

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF REDLANDS
AND ABT-HASKELL

This Memorandum of Understanding (MOU) is made this 19th day of July, 2005 by and between the City of Redlands, a municipal corporation and ABT-Haskell.

Whereas, ABT-Haskell desires to locate a fully enclosed, in-vessel, aerobic composting facility in proximity of the City's Water Reclamation Facility; and

Whereas, the City owns land contiguous to the Water Reclamation Facility suitable for the construction of the above composting facility; and

Whereas, a fully enclosed, in-vessel composting facility would provide for an appropriate buffer to the City's Water Reclamation Facility; and

Whereas, the ABT-Haskell composting facility could provide cost effective processing and diversion of the City's Water Reclamation Facility's biosolids; and

Whereas, a compost facility on land contiguous to the Water Reclamation Facility provides an opportunity for the sale of excess electricity generated from landfill gas and digester gas;

Now, therefore, in consideration of the mutual promises contained here, the City of Redlands and ABT-Haskell, agree as follows:

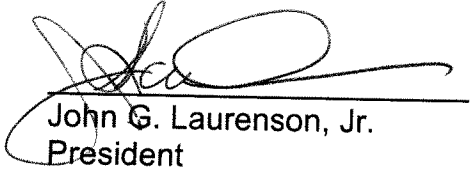
Agreement

Section 1. ABT-Haskell will enter into good faith negotiations with the City for the possible lease of approximately six to eight acres of real property from the City, located in the unincorporated area of the County of San Bernardino for construction of an in-vessel, aerobic composting facility capable of processing 250-300 tons per day of biosolids.

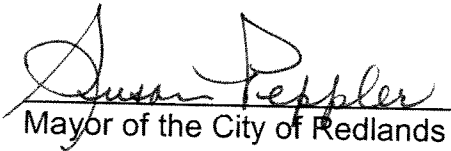
Section 2. As part of the lease negotiations, ABT-Haskell proposes to accept biosolids from the City of Redlands Water Reclamation Facility for processing and diversion at no charge to the City.

Section 3. As part of the lease negotiations, the City will endeavor to maximize the generation of excess electricity from landfill gas and digester gas for possible sale to ABT-Haskell at a rate less than Southern California Edison.

Section 4. The representatives of the City and ABT-Haskell who have executed this Agreement represent that they are an official or officer of their respective employers, and are vested with the authority to execute this Agreement on behalf of their employers, the City and ABT-Haskell, respectively.


John G. Laurenson, Jr.
President

Dated: 7/7/03


Mayor of the City of Redlands

Dated: July 19, 2005

Attest:


City Clerk