

BRINE DISPOSAL AGREEMENT

THIS AGREEMENT made and entered into this 16th day of September 2014 by and between ALLIED NEW TECHNOLOGIES, INC, a Florida Corporation, hereinafter referred to as "ALLIED" and FORT PIERCE UTILITIES AUTHORITY, hereinafter referred to as "FPUA", a utility authority created as part of the government of the City of Fort Pierce, Florida under the Charter of the City of Fort Pierce, hereinafter referred to as the "Parties".

WHEREAS, FPUA owns and operates an industrial deep injection well located at 715 S. 25th Street, Fort Pierce, Florida; and

WHEREAS, ALLIED wishes to utilize FPUA's industrial deep injection well for disposal of its brine reject, which is a byproduct of ALLIED's manufacture of sodium hypochlorite at its plant located at 9545 Rangeline Road, Ft. Pierce, Florida; and

WHEREAS, use of FPUA's deep injection well will be beneficial to ALLIED, and each party desires to establish the terms of such use;

NOW THEREFORE, in consideration of the mutual covenants herein, FPUA and ALLIED agree as follows:

1. Effective Date. This Agreement shall become effective upon the execution and delivery by both parties.
2. Term. The term of this Agreement and all obligations under this Agreement shall commence upon execution and delivery by both parties and shall continue for a period of ten (10) full calendar years from the effective date. ALLIED may renew this Agreement for two additional, successive five (5) year terms by providing written notice of such renewal to FPUA at least one hundred and eighty (180) days prior to the expiration of the then current term. Each renewal term shall be conditioned upon FPUA's continued use and permitted operation of the deep injection well. FPUA shall provide ALLIED with 180 days advance notice if, during a renewal term; (a) FPUA elects to discontinue its use of the deep injection well; or (b) FPUA elects to surrender (or not renew) its deep injection well permit.
3. Cancellation. ALLIED may terminate this Agreement, without cause, upon 180 days prior written notice to FPUA. FPUA may terminate this Agreement, without cause, upon



180 days prior written notice. If FPUA terminates this Agreement, without cause, FPUA shall pay ALLIED an Early Cancellation Charge for the facility constructed, as described in section 4(a). The charge shall be assessed based on the following:

- a) Years 1-3: If terminated within years 1, 2, or 3, payment shall be made, totaling one-hundred percent (100%) of the value of the facility, which shall be based upon ALLIED's Statement of Costs and Quantities submitted to FPUA upon completion of construction.
- b) Years 4-10: If terminated in:
 - (i) Year 4, payment shall be made totaling eighty percent (80%) of the value of the facility.
 - (ii) Year 5, payment shall be made totaling sixty percent (60%) of the value of the facility.
 - (iii) Year 6, payment shall be made totaling forty percent (40%) of the value of the facility.
 - (iv) Year 7, payment shall be made totaling thirty percent (30%) of the value of the facility.
 - (v) Year 8, payment shall be made totaling twenty percent (20%) of value of the facility.
 - (vi) Year 9, payment shall be made totaling ten percent (10%) of the value of the facility.
 - (vii) Year 10 and after, no payment shall be made.

FPUA may terminate this Agreement for cause if it determines that ALLIED has materially violated the discharge conditions of this Agreement or any discharge permit issued to ALLIED by FPUA governing the discharge; FPUA shall provide ALLIED with a thirty (30) day advance written notice prior to issuance of a Notice of Termination, FPUA shall provide ALLIED with the opportunity to cure the discharge condition violations prior to issuance of a Notice of Termination.

4. Brine Disposal. ALLIED will be permitted to dispose of the brine reject which is a byproduct of ALLIED's manufacture of sodium hypochlorite at its plant located at 9545 Rangeline Road, Ft. Pierce, Florida through FPUA's deep injection well located at 715 S. 25th Street, Ft. Pierce, Florida on the following terms:

- a. ALLIED shall be defined as an individual, firm, or corporation having a direct contract with FPUA or with any other affiliate or subcontractor in the performance of a part of the work contracted for under the terms of this Agreement.



ALLIED will be responsible for designing, permitting, constructing and dedicating to FPUA all delivery, storage, electrical, telemetry and pumping facilities required at the disposal site to accept, store and dispose of the brine reject, and will be responsible for all costs associated therewith. These facilities shall be used for the sole purpose of FPUA accepting, storing and disposing of ALLIED's brine reject and shall not be used for the benefit of any third parties. The design of such facilities must be reviewed and approved by FPUA prior to construction of the facilities. FPUA shall execute all permit applications and related documents that are required to be executed or submitted by or on behalf of the property owner or facility owner/operator in connection with the construction of the facilities. ALLIED will be responsible for all construction permit fees associated with construction of the facilities. FPUA will be responsible for the cost associated with FPUA's future renewal of the deep injection well operating permit. If, for any reason, ALLIED chooses to stop work and abandon construction of the facilities, ALLIED will be responsible for demolishing and restoring the site to its original condition.

FPUA will provide ALLIED with a site survey of the proposed facility location for ALLIEDs use in preparing plans and specification for the facilities and improvements required for FPUA to accept, store and dispose of the brine reject waste stream.

ALLIED at its sole expense will install and thereafter FPUA shall maintain a decorative fence and appropriate landscaping along the southern boundary of the site of the facilities (approximately 420 feet in length) subject to FPUA review and approval as well as permitting and site plan approval by the appropriate government authority.

ALLIED at its sole expense will design and construct and thereafter FPUA shall maintain a paved driveway with associated landscaping and general improvements for ingress and egress to the facilities subject to review and approval by FPUA as well as permitting and site plan approval by the appropriate government authority.

ALLIED will provide a one year warranty for the delivery, storage, electrical, telemetry and pumping facilities effective upon acceptance by FPUA. During the one year warranty period ALLIED will be responsible for repairs of these facilities and replacement of failed components except to the extent damage or failure was caused by misuse, abuse or neglect of FPUA. FPUA will provide regular preventive maintenance to these facilities during the warranty period at no additional cost to ALLIED. FPUA will own, operate and maintain the facilities upon certification of completion of the facilities and acceptance of the facilities by FPUA.



FPUA will provide monthly utility service (electric power and water) to the disposal facilities at no additional cost to ALLIED. These costs are included in the monthly service charges paid to FPUA by ALLIED.

- b. FPUA will be responsible for designing, permitting and constructing all improvements at the deep injection well head required to accept and dispose of ALLIED's brine reject in the deep injection well and will be responsible for the costs thereof.
- c. ALLIED will be responsible for all sampling, analysis and or consulting services required to document to FDEP that the proposed ALLIED waste stream is not a hazardous waste and is acceptable for disposal in an industrial deep injection well and will be responsible for all costs thereof.
- d. ALLIED will be responsible for sampling, analyzing and reporting the results to FPUA for any compliance monitoring of the ALLIED brine reject required under the operating permit issued by FDEP and the discharge permit(s) issued to ALLIED by FPUA. Failure by ALLIED to sample, analyze and report results required by the operating permit or the FPUA permit shall be deemed a material violation of this Agreement.
- e. FPUA will provide ALLIED 90 days advance notice of the FDEP mandated mechanical integrity testing (MIT) of the deep injection well located at the disposal site. The MIT occurs approximately every five years. Provided, however, that should the testing schedule not be able to be conducted at a time that the ALLIED plant is out of service for scheduled maintenance, ALLIED will be responsible for ensuring that adequate brine reject storage capacity or alternate disposal methods are available to meet its needs.
- f. ALLIED is limited to a daily maximum discharge volume of 21,600 gallons per day for the brine reject waste stream to dispose of at the FPUA industrial deep injection well. ALLIED will monitor and report its daily waste stream flow delivered and discharged to the storage facility on a monthly basis. The monthly flow data shall be provided to FPUA no later than 15 days after the end of the month. ALLIED may request an increase to the maximum discharge volume of the brine reject by negotiating an Amendment to the terms of this Agreement with FPUA.
- g. ALLIED is solely authorized to discharge brine reject associated with the operation of its plant located on Rangeline Road. No waste streams from third parties shall be accepted by ALLIED for disposal and discharge to FPUA's industrial deep injection well. The parties acknowledge that the brine reject shall be trucked to FPUA and discharged by ALLIED's



affiliate transportation company, Transportation Services Unlimited, Inc. (TSU) or such other transportation company that ALLIED may designate, provided ALLIED notifies FPUA in writing, in advance, regarding the designated transportation company.

Upon completion and acceptance of all construction by FPUA, as described above, FPUA will meter and record the daily aggregate flow delivered by ALLIED to FPUA industrial deep injection well site for disposal and bill ALLIED for disposal based on these meter records. FPUA will bill ALLIED on a monthly basis based on a monthly base service charge and a usage charge. These charges shall be:

Monthly Base Service Charge – \$5,200 per month.

Usage Charge - \$0.14 per thousand gallons

The base and usage charges will be invoiced and payable monthly, and will be in accordance with FPUA's standard billing procedures.

FPUA may review the base and usage charges from time to time and may, at its discretion, increase the usage charge based on increases in its disposal costs. No increases in usage costs may exceed 5% or occur more frequently than once a year. The base cost shall only be increased if there is a mandated modification to the deep injection well. All such increases shall be mutually agreed upon in writing, in advance.

5. Compliance with Laws. ALLIED and FPUA shall comply with all federal, state and local laws, ordinances and regulations applicable to their performance under this Agreement.

6. Indemnification. ALLIED hereby assumes entire responsibility and liability in and for any and all damages or injuries, of any kind or nature whatsoever, to either parties employees, agents, members and/or all other invitees, and all personal property of either party, growing out of or resulting from ALLIED'S affiliates', ALLIED'S subcontractors', or ALLIED's wrongful or negligent utilization of FPUA's real or personal property, under this Agreement, or occurring in connection therewith, including but not limited to environmental contamination associated with ALLIED's and FPUA's use of the facility. ALLIED agrees to defend, indemnify and save harmless FPUA, its agents, officers, servants, employees and insurers from and against any and all losses and expense, including court costs and attorneys' fees, damage or injury growing out of or resulting from or occurring in connection with ALLIED's utilization of the Disposal Site, including, but not limited to costs incurred in relation to any remediation of environmental contamination associated with ALLIED's use of the facility.



Notwithstanding the foregoing provisions of this paragraph 6, ALLIED shall not be responsible for, nor shall it indemnify, defend or hold FPUA harmless from or against any losses, injuries or damage to the extent caused by the acts or omissions of FPUA, its agents, officers, servants and employees or others.

7. Insurance. ALLIED shall procure and maintain insurance in such types and amounts as are described in **Exhibit A** attached herein. FPUA shall maintain all statutory required Workers' Compensation coverage for its employees.

8. Force Majeure. Neither party shall be liable to the other for delays or inability to perform, to the extent that such delays or inability to perform are caused by unforeseen events beyond the control of the party whose ability to perform has been affected. Examples of unforeseen events beyond the control of a party include, without limitation: acts of God; major hurricane or other weather catastrophes; natural disaster; war; and governmental actions or inaction that precludes performance. A party claiming force majeure under this Section shall give written notice to the other party of the nature of the force majeure event and its anticipated duration as soon as possible, and the party's performance shall be excused only so long as the force majeure event continues to prevent said party's performance.

9. Board Approval. This Agreement is contingent upon FPUA Board approval.

10. Notices. Any notices required to be provided hereunder shall be provided in writing, unless verbal communication is expressly permitted or verbal communication is appropriate because of the exigencies of time, in which case such verbal communication shall be confirmed in writing no later than forty eight (48) hours after said verbal communication. All notices shall be delivered or mailed to the addresses set forth below or to such addresses as the parties may from time to time designate in writing:

If to FPUA:

Director of Utilities
Fort Pierce Utilities Authority
P.O. Box 3191
Fort Pierce, FL 34948-3191



If to ALLIED:

President and/or CEO
Allied New Technologies, Inc.
3901 NW 115th Avenue
Miami, FL 33178

All notices shall be hand-delivered or mailed. If mailed, the notices shall be deemed given when deposited, postage prepaid, in the United States Mail, or other commonly used mail carriers.

11. This Agreement constitutes the final, complete and entire written agreement of the parties and supersedes all previous communications, representations, agreements, promises, statements, proposals, and specifications whether written or oral, by or between the parties. This Agreement may be amended only in writing signed by each of the parties to the Agreement.
12. No delay or failure of either party in exercising any right or power under this Agreement shall operate as a waiver of such right or power or prevent the future exercise of such right or power.
13. FPUA and ALLIED hereby certify that they are independent parties. Nothing herein shall be construed to create a partnership, joint venture, or agency relationship between FPUA and ALLIED, and neither party shall have the authority to bind the other party in any respect.
14. Nothing contained in this Agreement shall be construed as creating rights in any third party and the parties hereby express their intent that this Agreement is not intended to benefit in any manner any third party.
15. Nothing contained in this Agreement or in any certificate or policy of insurance or in any provision of indemnity shall be construed to constitute a waiver by FPUA or ALLIED of any provision, substantive or procedural, of any provisions of federal, state or local law affording FPUA or ALLIED protection from or limitation of liability.
16. Neither party shall assign this Agreement to any other persons or firm without first obtaining the other parties' approval.



17. This Agreement shall be governed in accordance with the laws of the State of Florida and venue shall be St. Lucie County.



IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals to this Agreement the day and year first above written.

Signed, sealed and delivered in the presence of:

ALLIED NEW TECHNOLOGIES, INC.

BY: [Signature]
Signature/Officer of Firm (Manual)

Jim Palmer
Name (Typed or Printed)

TITLE: President - CEO

STATE OF: FLORIDA

COUNTY OF: DADE

The foregoing instrument was acknowledged before me this 5 day of Sept., 2014, by
Jim Palmer, President-CEO, of Allied New Technologies, Inc.
Officer of Firm Title Name of Firm
a Florida corporation, on behalf of the corporation.
State

He/She is personally known to me or has produced personally known
as identification.



[Signature]
Notary Public

My commission expires: _____

ATTEST: [Signature]
Secretary

(FPUA Seal)

FORT PIERCE UTILITIES AUTHORITY

BY: [Signature]
Chairman

APPROVED AS TO FORM & CORRECTNESS:

BY: [Signature]
Fort Pierce Utilities Authority Attorney

[Handwritten initials]

EXHIBIT A
REQUIRED LIMITS OF INSURANCE
FOR
FORT PIERCE UTILITIES AUTHORITY
TYPE IV - POLLUTION

ALLIED shall, at its own expense, procure and maintain throughout the term of the Agreement, with an insurer or insurers acceptable to Fort Pierce Utilities Authority (FPUA), the following minimum insurance coverages (inclusive of any amounts provided by an umbrella or excess policy):

Workers' Compensation/Employers' Liability

Part One - There shall be no maximum limit (other than as limited by the applicable statute) for liability imposed by the Florida Workers' Compensation Act, the Longshoremen's and Harbor Workers' Compensations Act or any other coverages required by the Agreement documents which are customarily insured under Part One of the standard Workers' Compensation Policy.

Part Two - The minimum amount of coverages required by the Agreement documents which are customarily insured under Part Two of the standard Workers' Compensation Policy shall be:

\$100,000	(Each Accident)
\$500,000	(Disease-Policy Limit)
\$100,000	(Disease-Each Employee)

Commercial General Liability - The limits are to be applicable only to work performed under Agreement and shall be those that would be covered by the Standard Commercial General Liability policy (ISO Form CG 00 01) with the following minimum limits:

General Aggregate	\$300,000
Products/Completed Operations Aggregate	\$300,000
Personal and Advertising Injury	\$300,000
Each Occurrence	\$300,000
Fire Damage (any one fire)	\$Nil
Medical Expense (any one person)	\$Nil

FPUA shall be included as an "Additional Insured" on a form no more restrictive than ISO Form CG 20 10, Additional Insured – Owners, Lessees, or Contractors (Form B).

The policy must be endorsed to provide FPUA with 30 days' notice of cancellation.



Business Auto Policy

Each Occurrence Bodily Injury and Property Damage Liability Combined	\$300,000
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Environmental Impairment Liability – Such insurance shall provide coverage for third party liability and clean up costs at the proposed site resulting from pollution or other environmental impairment arising out of the activities that are contemplated by the Agreement. Such insurance shall be on a form acceptable to FPUA. FPUA and FPUA’s officials, officers, agents and employees shall be shown as an additional insureds on the policy. Coverage must either be on an occurrence basis; or, if on a claims-made basis, the coverage must respond to all claims reported within three years following the period for which coverage is required and which would have been covered had the coverage been on an occurrence basis. The minimum limits (inclusive of amounts provided by an umbrella or excess policy) shall be:

Each claim/occurrence	\$1,000,000
Annual aggregate	\$1,000,000

ALLIED shall provide FPUA with Certificate(s) of Insurance that include thirty (30) days' written notice of cancellation to FPUA for all coverages, and verify inclusion of FPUA as an Additional Insured on the Commercial General Liability and Environmental Impairment Liability Coverage.

Certificates of Insurance must be completed as follows:

Certificate Holder

Fort Pierce Utilities Authority
Attn: Risk Manager
PO Box 3191
Fort Pierce FL 34948-3191

Additional Insured on the Commercial General Liability and Environmental Impairment Liability

Fort Pierce Utilities Authority and its board members, officials, officers and employees

Rev. 2/21/13

