3:28
☑ Accounting	Reviewed By:		Date: 2-5-13
☑ Attorney	Reviewed By:		Date: 2-14-1
☑ City Manager	Reviewed By:		Date: 2-18-13
☐ Mayor	Reviewed By:		Date:
☑ City Clerk	Attested By:		Date: FEB 18 2013
☐ Purchasing	Reviewed By:		Date:
☑ CCD	Reviewed By:		Date:

RECEIVED
FEB 18 2013
Legislative Department

Date Printed: 2/1/2013

DRAFT

MINUTES OF THE CITY COUNCIL
OF THE
CITY OF GREENSBORO, N. C.

REGULAR MEETING 16 OCTOBER 2012

The City Council of the City of Greensboro met in regular session at 5:30 p.m. on the above date in the Council Chamber of the Melvin Municipal Office Building with the following members present: Mayor Robbie Perkins, presiding; Mayor Pro-Tem Yvonne Johnson; and Councilmembers Marikay Abuzuaiter, T. Dianne Bellamy-Small, Nancy Hoffmann, Jim Kee, Zachery Matheny, Nancy Vaughan and Trudy Wade. Absent: None. Also present were Denise Turner Roth, City Manager; S. Mujeeb Shah-Khan, City Attorney; and Elizabeth H. Richardson, City Clerk.

The meeting opened with a moment of silence and pledge of allegiance to the flag.

.....

City Manager Roth recognized Fred Henry, employee in Work Force Development, who served as courier for the meeting.

.....

Taking the prerogative of the Chair, Mayor Perkins announced that Branch Bank and Trust Company (BB&T) would be bringing 1700 jobs to the area which would be housed in the former American Express Call Center at the airport; and stated this was a great day for the Triad in adding a significant number of jobs to the workforce.

.....

Mayor Perkins explained the Council procedure for conduct of the meeting; and advised he planned to adjourn at 8:45 p.m. to allow citizens time to watch the presidential debate.

.....

Mayor Perkins asked for a motion to remove Items #11, resolution authorizing Supplemental Memorandum of Agreement between the City of Greensboro and the State of North Carolina, Department of Public Safety, Division of Emergency Management, and #12, ordinance in the amount of $4,843 amending State, Federal and Other Grants Fund Budget for the appropriation of Department of Homeland Security Grant Funds for Equipment from the agenda.

Mayor Pro-Tem Johnson made a motion to remove Items #11 and 12 from the agenda. The motion was seconded by Councilmember Bellamy-Small and adopted by voice vote of Council.

.....

Mayor Perkins asked for a motion to move Item #41a, City Manager's Housing update to follow Item #7 on the agenda.

Councilmember Bellamy-Small made a motion to move Item #41a, City Manager's Housing update to follow Item #7 on the agenda. The motion was seconded by Councilmember Kee and adopted by voice vote of Council.

.....

Councilmember Matheny made a motion to excuse Councilmember Wade from attendance at the meeting. The motion was seconded by Mayor Pro-Tem Johnson and adopted by voice vote of Council.

.....

Mayor Perkins introduced an update on the Chapter 18 of the Greensboro Code of Ordinance with respect to Offenses and Miscellaneous Provisions – Noise Ordinance.

Mayor Perkins stated there was a speaker for the item.

Katie Cranford, 601 South Chapman Street, spoke to concerns of where the infractions were found; liability of businesses; lack of special provisions for special events; that the ordinance placed power in the hands of the complainant; and that there were still things that needed to be discussed and worked out.

Police Chief Ken Miller made a PowerPoint Presentation which outlined key provisions; enforcement; results through August 31st; feedback; and recommendations.

(A copy of the PowerPoint Presentation is filed in Exhibit Drawer U, Exhibit No. 20), which is hereby referred to and made a part of these minutes).

.....

Mayor Perkins introduced a motion to select a Vendor for Request for Proposal (RFP) #11-12, processing and marketing of recovered recyclables and directing the City Manager to enter into contract negotiations to provide services related to the processing and marketing of recovered recyclables for the City of Greensboro.

City Manager Roth stated the consultant was present to make a presentation should that be the pleasure of Council.

Councilmember Bellamy-Small asked if staff had a recommendation for Council.

City Manager Roth deferred to Field Operations Director Dale Wyrick.

Mr. Wyrick stated staff and the consultant were consistent in the recommendation previously provided to go with ReCommunity for a five year contract; that part of the discussion tonight would need to include which of the two options Council would choose, one fixed rate or one revenue share; summarized both options; and that he recommended the City proceed with the fixed rate option for a five-year contract because of where the ACRs were at this time.

Councilmember Bellamy-Small made a motion to accept staff's recommendation to go with ReCommunity with the fixed rate option.

Councilmember Wade voiced concerns with going with ReCommunity due to the higher transfer rates of Waste Management; ReCommunity having an existing contract with the City where Waste Management did not; Waste Management's flexibility of doing a three year contract; technology changes in the industry; waiting until after the election for stable rates; and asked Waste Management's representative to outline the process for its hauling costs.

The motion was seconded by Councilmember Vaughan.

Councilmember Wade debated that she had the floor and the second was invalid.

Mr. Joseph, Waste Management's representative spoke to optimizing existing City routes; imbalance in existing routes; going to a five day route rather than a four day route; Waste Management's guarantee of utilizing eight trucks, possibly seven when routes were optimized; and stated he could provide a detailed plan on the hauling process without adding trucks or labor.

Mr. Wyrick stated that staff had rebalanced routes in 2010 to maximize efficiencies; that he had decreased his staff by 13 in 2011; and explained that the reason the City had a four day week was to allow for maintenance to

be performed on the fleet Tuesday evening through Thursday morning which allowed Field Operation the ability to provide all of its services to residents on the same day.

Councilmember Wade reiterated her concerns with ReCommunity's inability to go with a three-year contract; past record and business practices of ReCommunity; spoke to the lack of a tour for either facility; and stated Council should wait until after the election to make a major decision such as this.

Councilmember Bellamy-Small spoke to Council's commitment to bring and retain jobs in Greensboro; economic impact; confirmed that staff and the consultant had done their due diligence on the issue; and that Council needed to make a decision.

Councilmember Matheny spoke to a shorter contract term; to the importance of revenue as a result of a fixed rate; continued fluctuation in ACRs over the next five years which would provide positive profit to the City; that this would save local jobs; commended Councilmember Vaughan on her efforts in focusing on recycling; and requested that public service announcements be placed on GTN to involve citizens in recycling.

Mayor Perkins commended Mr. Wyrick on the staff and the final two companies for their work on the project.

Mayor Perkins requested a second to the motion made by Councilmember Bellamy-Small. The motion was seconded by Councilmember Vaughan. The motion was adopted on the following roll call vote: Ayes: Abuzuaiter, Bellamy-Small, Hoffmann, Johnson, Kee, Matheny, Perkins, and Vaughan. Noes: Wade.

.....

Mayor Perkins stated this was the time for the Supplemental Agenda.

Mayor Perkins announced that the next Council meeting would take place on Wednesday, November 7th, due to Election Day.

.....

Mayor Perkins asked for a motion to amend the Council Work Session schedule to include a Work Session on Friday, November 9th at 11:00 to meet with Michael Tabb.

After brief discussion by Council regarding the number of members who could attend, City Manager Roth confirmed that Mr. Tabb would be here several days for additional opportunities for Council to engage with him; and that Council could wait to set a date.

.....

Councilmember Bellamy-Small invited the audience to her 60th Birthday Concert on Saturday at Saint Matthews; and wished Mayor Perkins a 'Happy Birthday'.

.....

Mayor Perkins stated this was the time for Board and Commission appointments and made a motion to appoint Laureen Tyler on the Greensboro Housing Authority to replace Mary Moore. The motion was seconded by Mayor Pro-Tem Johnson and adopted by voice vote of Council.

.....

Mayor Perkins asked for a motion to appoint Councilmember Bellamy-Small the voting delegate for Greensboro for the National League of Cities 2012 Conference in Boston, Massachusetts in December 2012.

Mayor Pro-Tem Johnson moved to appoint Councilmember Bellamy-Small the voting delegate for Greensboro for the National League of Cities 2012 Conference in Boston, Massachusetts in December 2012. The motion was seconded by Councilmember Abuzuaiter and adopted by voice vote of Council.

5450

EXECUTION COPY

PROCESSING AND MARKETING OF RECOVERED RECYCLABLE MATERIALS CONTRACT

between

THE CITY OF GREENSBORO, NORTH CAROLINA

and

FCR GREENSBORO, LLC
d/b/a/ "ReCommunity"

Dated

January 22, 2013

1205444.11 036267 CTR

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PROCESSING AND MARKETING OF RECOVERED RECYCLABLE MATERIALS CONTRACT

This PROCESSING AND MARKETING OF RECOVERED RECYCLABLE MATERIALS CONTRACT (the "Marketing Contract") is made and dated as of January 22, 2013 (the "Contract Date") between the CITY OF GREENSBORO, a political subdivision of the State of North Carolina (the "City"), and FCR GREENSBORO, LLC d/b/a ReCommunity, a limited liability company organized and existing under the laws of the State of Delaware (the "Company").

RECITALS

WHEREAS, the City provides collection services for recovered recyclable materials within the geographical boundaries of the City; and

WHEREAS, the City issued on April 25, 2012, Request for Proposals #11-12 for the Processing and Marketing of Recovered Recyclables (the "RFP"); and

WHEREAS, following the evaluation of proposals in accordance with the RFP, the City determined that the Company provided the most advantageous proposal and entered into formal negotiations with the Company; and

WHEREAS, the City and the Company have successfully negotiated final terms and conditions and they desire to enter into this Marketing Contract;

WHEREAS, the Company's parent corporation RE Community Holdings II, Inc., will unconditionally guarantee the performance of the Company's obligations under this Marketing Contract pursuant to a Guaranty Agreement executed concurrently herewith; and

WHEREAS, the execution and delivery of this Marketing Contract by the Company has been duly authorized by all necessary corporate action.

NOW, THEREFORE, it is agreed as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. As used in this Marketing Contract, the following terms shall have the meanings set forth below:

"Affiliate" means any person directly or indirectly controlling or controlled by another person, corporation or other entity or under direct or indirect common control with such person, corporation or other entity.

"Applicable Law" means: (1) any federal, state or local law, code, or regulation; (2) any formally adopted and generally applicable rule, requirement, determination, standard, policy, implementation schedule, or other order of any Governmental Body having appropriate jurisdiction; (3) any established interpretation of law or regulation utilized by an appropriate Governmental Body if such interpretation is documented in writing by such Governmental Body and generally applicable; (4) any Governmental Approval applicable to the Designated Facility or the Contract Services; and (5) any consent order or decree, settlement agreement or other similar agreement between the City and any Governmental Body, in each case having the force of law and in each case applicable from time to time: to any activities associated with the services or obligations of either the Company or the City under this Marketing Contract or to any other transaction or matter contemplated by this Marketing Contract.

"Business Day" means every day other than Sundays, New Year's Day, Memorial Day, July Fourth, Labor Day, Thanksgiving Day and Christmas Day.

"Change in Law" means any of the following acts, events or circumstances to the extent that compliance therewith materially increases or decreases the cost of performing or materially increases or decreases the scope of a party's obligations hereunder:

(a) the adoption, amendment, promulgation, issuance, modification, repeal or written change in administrative or judicial interpretation of any Applicable Law on or after the Contract Date, unless such Applicable Law was on or prior to the Contract Date duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any Governmental Body; or

(b) the order or judgment of any Governmental Body issued on or after the Contract Date (unless such order or judgment is issued to enforce compliance with Applicable Law which was effective as of the Contract Date) to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Company or of the City, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

It is specifically understood, however, that none of the following shall constitute a "Change in Law":

(a) a change in the nature or severity of the actions historically taken by a Governmental Body to enforce compliance with Applicable Law which was effective as of the Contract Date;

(b) any event that affects generally applicable working conditions or standards that are not specific to the recycling industry; or

(c) any non-United States recycling-related Change in Law.

"City" means the City of Greensboro, North Carolina, a political subdivision of the State of North Carolina.

"City Breach" means any breach (including the untruth or breach of any City representation or warranty set forth in this Marketing Contract), failure, nonperformance or non compliance by the City with respect to its obligations under this Marketing Contract to the extent not directly attributable to any Uncontrollable Circumstance or Company Breach, and which materially and adversely affects the Company's rights, obligations or ability or costs to perform under this Marketing Contract.

"Commencement Date" means the date on which the Company has:

(a) obtained and provided evidence for the City that it has obtained the Required Insurance;

(b) obtained and provided the City with the performance bond as described in Section 10.2; and

(c) commenced acceptance or is ready to commence acceptance of Recovered Recyclables delivered by, or on behalf of the City at the Designated Facility,

all to the reasonable satisfaction of the City, provided that in no event shall the Commencement Date be earlier than the Scheduled Commencement Date (unless otherwise agreed to in writing by the parties).

"Company" means FCR Greensboro, LLC d/b/a ReCommunity, a limited liability company organized and existing under the laws of the State of Delaware.

"Company Breach" means any breach (including the untruth or breach of any Company representation or warranty set forth in this Marketing Contract), failure, nonperformance or non compliance by the Company with respect to its obligations under this Marketing Contract to the extent not directly attributable to any Uncontrollable Circumstance or City Breach, and which materially and adversely affects the City's rights, obligations or ability to perform under this Marketing Contract.

"Composition Study" means an examination of the Recovered Recyclables to determine, at a minimum, the Contamination Average.

"Contamination Average" means the average percentage of Unacceptable Material by weight per load of Recovered Recyclables delivered by, or on behalf of, the City to the Designated Facility as measured pursuant to a Composition Study protocol to be determined by the parties.

"Contamination Average Goals" means the maximum Contamination Average that the City will use good faith efforts to achieve as described in Section 6.4.

"Contamination Threshold" means any load of Recovered Recyclables delivered by, or on behalf of, the City to the Designated Facility that equals or exceeds thirty percent (30%) Unacceptable Material by weight.

"Contract Date" has the meaning specified in the Preamble.

"Contract Services" means the receipt, transfer and transportation (to the extent applicable) and the processing and marketing of Recovered Recyclables delivered by, or on behalf of, the City to the Designated Facility, all in accordance with the terms and conditions of this Marketing Contract.

"Contract Standards" means the terms, conditions, methods, techniques, practices and standards imposed or required by: (1) Applicable Law; (2) good engineering and construction practice; (3) Good Industry Practice; (4) the Designated Facility's operation and maintenance manual; (5) operation and maintenance standards; (6) repair and replacement standards; (7) applicable equipment manufacturers' specifications; (8) applicable Insurance Requirements; and (9) any other standard, term, condition or requirement specifically provided in this Marketing Contract to be observed by the Company.

"Contract Year" means the one-year period following the Commencement Date and each one-year period thereafter during the Term.

"Designated Facility" means the Company's materials recycling facility located at 706 Patton Avenue in Greensboro to which the City is to deliver Recovered Recyclables during the Term.

"Event of Default" means those items specified in Section 9.2 hereof.

"Good Industry Practice" means the methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good operation, maintenance, repair, replacement and management practices in the recycling industry as observed in the southeastern region of the United States.

"Governmental Approvals" means all orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, registrations, rulings, entitlements and approvals issued by a Governmental Body of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Contract Services.

"Governmental Body" means any federal, State, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

"Guarantor" means RE Community Holdings II, Inc., the corporation that will execute the Guaranty Agreement with the City.

"Guaranty Agreement" means the agreement to be entered into by and between the City and the Guarantor in the form set forth in Appendix B which shall guarantee the performance of the Company's obligations under this Marketing Contract.

"Hazardous Material" means any substance which by reason of its composition or characteristics is: (a) a listed or characteristic hazardous waste, substance or material as defined in the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; (b) material, the disposal of which is regulated by the Toxic Substances Control Act, 15 U.S.C. §2601; (c) special nuclear or byproducts material within the meaning of the Atomic Energy Act of 1954; or (d) any other material treated as a hazardous waste or substance under Applicable Law.

"Insurance Requirement" means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or any body having similar functions or by any insurance company which has issued a policy of Required Insurance under this Marketing Contract, as in effect during the term of this Marketing Contract, compliance with which is a condition to the effectiveness of such policy.

"Interest Rate" means six percent (6%) per annum.

"Lease" means the Lease Agreement dated January 14, 2013, between the Company, as tenant, and D.M.S. Investments, LLC, as landlord, with respect to the premises on which the Designated Facility is located.

"Marketing Contract" has the meaning set forth in the Preamble.

"Marketing Fee" has the meaning specified in Section 8.1.

"Recovered Recyclables" means the following materials and any other materials as mutually agreed to in writing by the City and the Company, in all cases collected within the City's geographic boundaries and delivered together in a single materials stream format by or on behalf of the City:

- Newsprint: also referred to as old newspaper (ONP), which shall include newspaper and advertising supplements and other paper grades generated in the City;
- Mixed Paper: includes magazines, junk mail, chipboard, and telephone directories;
- Office/School and Computer Papers: includes high grade paper from offices such as computer paper, sorted white ledger, copier paper and office stationary;
- Corrugated Containers (OCC): includes boxes with unbleached and non-waxed paper with ruffled liners, it also includes used pizza boxes;
- Bottle Glass: includes household glass containers, bottles and jars, including amber, flint, green and mixed;

- Tin, Steel and Bi-Metal Containers: includes food, beverage, nonfood and aerosol cans made of mixed metal, such as tin and steel;
- Aluminum Cans: consists of household beverage cans made of aluminum and other aluminum, non-food contaminated containers;
- Plastic containers: include plastic bottles, containers and packages made from various resins, including PETE, HDPE, LDPE, PP, PS and other plastics, resin codes #1 through #7;
- Bulky Rigid Plastics: defined as large polyethylene and polypropylene items (buckets, crates, toys, trays, furniture, bins, barrels, etc.)
- Polycoated Containers and Aseptic Packages: paper milk and fruit juice container, gable and flat tops (should be clean and reasonably dry and recycling program participants will be encouraged to remove the straws from drink boxes);
- Pots and Pans consisting primarily of metal with minimal plastic.

"Required Insurance" has the meaning specified in Section 10.4 and Appendix C of this Marketing Contract.

"RFP" has the meaning specified in the Preamble.

"Scheduled Commencement Date" means April 1, 2013.

"Security Instruments" means the Guaranty Agreement and the performance bond described in Section 10.2.

"State" means the State of North Carolina.

"Term" has the meaning specified in Section 3.1.

"Unacceptable Materials" means any items other than Recovered Recyclables, and shall include, but are not limited to, the following items:

- Bagging material in plastic bags
- Mirrors, window or auto glass, light bulbs, ceramics
- Any plastic containers without an SPI code, expanded (foam) plastic (e.g., Styrofoam), oil or antifreeze containers, plastic film, coat hangers, paint cans, or any household items (such as toasters) that include a combination of plastic and metal
- Hard cover books
- Hazardous, toxic, radioactive, or similarly dangerous material
- Food scraps or any other organic material

- Clothing

"Uncontrollable Circumstance" means any act, event or condition that is beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Marketing Contract, and that materially interferes with or materially increases the cost of performing its obligations hereunder, to the extent that such act, event or condition is not the result of the willful or negligent act, error or omission, failure to exercise reasonable diligence, or breach of this Marketing Contract on the part of such party.

Inclusions. Subject to the foregoing, Uncontrollable Circumstances may include, but shall not be limited to, the following:

(a) Change in Law;

(b) naturally occurring events (except weather conditions normal for the City) such as landslides, underground movement, earthquakes, lightning, fires, tornadoes, hurricanes, floods, epidemics, and other acts of God;

(c) explosion, sabotage or similar occurrence, acts of a declared public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;

(d) with respect to the Company, any City Breach and City-requested change orders not due to Company Breach; or

(e) with respect to the City, any Company Breach.

Exclusions. It is specifically understood that none of the following acts, events or circumstances shall constitute Uncontrollable Circumstances:

(a) any act, event or circumstance that would not have occurred if the affected party had complied with its obligations hereunder;

(b) changes in interest rates, inflation rates, wage rates, insurance costs, commodity prices, currency values, exchange rates or other general economic conditions either in the United States or abroad;

(c) changes in the financial condition of the City, the Company, the Guarantor, or their Affiliates or subcontractors affecting the ability to perform their respective obligations;

(d) the consequences of error, neglect or omissions by the Company or the Guarantor, any of their subcontractors, any of their Affiliates or any other person in the performance of the Contract Services;

(e) labor disputes;

(f) any impact of prevailing wage or similar laws, customs or practices on the Company's costs;

(g) weather conditions normal for the service area;

(h) any act, event, circumstance or Change in Law occurring outside of the United States;

(i) mechanical failure of equipment;

(j) failure of the Company to secure patents which it deems necessary for the performance of the Contract Services;

(k) any failure in obtaining appropriate Governmental Approvals;

(l) a Change in Law pertaining to income taxes;

(m) any Change in Law the terms and conditions of which do not impose more stringent or burdensome requirements on the Company than are imposed by the Contract Standards;

(n) any increase in cost of the disposal of residue produced from processing Recovered Recyclables; or

(o) the unavailability of profitable markets for the sale of Recovered Recyclables.

SECTION 1.2. INTERPRETATION. In this Marketing Contract, unless the context otherwise requires:

(A) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Marketing Contract shall be solely for convenience of reference and shall not constitute a part of this Marketing Contract, nor shall they affect its meaning, construction or effect.

(B) Entire Marketing Contract. This Marketing Contract contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Marketing Contract, and nothing in this Marketing Contract is intended to confer on any person other than the parties hereto and their respective permitted successors and assigns hereunder any

rights or remedies under or by reason of this Marketing Contract. Without limiting the generality of the foregoing, this Marketing Contract shall completely and fully supersede all other understandings and agreements among the parties with respect to such transactions, including those contained in the RFP, the proposal of the Company submitted in response to the RFP, and any amendments or supplements to the RFP or to the proposal.

(C) Applicability and Stringency of Contract Standards. The Company shall be obligated to comply only with those Contract Standards which are applicable in any particular case. Where more than one Contract Standard applies to any particular performance obligation of the Company hereunder, each such applicable Contract Standard shall be complied with.

(D) Delivery of Documents in Digital Format. In this Marketing Contract, the Company is obligated to deliver reports, records, and other documentary submittals in connection with the performance of its duties hereunder. The Company agrees that all such documents shall be submitted to the City in printed form and, at the City's request, in digital form. Electronic copies shall consist of computer readable data submitted in any standard interchange format which the City may reasonably request to facilitate the administration and enforcement of this Marketing Contract.

(E) References to Process. The terms "process," "processed," "processing" and any similar terms, when used with respect to Recovered Recyclables, shall mean and refer to the operation of the Designated Facility to receive, handle, prepare and/or process Recovered Recyclables, all in accordance with this Marketing Contract.

(F) Drafting Responsibility. Notwithstanding the City's primary drafting responsibility for this Marketing Contract, the parties agree that the City shall not be held to a higher standard than the Company in the interpretation or enforcement of this Marketing Contract as a whole or any portion hereof as a result of having assumed such drafting responsibility.

(G) No Third Party Rights. This Marketing Contract is exclusively for the benefit of the City and the Company and shall not provide any third parties with any remedy, claim, liability, reimbursement, cause of action, or other rights.

(H) References to Including. All references to "including" herein shall be interpreted as meaning "including without limitation."

(I) References to Knowledge. All references to "knowledge," "knowing," "know" and "knew" shall be interpreted as references to party having actual knowledge.

(J) References to Days. All references to days herein are to calendar days, including Saturdays, Sundays and holidays, except as otherwise specifically provided.

(K) Counterparts; Facsimiles. This Marketing Contract may be executed in multiple counterparts, each of which shall be deemed an original and all of which constitute one agreement, notwithstanding that all of the parties are not signatories to the original or the same counterpart, or that signature pages from different counterparts are combined, and the signature of any party to any counterpart shall be deemed. For purposes of this agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or telecopier is to be treated as an original document. The signature of any party on such document, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any party, any facsimile or telecopy document is to be re-executed in original form by the parties who executed the facsimile or telecopy document. No party may raise the use of a facsimile machine or telecopier or the fact that any signature was transmitted through the use of a facsimile or telecopier machine as a defense to the enforcement of this Marketing Contract.

(L) Severability. If any clause, provision, subsection, Section or Article of this Marketing Contract shall be ruled invalid by any court of competent jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, subsection, Section or Article which shall, to the greatest extent legally permissible, not effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Marketing Contract; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Marketing Contract as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Marketing Contract shall be construed and enforced as if such invalid portion did not exist.

(M) Defined Terms. The definitions set forth in Section 1.1 hereof shall control in the event of any conflict with the definitions used in the recitals hereto.

(N) Liquidated Damages. This Marketing Contract provides for the payment of liquidated damages in certain circumstances of nonperformance. Each party agrees that the damaged party's actual damages in each such circumstance would be difficult or impossible to ascertain and that the liquidated damages provided for herein with respect to each such circumstance are intended to place the damaged party in the same economic position as it would have been in had the circumstance not occurred.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants to the Company that:

(A) Existence and Powers. The City is a political subdivision of the State validly existing under the Constitution and laws of the State, with full legal right, power and authority to enter into and perform its obligations under this Marketing Contract.

(B) Due Authorization and Binding Obligation. The City has duly authorized the execution and delivery of this Marketing Contract. This Marketing Contract has been duly executed and delivered by the City and subject to any regulatory approvals required after the execution of this Marketing Contract in accordance with Applicable Law, constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally, as well as pre-audit certification requirements set forth in N.C.G.S. 159-28, to the extent applicable.

(C) No Conflict. Neither the execution nor the delivery by the City of this Marketing Contract nor the performance by the City of its obligations hereunder nor the consummation by the City of the transactions contemplated hereby (1) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the City, or (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement or instrument to which the City is a party or by which the City or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument.

(D) No Litigation. There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the City's best knowledge, threatened against the City which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Marketing Contract or any other agreement or instrument to be entered into by the City in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the City of its obligations hereunder or under any such other agreement or instrument.

(E) No Legal Prohibition. The City has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the City of this Marketing Contract and the transactions contemplated hereby.

SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to the City that:

(A) Existence and Powers. The Company is duly organized and validly existing as a limited liability company under the laws of the state of Delaware, with full legal right, power and authority to enter into and perform its obligations under this Marketing Contract.

(B) Due Authorization and Binding Obligation. The Company has duly authorized the execution and delivery of this Marketing Contract. This Marketing Contract has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution nor the delivery by the Company of this Marketing Contract nor the performance by the Company of its obligations hereunder (1) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Company, (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of the Company) or instrument to which the Company is a party or by which the Company or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument or (3) will result in the creation or imposition of any lien, lease, mortgage, security interest, charge, judgment, judicial award or encumbrance of any nature whatsoever upon any of the properties or assets of the Company.

(D) No Litigation. There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the Company's best knowledge, threatened against the Company which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Marketing Contract or any other agreement or instrument entered into by the Company in connection with the transactions contemplated hereby, or which would materially and adversely

affect the performance by the Company of its obligations hereunder or by the Company under any such other agreement or instrument.

(E) No Legal Prohibition. The Company has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the Company of this Marketing Contract and the transactions contemplated hereby.

(F) License and Regulations. The Company holds all Governmental Approvals required to perform the Contract Services.

ARTICLE III

TERM

SECTION 3.1. TERM OF MARKETING CONTRACT. This Marketing Contract will become effective on the Contract Date, and will continue in effect until the fifth anniversary of the Commencement Date (the "Initial Term" and together with any Renewal Term described in Section 3.2, the "Term").

SECTION 3.2. RENEWAL OPTION. The parties may by mutual agreement renew this Marketing Contract for one or more terms aggregating up to five years (the "Renewal Term").

ARTICLE IV

DEVELOPMENT PERIOD RESPONSIBILITIES AND COMMENCEMENT DATE

SECTION 4.1. COMMENCEMENT DATE. The Company shall cause the Commencement Date to occur on or before the Scheduled Commencement Date. Upon the Commencement Date, the provisions of any other prior agreement between the parties shall terminate, and the provisions of this Marketing Contract shall commence with respect to the processing and marketing of Recovered Recyclables delivered by or on behalf of the City on and after the Commencement Date. The Company expressly waives the right to receive any payment from the City arising out of the termination of any previous agreement with the City including but not limited to the payment described in Section 2 of the August 10, 2007 amendment to the Materials Recovery Facility Contract between the City and the Company (which was formerly FCR Greensboro, Inc.) dated August 13, 1992, as amended.

SECTION 4.2. DELAY IN SCHEDULE. In the event that the Commencement Date is delayed beyond the Scheduled Commencement Date, except to the extent that the City's acceptance of the form of the performance bond or evidence of Required Insurance is unreasonably withheld, and despite the Company's good faith efforts, the Company shall (i) take any actions necessary, at the cost and expense of the Company, to remedy the reason for the delay and (ii) shall pay damages to the City in the amount of $3,000 per Business Day that the Commencement Date is delayed beyond the Scheduled Commencement Date. If the Commencement Date shall not have occurred on or before the date which is 60 days following the Scheduled Commencement Date, such failure shall constitute an Event of Default which shall not be subject to a cure right if the City notifies the Company that the City is terminating this Marketing Contract as a result of such Event of Default prior to the occurrence of the Commencement Date.

ARTICLE V

COMPANY PERFORMANCE OBLIGATIONS

SECTION 5.1. GENERAL. Commencing on the Commencement Date, the Company shall receive, transfer and transport (if applicable), process, store and market all Recovered Recyclables delivered to the Designated Facility by, or on behalf of, the City subject to the terms and conditions set forth in this Marketing Contract (the "Contract Services").

SECTION 5.2. STANDARDS OF PERFORMANCE. The Company shall perform the Contract Services in accordance with all requirements of Applicable Law (including any applicable permits) and all applicable Contract Standards.

SECTION 5.3. DESIGNATED FACILITY. The Company shall operate and maintain the Designated Facility in accordance with the Contract Standards, and shall ensure that the Designated Facility is managed by trained and responsible supervisory employees. The Company shall not have the right to change the Designated Facility without the express written approval of the City. The parties acknowledge that during a portion of the Term the Company may be retrofitting the Designated Facility and, at its own cost, may transfer and transport Recovered Recyclables from the Designated Facility to a Company-owned processing facility in Charlotte or as otherwise determined by the Company. During such period of time, the City shall continue to deliver, or cause the delivery of, Recovered Recyclables to the Designated Facility.

SECTION 5.4. HOURS OF OPERATION. The Designated Facility shall receive City vehicles and City contractor's vehicles, if applicable, between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday, excluding designated holidays, emergencies and inclement weather, other than when the City is collecting Recovered Recyclables.

SECTION 5.5. VEHICLE UNLOADING. The Designated Facility and the site shall allow for smooth and safe traffic flows. The Company shall implement offloading procedures and shall staff the Designated Facility so that total turnaround time between arrival and departure of delivery vehicles shall take no longer than 20 minutes per vehicle on average. The Designated Facility will provide adequate paved entrance roadways and onsite roadways to minimize congestion and facilitate safe vehicular movement. The Company must not allow parking or queuing of collection vehicles on local public streets. City vehicles or vehicles

delivering Recovered Recyclables on behalf of the City will be given preference to unload Recovered Recyclables at the Designated Facility before trailers.

SECTION 5.6. VEHICLE WEIGHING SYSTEM AND ACCOUNTABILITY. The Company will provide legal weight receipts of the Recovered Recyclables delivered from each City (or City contractor's) truck through the use of official "weight tickets" from a certified weigh station, located at the Designated Facility. The weight tickets will show the Designated Facility, driver's signature, gross weight, tare weight, net weight, date, time, vehicle license plate number, and shall be affixed with the legend "Weighmaster Certificate". The Company shall provide and maintain documentation that the certified weigh station is in full compliance with all required permits under federal, state, and local laws. The City shall have the authority to verify the station's accuracy without prior notice.

SECTION 5.7. NO UNACCEPTABLE MATERIALS. The Company shall not accept Hazardous Materials or other Unacceptable Materials at the Designated Facility that would adversely affect the City. The Company shall implement a screening protocol to ensure that Hazardous Materials and other Unacceptable Materials are not received at the Designated Facility.

SECTION 5.8. REJECTION RIGHTS. The Company shall have the right to refuse to accept deliveries from the City of (i) entire delivery vehicle loads consisting of more Unacceptable Materials than the Contamination Threshold and (ii) entire delivery vehicle loads containing any quantity of Hazardous Materials, as demonstrated by the Company in accordance with a protocol agreed to by the parties.

SECTION 5.9. MATERIALS RECYCLING. The Company will be required to process Recovered Recyclables delivered by or on behalf of the City in a sound and timely manner into recovered materials that conform to specifications for their sale to appropriate end markets. The Company is responsible for identifying intermediate processors and/or end use markets and their specification for acceptance of materials. The identified markets for processed material must recycle or transform the material into a useful and/or marketable end product.

SECTION 5.10. PROCESS RESIDUE. The Company must use commercially reasonable efforts to minimize generation of process residue and to maximize on a commercially reasonable basis the recovery of Recovered Recyclables. The design and operation of the processing system at the Designated Facility should be efficient so that it processes and recovers

on a commercially reasonable basis the maximum amount of marketable Recovered Recyclables. Residue that requires management as a solid waste (as defined under Applicable Law) must be disposed of in accordance with Applicable Law. The Company will have sole responsibility for the disposal of process residue and all costs associated therewith. The Company will be required to document residual disposal sites utilized.

SECTION 5.11. PERMITTING AND COMPLIANCE. The Company shall maintain compliance at all times with all federal, State, and local laws, statues, ordinances, rules, and regulations throughout the term of this Marketing Contract. It shall be the Company's responsibility to determine which permits, clearances, certifications, licenses, and approvals are required. The Company shall bear the total cost of obtaining and/or renewing all required permits and approvals.

SECTION 5.12. EMERGENCY PLAN. The Company shall provide the City with an emergency plan which, among other things, identifies an alternative facility within a reasonable distance of the center of the City that can be utilized in the event the Company's Designated Facility is shut down due to an emergency or is otherwise unavailable to process Recovered Recyclables or to serve as a transfer station to transfer Recovered Recyclables to another processing facility. In the event the City is required to use an alternative facility which is further from the center of the City than the Designated Facility, the Company shall pay the City for its extra costs resulting from the use of such alternative facility. In the event that an emergency condition prevents the Company from utilizing the Designated Facility either to process the City's Recovered Recyclables or to transfer the City's Recovered Recyclables to another materials recovery facility, the Company may request that the Company utilize a portion of the City's transfer station to perform transfer operations for the City's Recovered Recyclables. The City shall consider the Company's request in good faith and shall respond to the Company in a timely manner.

SECTION 5.13. ACCESS. Upon two hours prior notice to the Company, the Company shall provide the City access to the Designated Facility during normal working hours for the purpose of observing operations.

SECTION 5.14. REPORTS. The Company agrees to provide the City with a monthly statement in sufficient detail to substantiate the volumes associated with the Marketing Fee. Additionally, on a monthly basis, the Company shall provide the City with a detailed

transaction report of all inbound transactions delivered pursuant to this Marketing Contract. This report shall detail all pertinent operating data on the performance of the Contract Services including but not limited to, the quantity of Recovered Recyclables delivered to the Designated Facility. Such report shall include the percentage of Unacceptable Materials by weight of the tonnage delivered. This report shall be in Microsoft Excel. In addition, on a monthly basis, the Company shall provide the City with a summary of all Recovered Recyclables delivered to the Designated Facility by or on behalf of the City as well as a total of Recovered Recyclables received at the Designated Facility from all other customers. To measure the progress the parties make toward achieving the Contamination Average Goals, the Company shall conduct Composition Studies as often as agreed by the parties, but in any event not less than twice per Contract Year, and record and report such study results to the City.

SECTION 5.15. DATA AND RECORDS. The Company shall maintain an automated information system to provide storage and ready retrieval of Designated Facility operating data and shall prepare and maintain proper, accurate and complete books and records and accounts of all transactions and information which is necessary to verify calculations which are made pursuant to this Marketing Contract and as necessary to comply with State regulations. Such records shall be maintained for three years following the expiration or termination of this Marketing Contract.

SECTION 5.16. COMPANY ASSISTANCE WITH PUBLIC EDUCATION. The Company and the City recognize the importance of effective education and promotion of the City's recycling programs. The Company will partner with the City to establish program goals and objectives that will continually enhance and promote the City's recycling program. In doing so, the Company shall provide, at a minimum, a full-time recycling coordinator whose scope of work shall be dedicated to improving the City's recycling program as set forth in Section 5.19, marketing expertise, and promotional materials to assist the City in the development and implementation of education and awareness campaigns to the residents located in the City. Such efforts will focus first on the minimization of contamination in the Recovered Recyclables and second on maximizing participation rates. The Company's education efforts may include, but are not limited to, (i) presentations to neighborhood and civic groups; (ii) preparation of material describing acceptable recovered recyclables; (iii) recycling competition and events; (iv) participation in advertising and promotional campaigns to increase recycling awareness and

behavior and (v) market laboratories to experiment with innovative new programs to increase consumer and commercial recycling rates. The Company and the City will work together to create education and promotion that benefits both parties by improving the City's recycling program. The Company will work with City staff to measure the effectiveness of the various promotional efforts with respect to established recycling program recovery and diversion goals, contamination rates, associated financial savings/benefits, and community and environmental benefits. Those results will be reported on a quarterly basis and will be included in the City's Measurement Accountability Performance ("MAP") Program. In addition, the Company will revitalize the City's travelling education program. The Company will outfit the City's recycling van with high tech equipment for multi-media education. It will provide a large flat screen monitor that receives video input from the plant. Various cameras will send live feed to the receiver where it can demonstrate in real time how the material flows from the delivery truck to outbound product trailer. The monitor will have smart board capability so students can interact with the virtual Designated Facility. The Company will provide videos, which show how products from the Designated Facility are further refined and ultimately made into new consumer products. Also, the Company will use its team of professional marketing experts to help enhance the brand of the City's field operations and recycling program. The Company will work with the City to find effective ways to engage the community, explain the benefits of landfill diversion and resource recovery, and explain how recycling turns discards into raw materials that feed industry and creates jobs in the State.

SECTION 5.17. NON-CITY MATERIALS AND SPOT MARKET. The Company shall have the right during the Term to accept and receive Recovered Recyclables other than those delivered by or on behalf of the City. However, the parties agree that Recovered Recyclables delivered by or on behalf of the City will be given priority and that acceptance of other materials may be accepted only to the extent that, and on the express condition that, such acceptance does not interfere with or restrict the ability of the Company to fulfill its obligations under this Marketing Contract, and does not violate any applicable federal, state, or local statute, regulation or ordinance.

SECTION 5.18. DESIGNATED FACILITY RETROFIT. The Company acknowledges that its commitment to make certain improvements to the Designated Facility was a material consideration to the City in awarding this Contract. The City recognizes that the

ability of the Company to make such improvements is subject to obtaining certain consents and approvals of third parties. The parties agree, therefore, that following the Contract Date, the Company shall use good faith efforts to obtain approvals and permits necessary to install a second weigh scale at the Designated Facility site and to make related changes to the ingress and egress routing. Within 60 days following the receipt of such approvals and permits, the Company shall install a second weigh scale and make the related ingress and egress routing changes at its sole cost. In the event that, despite its good faith efforts, the Company is unable to obtain such approvals or permits within 120 days following the Contract Date, the Company shall inform the City of such status and demonstrate the efforts made until such time. The parties shall then meet in good faith to determine a strategy for obtaining the necessary consents and approvals moving forward.

SECTION 5.19. FULL TIME RECYCLING COORDINATOR. The Company shall provide the City with a full-time recycling coordinator that is dedicated exclusively to improvement of the City's recycling program and shall be separate from and not in replacement of the City's existing education specialist. Duties of the recycling coordinator will focus on (i) inspecting, flagging, and rewarding setouts in high contamination, low participation areas of the City (carrot and stick approach) and (ii) educational efforts in high contamination, low participation areas of the City. The recycling coordinator may work on (i) City school education and outreach; (ii) City school and organizational field trips to the designated facility and education center; and (iii) presentations to neighborhood and civic groups. The Company will work with City staff to measure the effectiveness of the various efforts of the recycling coordinator with respect to established recycling program recovery and diversion goals, residue rates, associated financial savings/benefits, and community and environmental benefits. In connection therewith, the City will support and cooperate with the Company's efforts to cause loads to be under the Contamination Threshold.

ARTICLE VI

CITY PERFORMANCE RESPONSIBILITIES

SECTION 6.1. CITY DELIVERY REQUIREMENT. The City shall cause all Recovered Recyclables which it collects or causes to be collected by a City contractor, if applicable, to be delivered to the Designated Facility for processing and marketing. The City makes no commitment as to the express quantity of Recovered Recyclables that will be delivered pursuant to this Marketing Contract. It is the City's desire to deliver loads of Recovered Recyclables that contain an average of ten percent (10%) or less of Unacceptable Materials. The City shall use good faith efforts in coordination with the Company's efforts, through public education, to avoid loads consisting of more than the Contamination Threshold and to achieve the Contamination Average Goals set forth in Section 6.4.

SECTION 6.2. OVERSIGHT. The City will exercise oversight during the Term to assure compliance with the provisions of this Marketing Contract. The City may exercise oversight through formal designation of a City service coordinator who will be the liaison with the Company's plant manager.

SECTION 6.3. IMPROVING RECOVERED RECYCLABLES QUALITY. The City will work with the Company to create mutually agreeable programming. The City will cooperate with the Company's efforts by, at a minimum, allowing the Company's representative(s) to inspect household setouts and tag highly contaminated setouts. The City's current practice of skipping collection of tagged setouts will apply upon inspection and verification of the tagged container by City staff. The City grants the Company the right to communicate directly with households that routinely and grossly contaminate setouts or do not participate in the recycling program, subject to prior approval by the City of the method and the manner of communication.

SECTION 6.4. CONTAMINATION AVERAGE GOALS. The parties agree to work together in good faith over the course of the Term to attempt to achieve the Contamination Average Goals. The Contamination Average Goals are: twenty-five percent (25%) by the end of the first Contract Year, eighteen percent (18%) by the end of the second Contract Year, fifteen percent (15%) by the end of the third Contract Year, and twelve percent (12%) by the end of the fourth Contract Year and through the remainder of the Term. Failure to

achieve a Contamination Average Goal in any Contract Year shall not constitute a breach of this Marketing Contract.

ARTICLE VII

RECOVERED RECYCLABLES MARKETING

SECTION 7.1. RECOVERED RECYCLABLES MARKETING.

(A) Marketing Responsibilities. As of the Commencement Date, the Company shall commence marketing activities for the purpose of developing secondary markets for Recovered Recyclables. Throughout the Term, the Company shall:

(1) In its sales and pricing arrangements, not market, sell or dispose of Recovered Recyclables from the Designated Facility in a manner that is in violation of Applicable Law;

(2) Promptly notify the City of any material dispute with or claim made by a Recovered Recyclables purchaser against the Company arising out of any sales of Recovered Recyclables or disposition which could have a material and adverse effect on the Company or the City; and

(3) Use all reasonable efforts to investigate, research, develop and maintain the market for Recovered Recyclables produced by the Designated Facility.

(B) Risk of Marketing. The Company shall bear the entire risk of, and have sole and absolute responsibility for, marketing for recycling and re-use of all Recovered Recyclables, including all transfer, transportation, handling, storage and disposition costs, charges, taxes and liabilities associated with the marketing and disposition of Recovered Recyclables in accordance with this subsection. The unavailability of profitable markets for the sale of Recovered Recyclables shall not constitute an Uncontrollable Circumstance hereunder.

SECTION 7.2. TITLE TO AND LIABILITY FOR RECOVERED RECYCLABLES. As between the parties, title to, risk of damage or injury from, and liability for Recovered Recyclables, or residue from the processing of such Recovered Recyclables once they have been delivered to the Designated Facility and accepted by the Company, shall be exclusively the Company's. Without limiting the foregoing, the Company shall indemnify, defend and hold harmless the City from all loss-and-expense of any tort or other liability resulting from the marketing and disposal of Recovered Recyclables to the extent not caused by

the negligence or misconduct of the City or its officials, employees, agents or representatives or the presence of Hazardous Materials in any loads delivered by or on behalf of the City. Such indemnity shall extend to any liability resulting from property loss or damage or death or personal injury suffered or alleged to be suffered by any person from exposure to or as a result of handling Recovered Recyclables based on any theory of recovery, including theories of product liability, toxic tort or environmental impairment.

ARTICLE VIII

MARKETING FEE

SECTION 8.1. MARKETING FEE. Following the Commencement Date, the Company shall pay the City a fee as set forth in Appendix A for each ton of Recovered Recyclables delivered to the Designated Facility by or on behalf of the City (the "Marketing Fee"). The parties acknowledge that the Marketing Fee payable to the City is not dependent upon the value that the Company may receive for such materials in the secondary market or whether the Company has to pay for the disposition of such materials. In addition, the parties acknowledge that the City has no obligation to, and will not, pay any type of tipping or processing fee to the Company regardless of whether the Company receives value in the secondary market for the Recovered Recyclables delivered to the Designated Facility or has to pay for the disposition of such materials.

SECTION 8.2. PAYMENT OF THE MARKETING FEES. (A) Marketing Fee Payment. The Company shall pay the Marketing Fee monthly by the 30th day of the following payment period. All amounts that are not paid within ten days after when due shall bear interest from such 10-day period to the date paid at the Interest Rate.

(B) Payment Statement. For each payment period, the Company shall render a statement (a "Payment Statement") to the City by the fifth Business Day of the following payment period, which shall adequately substantiate the Marketing Fee for the previous payment period.

(C) Billing Estimates and Adjustments. To the extent that the actual value of any item in any Payment Statement cannot be accurately determined at the Payment Statement date, such item shall be estimated and an adjustment shall be made to reflect the difference between such estimated amount and the actual amount of such item on the Payment Statement following the date on which the Company learns the exact amount of such item.

SECTION 8.3. PAYMENT STATEMENT DISPUTES. If the City disputes any amount reflected in a Payment Statement to be paid by the Company, the City shall provide the Company with a written objection indicating the amount that is being disputed and providing all reasons then known to the City for its objection to or disagreement with such amount. If the City and the Company are not able to resolve such dispute within 30 days after the City's

objection, either party may refer such dispute to non-binding mediation. If any such amount is adjusted in the City's favor pursuant to agreement, mediation or otherwise, the Company shall pay the amount of such adjustment to the City, with interest thereon from the date such disputed amount was due the City to the date of payment in full of such amount. Any undisputed amount shall be paid to the City by the Company as set forth in Section 8.2.

SECTION 8.4. OFFER OF ENHANCED TERMS AND CONDITIONS. In the event the Company provides any municipality utilizing the Designated Facility more favorable terms and conditions for the marketing of Recovered Recyclables under a fixed-price contract and for a similar term as this Marketing Contract than those terms and conditions offered to the City pursuant to this Marketing Contract, the Company shall offer the same terms and conditions to the City.

ARTICLE IX

DEFAULT, TERMINATION AND DISPUTE RESOLUTION

SECTION 9.1. REMEDIES FOR BREACH. The parties agree that, except as otherwise provided in Section 9.2 with respect to termination rights, in the event that either party breaches this Marketing Contract, the other party may exercise any legal rights it has under this Marketing Contract, under the Security Instruments, and under Applicable Law to recover damages or to secure specific performance, and that such rights to recover damages and to secure specific performance shall ordinarily constitute adequate remedies for any such breach. Neither party shall have the right to terminate this Marketing Contract for cause except upon the occurrence of an Event of Default. Nothing in this Section shall prohibit the City from terminating this Marketing Contract pursuant to the provisions of Section 9.3.

SECTION 9.2. EVENTS OF DEFAULT AND TERMINATION. The following shall constitute Events of Default on the part of either party to this Marketing Contract:

(1) persistent and repeated failure to timely perform any material obligations under the terms of this Marketing Contract;

(2) bankruptcy or insolvency of either party, provided that in the case of involuntary bankruptcy, the proceeding or case relating thereto shall continue undismissed for a period of 60 days, and further provided that the party has moved within 15 days of the filing of the petition for involuntary bankruptcy to have such petition declared invalid; or

(3) failure to make payments which are owed under the terms of this Marketing Contract within ten (10) days following the time they become due and payable.

In the Event of Default by the Company under Section 9.2(3), the City reserves the right to suspend delivery of Recovered Recyclables until such payments are made and to deliver such materials to an alternate facility. In the Event of Default by either party, if within thirty (30) days after the defaulting party shall have received notice from the other party that an Event of Default has occurred, the defaulting party has neither remedied, nor has commenced and

continued to pursue with due diligence an effective remedy for any such Event of Default, the other party shall have the option to terminate this Marketing Contract by providing written notice to the defaulting party and shall have the right to seek all other remedies provided by law against the defaulting party. Upon termination by the City due to a Company Event of Default, the City shall have the right, among other remedies, to be exercised collectively, to assume the Company's rights and obligations under the Lease and to purchase the Company's processing and related equipment at the Designated Facility, for such properties' aggregate fair market value and to offset any out-of-pocket termination damages of the City directly related to such Event of Default against such purchase price. The purchase price shall be paid in a lump sum in cash when title to such property is transferred to the City by bill of sale, assignment of lease and other transfer documents.

SECTION 9.3. ADDITIONAL TERMINATION RIGHTS. (A) Convenience Termination. The City shall have the right at any time during the Term, exercisable in its sole discretion, for its convenience and without cause, to terminate this Marketing Contract upon 90 days' written notice to the Company. If the City exercises its right to terminate this Marketing Contract pursuant to this Section following the Commencement Date, the City shall pay the Company a convenience termination fee equal to: $2,500,000.00 if exercised during the first or second Contract Years. Beginning in the third Contract Year, the convenience termination fee shall be reduced by $72,916.67 each succeeding month, including the month in which the termination date occurs, through the end of the fourth Contract Year. For example, the convenience termination fee in the thirtieth (30th) month of the Initial Term shall be $2,062,499.80. The convenience termination fee shall never be reduced below $750,000.00 and shall be $750,000.00 for the fifth Contract Year. If this Marketing Contract is renewed pursuant to Section 3.2, the convenience termination fee shall be based on the following formula, where "x" is the number of months remaining in the Renewal Term:

Number of months remaining in Renewal Term	**Convenience Termination Fee**
$x > 36$	$2,500,000.00
$36 \geq x > 12$	$2,500,000.00 - [(36 - x) * ($72,916.67)]
$x \leq 12$	$750,000.00

Upon any termination pursuant to this Section, the City shall also be paid all amounts due under this Marketing Contract but not yet paid as of the date of termination. The right of the City to terminate this Marketing Contract for its convenience and in its sole discretion in accordance with this Section constitutes an essential part of the overall consideration of this Marketing Contract and the Company hereby waives any right it may have under Applicable Law to assert that the City owes the Company a duty of good faith dealing in the exercise of such right.

(B) Termination by Law. In the event that the Marketing Contract is terminated as a result of a successful third party legal challenge that would prevent the parties from performing under the agreement, each party shall bear its own costs and neither party shall have a remedy against the other, except that each party shall use commercially reasonable efforts to defend any such legal challenge with the reasonable assistance of the other party.

(C) Delay in Commencement Date. The City shall have the right to terminate this Marketing Contract by prior written notice to the Company, if the Commencement Date has not occurred by the 60th day following the Scheduled Commencement Date as set forth in Section 4.3 (and if the Commencement Date has not occurred prior to such written notice).

SECTION 9.4. NO CONSEQUENTIAL OR PUNITIVE DAMAGES. No consequential or punitive damages shall be payable on any claims arising out of the performance or non-performance of obligations under this Marketing Contract, by either the City or the Company.

SECTION 9.5. FORUM FOR BINDING DISPUTE RESOLUTION. Judicial proceedings held in North Carolina state courts in Guilford County will be the sole forum for disputes hereunder unless otherwise mutually agreed by the parties.

SECTION 9.6. NON-BINDING MEDIATION. Either party may refer any dispute arising under this Marketing Contract to non-binding mediation for resolution based upon mutual consent.

SECTION 9.7. NO WAIVERS. No action of the City or Company pursuant to this Marketing Contract, and no failure to act, shall constitute a waiver by either party of the other party's compliance with any term or provision of this Marketing Contract. No course of dealing or delay by the City or Company in exercising any right, power or remedy under this Marketing Contract shall operate as a waiver thereof or otherwise prejudice such party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or

remedy of the City or Company under this Marketing Contract shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

SECTION 9.8. UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

(A) Performance Excused. Except as otherwise specifically provided in this Marketing Contract (including as set forth in Section 5.12), neither the City nor the Company shall be liable to the other for any failure or delay in performance of any obligation under this Marketing Contract (other than any payment at the time due and owing) to the extent that such failure is due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation. The party experiencing an Uncontrollable Circumstance shall notify the other party in accordance with the provisions of Section 11.12 below, on or promptly after the date of such Uncontrollable Circumstance followed within 15 days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began, its estimated duration, and the estimated time during which the performance of such party's obligations hereunder will be delayed or affected, (3) its estimated impact on the obligations of such party under this Marketing Contract and (4) potential mitigating actions which might be taken by the Company or City. Each party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such act, event or condition shall occur, the party adversely affected thereby shall promptly use all reasonable commercial efforts to eliminate the cause therefor and resume performance under this Marketing Contract. While the delay or adverse impact continues, the Company or City shall give notice to the other party before the first day of each succeeding week, updating the information previously submitted. The affected party shall furnish promptly any additional documents or other information relating to the Uncontrollable Circumstance reasonably requested by the other party.

ARTICLE X

SECURITY, INDEMNIFICATION AND INSURANCE

SECTION 10.1. CONTRACT SECURITY: GUARANTY TO THE CITY. The Company shall cause the Guaranty Agreement to be provided and maintained by the Guarantor during the Term hereof.

SECTION 10.2. CONTRACT SECURITY: PERFORMANCE BOND. On or before the Commencement Date, the Company shall provide to the City an operations performance bond, in the amount of $2,000,000.00 in a form reasonably acceptable to the City for the first and second Contract Years. The performance bond shall be reduced such that at the beginning of the third Contract Year the performance bond shall be reduced to $1,500,000.00; at the beginning of the fourth Contract Year the performance bond shall be reduced to $1,000,000.00; and at the beginning of the fifth Contract Year the performance bond shall be reduced to $750,000.00. If this Marketing Contract is renewed pursuant to Section 3.2, the amount of the performance bond shall correspond to the above schedule depending upon the length of the Renewal Term. For example, if the Renewal Term is three years, the performance bond shall be $1,500,000.00 for the first Contract Year of the Renewal Term; $1,000,000.00 for the second Contract Year of the Renewal Term; and $750,000.00 for the third Contract Year of the Renewal Term. The operations performance bond shall secure performance of the Company's obligations and shall remain in effect for three months following the expiration of this Marketing Contract. The surety issuing the operations performance bond shall be acceptable to the City, and limited to those companies authorized to transact business in the state of North Carolina, having a resident agent in the state of North Carolina and meeting the following requirements and/or limits: surety shall be rated "A+" or better as to management and "FSC XV" or better as to the strength by Best's Insurance Guide; the bond shall contain any applicable provisions required by Section 129 of Chapter 143 of the General Statutes of North Carolina and pursuant to Article 3 of Chapter 44-A of the General Statutes of North Carolina, and each and every provision set forth and contained in Section 129 of Chapter 143 and in Article 3 of Chapter 44-A of the General Statutes of North Carolina. Such operations performance bond shall be furnished in addition to the Guaranty Agreement.

SECTION 10.3. INDEMNIFICATION BY THE COMPANY. The Company shall indemnify, defend and hold harmless the City, and its appointive officers, directors, representatives, agents and employees, from and against any and all loss and expense arising from or in connection with, or alleged to arise from or in connection with, any failure by the Company to perform its obligations under this Marketing Contract; the negligence or willful misconduct of the Company or any of its officers, directors, employees, representatives, agents or subcontractors in connection with this Marketing Contract; Company Breach; or the performance of the Company's obligations under this Marketing Contract. The Company's indemnity obligations as set forth above shall apply to the extent not caused by the negligence or misconduct of the City or its officials, employees, agents or representatives or the presence of Hazardous Materials in any loads delivered by or on behalf of the City. The Company's indemnity obligations shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by the Company which is intended to respond to such events.

SECTION 10.4. REQUIRED INSURANCE. During the Term, the Company shall obtain and maintain the Required Insurance as set forth in Appendix C hereto.

ARTICLE XI

GENERAL

SECTION 11.1. ASSIGNMENT OF MARKETING CONTRACT AND CHANGE IN CONTROL. The Company shall not assign, transfer, convey, lease, encumber or otherwise dispose of this Marketing Contract, its right to execute the same, or its right, title or interest in all or any part of this Marketing Contract or any monies due hereunder whatsoever, whether legally or equitably, nor shall the Company merge, transfer stock, transfer assets, be acquired or reorganized in such a manner that control of the Company is materially changed (except to the extent that such change in control is to an Affiliate of the Company), without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Any such approval given in one instance shall not relieve the Company of its obligation to obtain the prior written approval of the City to any further assignment. Any assignment of this Marketing Contract which is approved by the City shall require the assignee of the Company to assume the performance of and observe all obligations, representations and warranties of the Company under this Marketing Contract, and no such assignment shall relieve the Guarantor of any of its obligations under the Guaranty Agreement, which shall remain in full force and effect during the Term hereof. This Marketing Contract and all rights, duties and obligations herein shall not be assigned by the City to any other person and/or entity without the prior written approval of the Company.

SECTION 11.2. ACTIONS OF THE CITY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Marketing Contract shall be interpreted as limiting the rights and obligations of the City in its governmental or regulatory capacity.

SECTION 11.3. NO DISCRIMINATION. The Company agrees that in the performance of the services in this Marketing Contract, it will not discriminate in its hiring, employment, and contracting practices with reference to age, sex race, color, religion, national origin, handicap or disability. The Company shall fully comply with all applicable local, state, and federal laws.

SECTION 11.4. RIGHT TO INSPECT. The City shall, at all reasonable times and on reasonable notice, have access to and the right to inspect, audit, examine, and copy all such relevant books, records, and other documents of the Company for the purpose of

ensuring compliance with the terms of this Marketing Contract for the then current fiscal year plus the previous five years.

SECTION 11.5. GOVERNING LAW. This Marketing Contract shall be interpreted under and governed by the laws of the State of North Carolina.

SECTION 11.6. PUBLIC RECORDS. This Marketing Contract is a "public record" and shall be subject to public disclosure consistent with Chapter 132 of the North Carolina General Statutes. Pursuant to the North Carolina Public Records Act, trade secrets or confidential information as defined by the North Carolina Public Records Act that are identified as such prior to disclosure to the City is not public information and will not be released to the public by the City. Company must claim any applicable exemptions to disclosure provided by law at the time the information, document, recording, photograph, electronic data-processing record, or any other type of information that may constitute a public record under Chapter 132 of the North Carolina General Statutes is given or transmitted to the City or in any other way received by the City. The Company must identify materials to be protected by placing the materials in a separate, sealed envelope appropriately marked as CONFIDENTIAL INFORMATION – CITY REVIEW ONLY and must state the reasons why such exclusion from public disclosure is necessary and legal. The City will notify the Company of any public records request for the information or materials the Company has marked as CONFIDENTIAL, and if the Company objects to the City disclosing any of the records responsive to the request, the Company will notify the City in writing within three Business Days. If so notified, the City will not disclose the records until ordered to do so by a court of competent jurisdiction, if and only if, the Company immediately enters an appearance as a party in- interest and defend the City in any claim, suit, mediation, litigation, or arbitration proceeding concerning the release of the records to which the Company objected. The Company agrees to indemnify, save harmless, and pay any and all attorney's fees incurred by the City, and any attorney's fees the City is ordered to pay to any person(s) or organization(s) as a result of the Company's objection to the release of these records. The Company will also indemnify, save harmless, and pay any and all claims for damages, court costs, or other fees the City incurs as a result of the Company's objection to the release of the records requested pursuant to the North Carolina Public Records Act.

SECTION 11.7. DRUG FREE WORKPLACE. The Company shall maintain a drug-free workplace at all times during the Term.

SECTION 11.8. CONFLICT OF INTEREST. The Company shall comply with the City of Greensboro Policy # B-22 – Conflict of Interest Policy, which is incorporated herein by reference, at all times during the Term.

SECTION 11.9. RELATIONSHIP OF THE PARTIES. The Company is an independent contractor and not an employee or agent of the City, and shall retain the right to exercise full and exclusive control and supervision over its employees, their compensation, and their discharge except as otherwise provided in this Marketing Contract. The Company's employees shall not be considered employees of the City, and the Company shall be solely responsible for all matters relating to the payment of employee taxes and insurance contributions. The Company shall be fully responsible for its acts and those of its employees during the term of this Marketing Contract. Nothing in this Marketing Contract shall be construed as creating a partnership, agency, joint venture, or other similar relationship with the City, and the Company shall conduct all its work in its own name and not in the name of or as agent for the City.

SECTION 11.10. BINDING EFFECT. This Marketing Contract shall bind and inure to the benefit of the parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 11.1 hereof.

SECTION 11.11. AMENDMENTS. Neither this Marketing Contract nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both parties.

SECTION 11.12. NOTICES. Any notice, request, demand, statement and or payment provided for herein shall be in writing and, except as otherwise provided herein, shall be sent to the parties hereto at the following addresses:

If to the Company: FCR Greensboro, LLC
809 West Hill Street
Charlotte, NC 28208
Attention: Sean P. Duffy

With a copy to: David Sturgess, General Counsel
RE Community Holdings II, Inc.
809 West Hill Street
Charlotte, NC 28208

If to the City: City of Greensboro
P.O. Box 3136
Greensboro, North Carolina 27402
Attn: City Manager

With a copy to: City of Greensboro
P.O. Box 3136
Greensboro, North Carolina 27402
Attn: Director of Field Operations

Such notices and communications shall be deemed to have been given and received when personally delivered or upon evidence of delivery by a nationally recognized private express mail service, in either case with signature required. Either party may change the name and/or address to which communications or payments are to be made by notice to the other party as set forth above.

SECTION 11.13. FURTHER ASSURANCES. Each party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Marketing Contract.

SECTION 11.14. NO THIRD PARTY BENEFICIARIES. Unless specifically set forth herein, neither party to this Marketing Contract shall have any obligation to any third party as a result of the agreements contained herein.

SECTION 11.15. COMPLIANCE WITH CONTRACT STANDARDS. The Company shall perform all services under this Marketing Contract in a ccordance with the Contract Standards.

SECTION 11.16. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this Marketing Contract is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, and such portion is reasonably capable of being omitted from this Marketing Contract without materially affecting the terms hereof, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Marketing Contract, except as provided for in Chapter 25 of the Greensboro Code of Ordinance. Further, if any section, subsection, sentence, clause, phrase, or portion of this Marketing Contract is ruled invalid by any court of competent jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such section, subsection, sentence, clause, phrase, or portion of this Marketing Contract which shall, to the greatest extent legally permissible, effect the intent of the parties, therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of Marketing Contract; and (3) negotiate such changes in, substitutions for or additions to the remaining

provisions of Marketing Contract as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision.

SECTION 11.17. INCLEMENT WEATHER. The services to be provided by the Company hereunder shall be performed under all weather conditions. In the event of inclement weather, the Company shall be responsible for taking measures necessary to allow for the Company to perform its obligations pursuant to this Marketing Contract.

IN WITNESS WHEREOF, the parties have caused this Marketing Contract to be executed and delivered by their duly authorized officers or representatives as of the date first above written.

CITY OF GREENSBORO, NORTH CAROLINA

By: D. D. Wyzick

Printed Name: D. DALE WYZICK

Title: FIELD OPERATIONS DIRECTOR

FCR GREENSBORO, LLC D/B/A RECOMMUNITY

By: Sean P. Duffy

Printed Name: SEAN P. DUFFY

Title: President + C.O.O.

APPENDIX A

MARKETING FEE

APPENDIX A

MARKETING FEE

The Company shall pay the City a Marketing Fee each month following the Commencement Date based upon the tonnage of Recovered Recyclables delivered to the Designated Facility during the previous month. The Marketing Fee will be calculated based upon the Table below and in accordance with the examples below.

TABLE 1

City Tons Per Month Increments	Company Per Ton Payment
0-2,500	$30.00
2,501 and above	$31.00

Example 1: The City delivers 2,600 Ton of Recovered Recyclables in a month. The Marketing Fee would be $78,100:

City Tons Per Month Increments	Company Per Ton Payment	Ton Applied	City Revenues
0-2,500	$30.00	2,500	$75,000
2,501 and above	$31.00	100	$3,100
		2,600	$78,100

Example 2: The City delivers 3,100 Ton of Recovered Recyclables in a month. The Marketing Fee would be $93,600:

City Tons Per Month Increments	Company Per Ton Payment	Ton Applied	City Revenues
0-2,500	$30.00	2,500	$75,000
2,501 and above	$31.00	600	$18,600
		3,100	$93,600

APPENDIX B

FORM OF GUARANTY AGREEMENT

APPENDIX B

FORM OF GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made and dated as of January __, 2013, between RE Community Holdings II, Inc., a corporation organized and existing under the laws of Delaware (together with any permitted successors and assigns hereunder, the "Guarantor"), and the City of Greensboro, North Carolina, a political subdivision of the State of North Carolina (the "City").

RECITALS

The City and FCR Greensboro, LLC, a limited liability company organized and existing under the laws of Delaware (the "Company"), have entered into a Processing and Marketing of Recovered Recyclable Materials Contract, dated January __, 2013 (the "Marketing Contract"), whereby the Company has agreed to receive, transfer and transport (if applicable), process, store and market all Recovered Recyclables delivered to the Designated Facility by, or on behalf of, the City, as more particularly described in the Marketing Contract.

The Company is a wholly-owned subsidiary of the Guarantor.

The City will enter into the Marketing Contract only if the Guarantor guarantees the performance by the Company of all of the Company's responsibilities and obligations under the Marketing Contract as set forth in this agreement (the "Guaranty Agreement").

In order to induce the execution and delivery of the Marketing Contract by the City and in consideration thereof, the Guarantor agrees as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. For the purposes of this Guaranty Agreement, the following words and terms shall have the respective meanings set forth as follows. Any capitalized word or term used but not defined herein is used as defined in the Marketing Contract.

"City" means the City of Greensboro, North Carolina, a political subdivision of the State of North Carolina.

"Company" means FCR Greensboro, LLC, a limited liability company organized and existing under the laws of the State of Delaware d/b/a "ReCommunity."

"Governmental Body" means any federal, State, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

"Guarantor" has the meaning ascribed to it in the Preamble hereto.

"Guaranty Agreement" means this agreement between the City and the Guarantor which shall guarantee the performance of the Company's Obligations under the Marketing Contract.

"Marketing Contract" has the meaning ascribed to it in the Preamble hereto.

"Obligations" means the amounts payable by, and the covenants and agreements of, the Company as set forth in the Marketing Contract.

SECTION 1.2. INTERPRETATION. In this Guaranty Agreement, unless the context otherwise requires:

(A) References Hereto. The terms "hereby", "hereof", "herein", "hereunder" and any similar terms refer to this Guaranty Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of execution and delivery of this Guaranty Agreement.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Guaranty Agreement shall be solely for convenience of reference and shall not constitute a part of this Guaranty Agreement, nor shall they affect its meaning, construction or effect.

(E) Entire Agreement. This Guaranty Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated by this Guaranty Agreement. Nothing in this Guaranty Agreement is intended to confer on any person other than the Guarantor, the City and their permitted successors and assigns hereunder any rights or remedies under or by reason of this Guaranty Agreement.

(F) Counterparts. This Guaranty Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Guaranty Agreement.

(G) Applicable Law. This Guaranty Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

(H) Severability. If any clause, provision, subsection, Section or Article of this Guaranty Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of any such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Guaranty Agreement shall be construed and enforced as if such invalid portion did not exist provided that such construction and enforcement shall not increase the Guarantor's liability beyond that expressly set forth herein.

(I) Approvals. All approvals, consents and acceptances required to be given or made by any party hereto shall be at the sole discretion of the party whose approval, consent or acceptance is required.

(J) Payments. All payments required to be made by the Guarantor hereunder shall be made in lawful money of the United States of America.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR. The Guarantor hereby represents and warrants that:

(1) Existence and Powers. The Guarantor is duly organized and validly existing as a corporation under the laws of Delaware with full legal right, power and authority to enter into and perform its obligations under this Guaranty Agreement.

(2) Due Authorization and Binding Obligation. The Guarantor has duly authorized the execution and delivery of this Guaranty Agreement, and this Guaranty Agreement has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, or moratorium or by general equity principals of reorganization and other similar laws affecting creditors' rights generally and general principals of equity.

(3) No Conflict. Neither the execution or delivery by the Guarantor of this Guaranty Agreement nor the performance by the Guarantor of its obligations hereunder (a) to the Guarantor's knowledge conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Guarantor, (b) conflicts with, violates or results in a material breach of any term or condition of the Guarantor's corporate charter or by-laws or any judgment, decree, agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument, or (c) to the Guarantor's knowledge will result in the creation or imposition of any material encumbrance of any nature whatsoever upon any of the properties or assets of the Guarantor except as permitted hereby.

(4) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Guaranty Agreement by the Guarantor or the performance of its payment or other obligations hereunder, except as such shall have been duly obtained or made.

(5) No Litigation. Except as disclosed in writing to the City, there is no legal proceeding, at law or in equity, before or by any Governmental Body pending or, to the best of the Guarantor's knowledge, overtly threatened or publicly announced against the Guarantor, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the validity, legality or enforceability of this Guaranty Agreement against the Guarantor, or on the ability of the Guarantor to perform its obligations hereunder.

(6) No Legal Prohibition. The Guarantor has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the Guarantor of this Guaranty Agreement and the transactions contemplated by this Guaranty Agreement.

(7) Consent to Agreements. The Guarantor is fully aware of the terms and conditions of the Marketing Contract.

(8) Consideration. This Guaranty Agreement is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor.

ARTICLE III

GUARANTY COVENANTS

SECTION 3.1. GUARANTY TO THE CITY. The Guarantor hereby absolutely, presently, irrevocably and unconditionally guarantees to the City for the benefit of the City (1) the full and prompt payment when due of each and all of the payments required to be credited or made by the Company under the Marketing Contract (including all amendments and supplements thereto) to, or for the account of, the City, when the same shall become due and payable pursuant to the Marketing Contract, and (2) the full and prompt performance and observance of each and all of the Obligations. Notwithstanding the unconditional nature of the Guarantor's obligations as set forth herein, the Guarantor shall have the right to assert the defenses provided in Section 3.4 hereof against claims made under this Guaranty Agreement.

SECTION 3.2. RIGHT OF CITY TO PROCEED AGAINST GUARANTOR. This Guaranty Agreement shall constitute a guaranty of payment and of performance and not of marketing, and the Guarantor specifically agrees that in the event of a failure by the Company to pay or perform any Obligation guaranteed hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty Agreement and without proceeding against the Company or exhausting any other remedies against the Company which the City may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the City (1) file suit or proceed to obtain a personal judgment against the Company or any other person that may be liable for the Obligations or any part of the Obligations, (2) make any other effort to obtain payment or performance of the Obligations from the Company other than providing the Company with any notice of such payment or performance as may be required by the terms of the Marketing Contract or required to be given to the Company under Applicable Law, (3) foreclose against or seek to realize upon any security for the Obligations, or (4) exercise any other right or remedy to which the City is or may be entitled in connection with the Obligations or any security therefor or any other guarantee thereof, except to the extent that any such exercise of such other right or remedy may be a condition to the Obligations of the Company or to the enforcement of remedies

under the Marketing Contract. Upon any unexcused failure by the Company in the payment or performance of any Obligation and the giving of such notice or demand, if any, to the Company or Guarantor as may be required in connection with such Obligation or this Guaranty Agreement, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the City's right to proceed directly against the Guarantor, the City (or any successor) shall not be entitled to more than a single full performance of the obligations in regard to any breach or non-performance thereof.

SECTION 3.3. GUARANTY ABSOLUTE AND UNCONDITIONAL. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until the Company shall have fully discharged the Obligations in accordance with their respective terms, and except as provided in Section 3.4 hereof, shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Obligations) based on any claim that the Guarantor may have against the Company, the City or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by, or further consent of the Guarantor):

(1) the extension or renewal of the Marketing Contract pursuant to its terms as in effect on the date hereof (provided, however, in the event that the Company is not an Affiliate of the Guarantor, any renewal or extension of the Marketing Contract that is not pursuant to terms in effect on the date hereof and that is adverse to the Guarantor must be consented to by the Guarantor);

(2) any exercise or failure, omission or delay by the City in the exercise of any right, power or remedy conferred on the City with respect to this Guaranty Agreement or the Marketing Contract except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim;

(3) any permitted conveyance, transfer or assignment of rights or obligations under the Marketing Contract by either party;

(4) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the City or any other person in the Marketing Contract;

(5) any renewal, amendment, change or modification in respect of any of the Obligations (provided, however, in the event that the Company is not an Affiliate of the Guarantor, any renewal, amendment, change or modification of the Marketing Contract that is not pursuant to terms in effect on the date hereof and that is adverse to the Guarantor must be consented to by the Guarantor);

(6) any failure of title with respect to all or any part of the respective interests of any person in the Marketing Contract;

(7) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against, the Company or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty Agreement in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty Agreement shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty Agreement that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding);

(8) any failure on the part of the Company for any reason to perform or comply with any agreement with the Guarantor;

(9) the failure on the part of the City to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty Agreement and to the Company as a condition to the enforcement of Obligations pursuant to the Marketing Contract;

Should any money due or owing under this Guaranty Agreement not be recoverable from the Guarantor due to any of the matters specified in subparagraphs (1) through (13) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of the Company pursuant to the terms of the Marketing Contract and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty Agreement.

SECTION 3.4. DEFENSES, SET-OFFS AND COUNTERCLAIMS. The Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which the Company may have under the Marketing Contract or under Applicable Law (other than bankruptcy or insolvency of the Company and other than any defense which the Company has expressly waived in the Marketing Contract or the Guarantor has expressly waived in Section 3.5 hereof or elsewhere hereunder), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which the Company is permitted to assert pursuant to the Marketing Contract if any.

SECTION 3.5. WAIVERS BY THE GUARANTOR. The Guarantor hereby unconditionally and irrevocably waives:

(1) notice from the City of its acceptance of this Guaranty Agreement;

(2) notice of any of the events referred to in Section 3.3 hereof except to the extent that notice is required to be given as a condition to the enforcement of Obligations;

(3) to the fullest extent lawfully possible, all notices which may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Company required pursuant to the Marketing Contract or Applicable Law as a condition to the performance of any Obligation;

(4) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to

guarantors (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(5) any right to require a proceeding first against the Company;

(6) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of the Company; and

(7) all demands upon the Company or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 3.5, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

SECTION 3.6. PAYMENT OF COSTS AND EXPENSES. The Guarantor agrees to pay the City on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), incurred by or on behalf of the City in successfully enforcing by legal proceeding observance of the covenants, agreements and obligations contained in this Guaranty Agreement against the Guarantor, other than the costs and expenses that the City incurs in performing any of its obligations under the Marketing Contract where such obligations are a condition to performance by the Company of its Obligations.

SECTION 3.7. SUBORDINATION OF RIGHTS. The Guarantor agrees that any right of subrogation or contribution which it may have against the Company as a result of any payment or performance hereunder is hereby fully subordinated to the rights of the City hereunder and that the Guarantor shall not recover or seek to recover any payment made by it hereunder from the Company until the Company and the Guarantor shall have fully and satisfactorily paid or performed and discharged the Obligations giving rise to a claim under this Guaranty Agreement.

SECTION 3.8. SEPARATE OBLIGATIONS; REINSTATEMENT. The obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (1) to the extent permitted by Applicable Law, constitute separate and independent obligations of the Guarantor from its other

obligations under this Guaranty Agreement, (2) give rise to separate and independent causes of action against the Guarantor and (3) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty Agreement shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of the Company is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Marketing Contract, or the Company's enforcement of such terms under Applicable Law.

SECTION 3.9. TERM. This Guaranty Agreement shall remain in full force and effect from the date of execution and delivery hereof until all of the Obligations of the Company have been fully paid and performed.

ARTICLE IV

GENERAL COVENANTS

SECTION 4.1. MAINTENANCE OF CORPORATE EXISTENCE. (A) Consolidation, Merger, Sale or Transfer. The Guarantor covenants that during the term of this Guaranty Agreement it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the successor is the Guarantor; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if: (1) the successor entity (if other than the Guarantor) (a) obtains the written consent of the City, which consent shall not be unreasonably withheld, (b) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the State of North Carolina, and (c) delivers to the City an opinion of counsel to the effect that its obligations under this Guaranty Agreement are legal, valid, binding and enforceable subject to applicable bankruptcy and similar insolvency or moratorium laws.

(B) Continuance of Obligations. If a consolidation, merger or sale or other transfer is made as permitted by this Section , the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section. No such consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty Agreement as provided in this Section.

SECTION 4.2. ASSIGNMENT. Except as provided in Section 4.1, this Guaranty Agreement may not be assigned by the Guarantor without the prior written consent of the City.

SECTION 4.3. CONSENT TO JURISDICTION. The Guarantor irrevocably: (1) agrees that any legal proceeding arising out of this Guaranty Agreement shall be brought in the courts of the State of North Carolina located in Guilford County, North Carolina,

or when circumstances allow for federal jurisdiction (based on diversity of citizenship or otherwise), federal court having jurisdiction over the City; (2) consents to the jurisdiction of such courts in any such legal proceeding; (3) waives any objection which it may have to the laying of the jurisdiction of any such legal proceeding in any of such courts; and (4) waives its right to a trial by jury in any legal proceeding in any of such courts.

SECTION 4.4. BINDING EFFECT. This Guaranty Agreement shall inure to the benefit of the City and its permitted successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

SECTION 4.5. AMENDMENTS, CHANGES AND MODIFICATIONS. This Guaranty Agreement may not be amended, changed, modified, or terminated and none of its provisions may be waived, except with the prior written consent of the City and of the Guarantor.

SECTION 4.6. NOTICES.

(A) Procedure. Any notice, request, demand, statement and or payment provided for herein shall be in writing and, except as otherwise provided herein, shall be sent to the parties hereto at the following addresses. Such notices and communications shall be deemed to have been given and received when personally delivered or upon evidence of delivery by a nationally recognized private express mail service, in either case with signature required. Either party may change the name and/or address to which communications or payments are to be made by notice to the other party as set forth below.

(B) Guarantor Notice Address. Notices required to be given to the Guarantor shall be addressed as follows:

RE Community Holdings II, Inc.
809 West Hill Street
Charlotte, NC 28208
Attention: Sean P. Duffy

With a copy to:

David Sturgess, General Counsel
Re Community Holdings II, Inc.
809 West Hill Street

Charlotte, NC 28208

(C) City Notice Address. Notices required to be given to the City shall be addressed as follows:

City of Greensboro
P.O. Box 3136
Greensboro, NC 27402
Attn: City Manager

City of Greensboro
P.O. Box 3136
Greensboro, NC 27402
Attn: City Attorney

(D) Revisions to Notice Addresses. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty Agreement to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

RE COMMUNITY HOLDINGS II, INC.
as Guarantor

By _____
Printed Name:
Title:

Accepted and Agreed to by:
THE CITY OF GREENSBORO, NORTH CAROLINA

By: _____
Printed Name:
Title:

APPENDIX C

INSURANCE REQUIREMENTS

(1) The Company must maintain insurance policies at all times throughout the term of the Marketing Contract with minimum limits as follows:

Coverage	**Minimum Limits**
Workers' Compensation	Statutory Limits
Employers' Liability	$500,000
Commercial General Liability	$5,000,000 per occurrence /$10,000,000 aggregate
Automobile Liability	$1,000,000
Property Damage	$5,000,000 per occurrence/$10,000,000 aggregate

(2) The Company must provide the City with a Certificate of Insurance for review prior to the Commencement Date. This should be an ACORD form (example can be provided). All Certificates of Insurance will require thirty (30) days written notice by the insurer in the event of cancellation, reduction or other modifications of coverage. In addition to the notice requirement above, the selected Company will provide the City with immediate written notice of cancellation, reduction, or other modification of coverage of insurance. Upon failure of the Company to provide such notice, the Company will be solely responsible for all losses incurred by the City for which insurance would have provided coverage. The insurance certificate shall be for the Initial Term and shall be renewed by the selected Company for each subsequent renewal term of the Marketing Contract.

(3) The Company will also secure its general liability insurance from an "A" rated insurance company acceptable to the City. The Company will provide a Certificate of Liability statement that states, "City of Greensboro is added as an additional insured as evidenced by an endorsement attached to this certificate." In the event the Company fails to maintain and keep in force for the duration of this Marketing Contract the insurance required herein, the City may cancel and terminate this Marketing Contract without notice.

EXECUTION COPY

GUARANTY AGREEMENT

from

RE COMMUNITY HOLDINGS II, INC

to

THE CITY OF GREENSBORO, NORTH CAROLINA

Dated

January 22, 2013

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made and dated as of January 22, 2013, between RE Community Holdings II, Inc., a corporation organized and existing under the laws of Delaware (together with any permitted successors and assigns hereunder, the "Guarantor"), and the City of Greensboro, North Carolina, a political subdivision of the State of North Carolina (the "City").

RECITALS

The City and FCR Greensboro, LLC, a limited liability company organized and existing under the laws of Delaware (the "Company"), have entered into a Processing and Marketing of Recovered Recyclable Materials Contract, dated January 22, 2013 (the "Marketing Contract"), whereby the Company has agreed to receive, transfer and transport (if applicable), process, store and market all Recovered Recyclables delivered to the Designated Facility by, or on behalf of, the City, as more particularly described in the Marketing Contract.

The Company is a wholly-owned subsidiary of the Guarantor.

The City will enter into the Marketing Contract only if the Guarantor guarantees the performance by the Company of all of the Company's responsibilities and obligations under the Marketing Contract as set forth in this agreement (the "Guaranty Agreement").

In order to induce the execution and delivery of the Marketing Contract by the City and in consideration thereof, the Guarantor agrees as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. For the purposes of this Guaranty Agreement, the following words and terms shall have the respective meanings set forth as follows. Any capitalized word or term used but not defined herein is used as defined in the Marketing Contract.

"City" means the City of Greensboro, North Carolina, a political subdivision of the State of North Carolina.

"Company" means FCR Greensboro, LLC, a limited liability company organized and existing under the laws of the State of Delaware d/b/a "ReCommunity."

"Governmental Body" means any federal, State, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

"Guarantor" has the meaning ascribed to it in the Preamble hereto.

"Guaranty Agreement" means this agreement between the City and the Guarantor which shall guarantee the performance of the Company's Obligations under the Marketing Contract.

"Marketing Contract" has the meaning ascribed to it in the Preamble hereto.

"Obligations" means the amounts payable by, and the covenants and agreements of, the Company as set forth in the Marketing Contract.

SECTION 1.2. INTERPRETATION. In this Guaranty Agreement, unless the context otherwise requires:

(A) References Hereto. The terms "hereby", "hereof", "herein", "hereunder" and any similar terms refer to this Guaranty Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of execution and delivery of this Guaranty Agreement.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Guaranty Agreement shall be solely for convenience of reference and shall not constitute a part of this Guaranty Agreement, nor shall they affect its meaning, construction or effect.

(E) Entire Agreement. This Guaranty Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated by this Guaranty Agreement. Nothing in this Guaranty Agreement is intended to confer on any person other than the Guarantor, the City and their permitted successors and assigns hereunder any rights or remedies under or by reason of this Guaranty Agreement.

(F) Counterparts. This Guaranty Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Guaranty Agreement.

(G) Applicable Law. This Guaranty Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

(H) Severability. If any clause, provision, subsection, Section or Article of this Guaranty Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of any such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Guaranty Agreement shall be construed and enforced as if such invalid portion did not exist provided that such construction and enforcement shall not increase the Guarantor's liability beyond that expressly set forth herein.

(I) Approvals. All approvals, consents and acceptances required to be given or made by any party hereto shall be at the sole discretion of the party whose approval, consent or acceptance is required.

(J) Payments. All payments required to be made by the Guarantor hereunder shall be made in lawful money of the United States of America.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR. The Guarantor hereby represents and warrants that:

(a) Existence and Powers. The Guarantor is duly organized and validly existing as a corporation under the laws of Delaware with full legal right, power and authority to enter into and perform its obligations under this Guaranty Agreement.

(b) Due Authorization and Binding Obligation. The Guarantor has duly authorized the execution and delivery of this Guaranty Agreement, and this Guaranty Agreement has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, or moratorium or by general equity principals of reorganization and other similar laws affecting creditors' rights generally and general principals of equity.

(c) No Conflict. Neither the execution or delivery by the Guarantor of this Guaranty Agreement nor the performance by the Guarantor of its obligations hereunder (a) to the Guarantor's knowledge conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Guarantor, (b) conflicts with, violates or results in a material breach of any term or condition of the Guarantor's corporate charter or by-laws or any judgment, decree, agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument, or (c) to the Guarantor's knowledge will result in the creation or imposition of any material encumbrance of any nature whatsoever upon any of the properties or assets of the Guarantor except as permitted hereby.

(d) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Guaranty Agreement by the Guarantor or the performance of its payment or other obligations hereunder, except as such shall have been duly obtained or made.

(e) No Litigation. Except as disclosed in writing to the City, there is no legal proceeding, at law or in equity, before or by any Governmental Body pending or, to the best of the Guarantor's knowledge, overtly threatened or publicly announced against the Guarantor, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the validity, legality or enforceability of this Guaranty Agreement against the Guarantor, or on the ability of the Guarantor to perform its obligations hereunder.

(f) No Legal Prohibition. The Guarantor has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the

performance by the Guarantor of this Guaranty Agreement and the transactions contemplated by this Guaranty Agreement.

(g) Consent to Agreements. The Guarantor is fully aware of the terms and conditions of the Marketing Contract.

(h) Consideration. This Guaranty Agreement is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor.

ARTICLE III

GUARANTY COVENANTS

SECTION 3.1. GUARANTY TO THE CITY. The Guarantor hereby absolutely, presently, irrevocably and unconditionally guarantees to the City for the benefit of the City (1) the full and prompt payment when due of each and all of the payments required to be credited or made by the Company under the Marketing Contract (including all amendments and supplements thereto) to, or for the account of, the City, when the same shall become due and payable pursuant to the Marketing Contract, and (2) the full and prompt performance and observance of each and all of the Obligations. Notwithstanding the unconditional nature of the Guarantor's obligations as set forth herein, the Guarantor shall have the right to assert the defenses provided in Section 3.4 hereof against claims made under this Guaranty Agreement.

SECTION 3.2. RIGHT OF CITY TO PROCEED AGAINST GUARANTOR. This Guaranty Agreement shall constitute a guaranty of payment and of performance and not of marketing, and the Guarantor specifically agrees that in the event of a failure by the Company to pay or perform any Obligation guaranteed hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty Agreement and without proceeding against the Company or exhausting any other remedies against the Company which the City may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the City (1) file suit or proceed to obtain a personal judgment against the Company or any other person that may be liable for the Obligations or any part of the Obligations, (2) make any other effort to obtain payment or

performance of the Obligations from the Company other than providing the Company with any notice of such payment or performance as may be required by the terms of the Marketing Contract or required to be given to the Company under Applicable Law, (3) foreclose against or seek to realize upon any security for the Obligations, or (4) exercise any other right or remedy to which the City is or may be entitled in connection with the Obligations or any security therefor or any other guarantee thereof, except to the extent that any such exercise of such other right or remedy may be a condition to the Obligations of the Company or to the enforcement of remedies under the Marketing Contract. Upon any unexcused failure by the Company in the payment or performance of any Obligation and the giving of such notice or demand, if any, to the Company or Guarantor as may be required in connection with such Obligation or this Guaranty Agreement, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the City's right to proceed directly against the Guarantor, the City (or any successor) shall not be entitled to more than a single full performance of the obligations in regard to any breach or non-performance thereof.

SECTION 3.3. GUARANTY ABSOLUTE AND UNCONDITIONAL. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until the Company shall have fully discharged the Obligations in accordance with their respective terms, and except as provided in Section 3.4 hereof, shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Obligations) based on any claim that the Guarantor may have against the Company, the City or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by, or further consent of the Guarantor):

(a) the extension or renewal of the Marketing Contract pursuant to its terms as in effect on the date hereof (provided, however, in the event that the Company is not an Affiliate of the Guarantor, any renewal or extension of the Marketing Contract that is not pursuant to terms in effect on the date hereof and that is adverse to the Guarantor must be consented to by the Guarantor);

(b) any exercise or failure, omission or delay by the City in the exercise of any right, power or remedy conferred on the City with respect to this Guaranty Agreement or the Marketing Contract except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim;

(c) any permitted conveyance, transfer or assignment of rights or obligations under the Marketing Contract by either party;

(d) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the City or any other person in the Marketing Contract;

(e) any renewal, amendment, change or modification in respect of any of the Obligations (provided, however, in the event that the Company is not an Affiliate of the Guarantor, any renewal, amendment, change or modification of the Marketing Contract that is not pursuant to terms in effect on the date hereof and that is adverse to the Guarantor must be consented to by the Guarantor);

(f) any failure of title with respect to all or any part of the respective interests of any person in the Marketing Contract;

(g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against, the Company or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty Agreement in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty Agreement shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty Agreement that the Guarantor shall

and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding);

(h) any failure on the part of the Company for any reason to perform or comply with any agreement with the Guarantor;

(i) the failure on the part of the City to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty Agreement and to the Company as a condition to the enforcement of Obligations pursuant to the Marketing Contract;

Should any money due or owing under this Guaranty Agreement not be recoverable from the Guarantor due to any of the matters specified in subparagraphs (1) through (13) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of the Company pursuant to the terms of the Marketing Contract and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty Agreement.

SECTION 3.4. DEFENSES, SET-OFFS AND COUNTERCLAIMS. The Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which the Company may have under the Marketing Contract or under Applicable Law (other than bankruptcy or insolvency of the Company and other than any defense which the Company has expressly waived in the Marketing Contract or the Guarantor has expressly waived in Section 3.5 hereof or elsewhere hereunder), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which the Company is permitted to assert pursuant to the Marketing Contract if any.

SECTION 3.5. WAIVERS BY THE GUARANTOR. The Guarantor hereby unconditionally and irrevocably waives:

notice from the City of its acceptance of this Guaranty Agreement;

(j) notice of any of the events referred to in Section 3.3 hereof except to the extent that notice is required to be given as a condition to the enforcement of Obligations;

(k) to the fullest extent lawfully possible, all notices which may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Company required pursuant to the Marketing Contract or Applicable Law as a condition to the performance of any Obligation;

(l) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to guarantors (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(m) any right to require a proceeding first against the Company;

(n) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of the Company; and

(o) all demands upon the Company or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 3.5, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

SECTION 3.6. PAYMENT OF COSTS AND EXPENSES. The Guarantor agrees to pay the City on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), incurred by or on behalf of the City in successfully enforcing by legal proceeding observance of the covenants, agreements and obligations contained in this Guaranty Agreement against the Guarantor, other than the costs and expenses that the City incurs in performing any of its obligations under the Marketing Contract where such obligations are a condition to performance by the Company of its Obligations.

SECTION 3.7. SUBORDINATION OF RIGHTS. The Guarantor agrees that any right of subrogation or contribution which it may have against the Company as a result of any payment or performance hereunder is hereby fully subordinated to the rights of the City hereunder and that the Guarantor shall not recover or seek to recover any payment made by it hereunder from the Company until the Company and the Guarantor shall have fully and

satisfactorily paid or performed and discharged the Obligations giving rise to a claim under this Guaranty Agreement.

SECTION 3.8. SEPARATE OBLIGATIONS; REINSTATEMENT. The obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (1) to the extent permitted by Applicable Law, constitute separate and independent obligations of the Guarantor from its other obligations under this Guaranty Agreement, (2) give rise to separate and independent causes of action against the Guarantor and (3) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty Agreement shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of the Company is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Marketing Contract, or the Company's enforcement of such terms under Applicable Law.

SECTION 3.9. TERM. This Guaranty Agreement shall remain in full force and effect from the date of execution and delivery hereof until all of the Obligations of the Company have been fully paid and performed.

ARTICLE IV

GENERAL COVENANTS

SECTION 4.1. MAINTENANCE OF CORPORATE EXISTENCE. (A) Consolidation, Merger, Sale or Transfer. The Guarantor covenants that during the term of this Guaranty Agreement it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the successor is the Guarantor; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if: (1) the successor entity (if other than the Guarantor) (a) obtains the written

consent of the City, which consent shall not be unreasonably withheld, (b) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the State of North Carolina, and (c) delivers to the City an opinion of counsel to the effect that its obligations under this Guaranty Agreement are legal, valid, binding and enforceable subject to applicable bankruptcy and similar insolvency or moratorium laws.

(B) Continuance of Obligations. If a consolidation, merger or sale or other transfer is made as permitted by this Section , the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section. No such consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty Agreement as provided in this Section.

SECTION 4.2. ASSIGNMENT. Except as provided in Section 4.1, this Guaranty Agreement may not be assigned by the Guarantor without the prior written consent of the City.

SECTION 4.3. CONSENT TO JURISDICTION. The Guarantor irrevocably: (1) agrees that any legal proceeding arising out of this Guaranty Agreement shall be brought in the courts of the State of North Carolina located in Guilford County, North Carolina, or when circumstances allow for federal jurisdiction (based on diversity of citizenship or otherwise), federal court having jurisdiction over the City; (2) consents to the jurisdiction of such courts in any such legal proceeding; (3) waives any objection which it may have to the laying of the jurisdiction of any such legal proceeding in any of such courts; and (4) waives its right to a trial by jury in any legal proceeding in any of such courts.

SECTION 4.4. BINDING EFFECT. This Guaranty Agreement shall inure to the benefit of the City and its permitted successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

SECTION 4.5. AMENDMENTS, CHANGES AND MODIFICATIONS. This Guaranty Agreement may not be amended, changed, modified, or terminated and none of its provisions may be waived, except with the prior written consent of the City and of the Guarantor.

SECTION 4.6. NOTICES.

Procedure. Any notice, request, demand, statement and or payment provided for herein shall be in writing and, except as otherwise provided herein, shall be sent to the parties hereto at the following addresses. Such notices and communications shall be deemed to have been given and received when personally delivered or upon evidence of delivery by a nationally recognized private express mail service, in either case with signature required. Either party may change the name and/or address to which communications or payments are to be made by notice to the other party as set forth below.

(K) Guarantor Notice Address. Notices required to be given to the Guarantor shall be addressed as follows:

RE Community Holdings II, Inc.
809 West Hill Street
Charlotte, NC 28208
Attention: Sean P. Duffy

With a copy to:

David Sturgess, General Counsel
RE Community Holdings II, Inc.
809 West Hill Street
Charlotte, NC 28208

(L) City Notice Address. Notices required to be given to the City shall be addressed as follows:

City of Greensboro
P.O. Box 3136
Greensboro, NC 27402
Attn: City Manager

City of Greensboro
P.O. Box 3136
Greensboro, NC 27402
Attn: City Attorney

(M) Revisions to Notice Addresses. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty Agreement to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

RE COMMUNITY HOLDINGS II, INC.
as Guarantor

By _____
Printed Name: SEAN P. DUFFY
Title: President + C.O.O.

Accepted and Agreed to by:
THE CITY OF GREENSBORO, NORTH CAROLINA

By: _____
Printed Name: D. DALE WYRICK
Title: FIELD OPERATIONS DIRECTOR

City of Greensboro
Contract Signature Authorization Sheet
Field Operations

Vendor: FCR Inc

Tracking number: 5,450

Contract Number:

Change Order Number:

Service, Item or Project Description:

FCR/ReCommunity Greensboro, LLC contract to commence April 1, 2013.
This contract is for one year and renewable for up to 5 years.

Signatures

☑ _____ Date: 1-31-13
Department Head Recommendation/Authorization

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

☑ N/A ABV Date: 2-5-13
Deputy Finance Officer

☑ _____ Date: 2-14-13
Assist. **City Attorney: Approved as to form**

☑ _____ Date: 2-18-13
Assistant City Manager: Authorized

☐ _____ Date: _____
Mayor: Executed

☑ _____ Date: FEB 18 2013
City Clerk: Attested

Date Printed: 2/1/2013