

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”), effective as of the date of the last signature below (the “Effective Date”), is by and between the City of Haines City, a municipality of the State of Florida (together with its permitted assigns and successors, the “City”) and BCR Environmental Corporation, a Delaware corporation (together with its affiliates, permitted assigns and successors, the “Company”). The City and the Company may be referred to individually as a “Party” or collectively, the “Parties”.

WHEREAS, the City and the Company entered into the Neutralizer® Monitoring and Service Agreement dated October 6, 2011 which was modified by the First Amendment to the Neutralizer® Monitoring and Service Agreement dated October 17, 2013 and by the Second Amendment to the Neutralizer® Monitoring and Service Agreement dated January 4, 2019 (collectively referred to as the “Neutralizer Agreement:”) to govern the City’s use of the BCR Neutralizer® System process (the “System”);

WHEREAS, the City and the Company entered into a General Release dated September 6, 2017 to resolve certain disputes related to the Haines City Organics Recycling Facility;

WHEREAS, following the execution of the Neutralizer Agreement and the General Release, certain disputes have arisen between the City and the Company regarding the City’s performance of its obligations pursuant to the Neutralizer Agreement and the Company’s performance of its obligations pursuant to the General Release;

WHEREAS, on June 23, 2023, the Company issued to the City its written notice of termination of the Neutralizer Agreement for cause pursuant to ¶5)c)ii of the Neutralizer Agreement which the Company asserted terminated the General Release pursuant to ¶7.(d)(iii) thereof. The City disputed the termination for cause and demanded pre-litigation mediation with the Company;

WHEREAS, the Parties participated in a mediation on September 6, 2023 and reached an agreement in principle to resolve the disputes between them;

WHEREAS, the Parties agree that it is in their mutual interests to avoid the uncertainty and expense of potential litigation by reaching a settlement, resolution, and accommodation of the certain matters encompassed herein;

NOW THEREFORE, in consideration of the mutual promises and covenants stated herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, the Parties agree as follows:

1. Incorporation of Recitals: The recitals set forth above are incorporated herein by reference and made a part of this Agreement. The representations contained in said recitals shall survive any default hereunder.

2. Termination of Agreements: The Parties agree and acknowledge the Neutralizer Agreement and the General Release are terminated. Neither the City nor the Company have any

further obligations, including financial obligations, under either the Neutralizer Agreement or the General Release.

3. The City's Release.

- a. The City and its assigns, predecessors, Representatives, and successors irrevocably and unconditionally acquits, compromises, releases, settles, and forever discharges the Company and its assigns, estates, heirs, predecessors, Representatives, and successors of and from all and any accountings, actions, charges, claims, causes of action (including common law and statutory causes of action), damages, debts, demands, disputes, liabilities, obligations, proceedings, rights, and suits arising out of, based upon, connected with, incidental to, or related to events or facts occurring before or on the Effective Date (collectively, "Claims"), whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, or liquidated or unliquidated, and whether due or to become due, regardless of when asserted, that the City may have, have had, or in the future may have against the Company, including any Claims arising out of, based upon, connected with, incidental to, or related to the Neutralizer Agreement or the General Release.
- b. The City acknowledges, agrees, and understands that it has received all and any Company Payments, including interest, to which the City may have been entitled under the General Release.

4. The Company's Release.

- a. Except for rights created herein, the Company and its assigns, predecessors, Representatives, and successors irrevocably and unconditionally acquits, compromises, releases, settles, and forever discharges the City and its assigns, estates, heirs, predecessors, Representatives, and successors of and from all and any accountings, actions, charges, claims, causes of action (including common law and statutory causes of action), damages, debts, demands, disputes, liabilities, obligations, proceedings, rights, and suits arising out of, based upon, connected with, incidental to, or related to events or facts occurring before or on the Effective Date (collectively, "Claims"), whether absolute or contingent, accrued or unaccrued, asserted or unasserted, known or unknown, or liquidated or unliquidated, and whether due or to become due, regardless of when asserted, that the City may have, have had, or in the future may have against the Company, including any Claims arising out of, based upon, connected with, incidental to, or related to the Neutralizer Agreement or the General Release.
- b. The Company acknowledges, agrees, and understands that it has received all compensation, payments, and fees from the City to which it may have been entitled under the Neutralizer Agreement and any work orders performed thereunder.

5. Future Operation of the System.

- a. Notwithstanding the termination of the Neutralizer Agreement, the City shall be permitted to use and operate the System, but i) without Company's assistance or support, ii) at the City's sole risk, and iii) without liability or legal exposure to the Company. Should the City seek such assistance or support from the Company, a separate agreement must be negotiated and fully executed for the same.
- b. *Claims Arising from Future Operation.* In conjunction with the execution of this Agreement, the City shall (i) return all Company software related to the use and operation of the System to Company, (ii) discontinue any use of the Company software related to the use and operation of the System, and (iii) cease all present and future use and operation of the System. Notwithstanding the foregoing, the City expressly understands, acknowledges, and assumes the risk of operating the System after the Effective Date of this Agreement and all claims and/or liabilities or losses resulting from said operation by the City which may be asserted against the Company are expressly waived and relinquished, to the fullest extent permitted by Section 768.28, Florida Statutes.

6. Trade Secrets.

- a. The City understands and acknowledges it possesses the Company's trade secrets in which BCR holds a proprietary interest ("Confidential Information"). The City agrees that all such Confidential Information shall be disclosed only on a need-to-know basis in connection with the operation of the System and shall not be used for any other purpose. Client understands that such Confidential Information may include but is not limited to the Company's network and data control systems, all past, present and/or future plans, forms, methods, codes, formulae and other information relating to the Company's processes, formulas, the System, or other technical information.
- b. The Parties acknowledge and agree that the City is subject to Chapter 119, Fla. Stat. regarding access to public records. However, the City acknowledges the Company's Confidential Information may be exempt from disclosure pursuant to applicable exemption such as §119.0715, Fla. Stat. If the City receives any requests for public information specifically regarding Confidential Information, then the City shall promptly notify the Company of such request and in all such instances, prior to disclosing any such Confidential Information, the City shall promptly provide the Company with details regarding such specific request including but not limited to the nature of such request, the specific laws under which such request is being made and the identity of the party making such request, thereby providing the Company the opportunity to object to delivery of such requested Confidential Information.

7. Trademarks, Patents. The City recognizes, acknowledges, and agrees that, by its execution, delivery, and/or performance of this Agreement or use of the System, it obtains no interest, legal, equitable or other Interest in any of the trademarks, trade names, patents, pending

patents, copyrights, brand names, labels and the like (the "IP") of the Company, its suppliers or any of their affiliated companies and that (a) the IP are owned exclusively by the Company, its suppliers or any of their affiliated companies and (b) any good will or benefit derived from the use of such by the City shall inure solely to the benefit of the Company and Its affiliated companies. Nothing herein shall provide the City the right to distribute, disclose, or modify the IP.

8. First Right of Refusal. Should the City decide to sell equipment which comprises the Neutralizer System, the Company has first option to purchase said equipment at fair market value.

- a. The City shall send the Company written notice of intent to sell which shall include an inventory of the equipment to be sold, the City's estimate of the fair market value and the basis for calculating same. Within sixty (60) days following the receipt of the notice of intent to sell, the Company shall send written notice of its election to purchase said equipment. If no written notice is provided to the City within sixty (60) days, the option to purchase shall be revoked.
- b. If the Company elects to purchase the equipment and gives the required notice, the closing on the purchase and sale shall be completed with thirty (30) days of the City's receipt of the written notice of the Company's election unless the Parties agree upon another date.

9. Notices. Any required notices hereunder shall be sent to the following:

- a. To the Company:
BCR Environmental Corporation
Joshua Scott, CEO
100 N. Laura St., Suite 601
Jacksonville, FL 32202

Tritt & Associates, P.A.
Helen H. Albee, Esq.
707 Peninsular Place
Jacksonville, FL 32204

- b. To the City:
The City of Haines City, Florida
City Manager
620 E. Main St.
Haines City, FL 33844

The City of Haines City, Florida
Fred Reilly, City Attorney
Reilly International Law Firm, P. A.
P. O. Box 2039
Haines City, FL 33845

10. Non-Disparagement. The Parties shall not, after the effective date of this Settlement Agreement, make false, disparaging or derogatory statements, in any form, about the other Party, its's

officers, directors, agents, or employees or its products or services which the Party knows, or has reason to believe, are false or misleading; provided, however that nothing here shall prevent a Party from making truthful disclosures to any governmental entity.

11. Attorney's Fees and Costs: In the event of a material breach hereunder, the prevailing party in any action commenced to enforce this Agreement shall be awarded its reasonable attorneys' fees and court costs.

12. Authority to Sign: Each person signing below represents that he/she/it has authority to sign on behalf of the individual or entity listed.

13. Entire Agreement: This Agreement contains the entire agreement of the parties, and all representations, warranties and/or promises are merged and integrated into the written terms of this Agreement.

14. Construction: The Parties acknowledge that they have each had the opportunity to review and/or modify this Agreement. The Parties agree that the construction and interpretation of this Agreement shall not be strictly construed against any Party, and if any ambiguity or question of intent arises with respect to any provision of this Agreement, this Agreement shall be construed as if drafted jointly by all Parties.

15. Cooperation: Each party agrees to timely execute any and all documents reasonably required to effectuate the terms of this Agreement.

16. Time: The Parties acknowledge that time is of the essence in the performance of the obligations of this Agreement.

17. No Extensions: No deadlines will be granted under this agreement unless agreed to, in writing, and signed by the parties. Force majeure will not apply to this agreement. Specifically, neither party will be able to extend any deadlines due to any illness, inconvenience, quarantine, or any other circumstance, no matter how excusable.

18. Voluntary and Knowing Execution: Each party represents that he/she/it has read this entire Agreement and understands each and every term hereof. The Parties further acknowledge that each party has had the opportunity to consult legal counsel in connection with entering into this Agreement and respective counsel for each party has explained the meaning and significance of each provision of this Agreement. This Agreement is executed freely and voluntarily with full knowledge and understanding of its terms.

19. Binding Effect: This Agreement shall be binding upon and shall inure to the benefit and/or detriment of the Parties and their respective heirs, beneficiaries, guardians, administrators, trustees, executors and executrices, agents, principals, representatives, successors, and assigns.

20. Miscellaneous: This Agreement may be executed by electronic means or by facsimile, and electronic or facsimile copies of this Agreement shall be treated as originals for all purposes. The headings and captions contained herein are for convenience only and may not be

considered in interpreting the meaning or intent of any provision hereof. The singular as used herein includes the plural, the plural as used herein includes the singular, and the use of pronouns and gender shall apply to all genders. If any provision of this Agreement shall be adjudicated by any Court to be invalid or unenforceable, the remainder of the provisions, covenants, terms and conditions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the affected provision(s) a valid and enforceable provision as similar as possible to the affected provision(s).

21. Counterparts: This Agreement may be executed in counterparts which, when taken together, shall constitute a binding agreement between all parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seal:

CITY OF HAINES CITY, FLORIDA:

ATTEST:

Sharon Lauther, CMC
City Clerk

H. L. "Roy" Tyler, Mayor-Commissioner

Date: _____, 2023

APPROVED AS TO FORM AND CORRECTNESS:

Fred Reilly, City Attorney

BCR ENVIRONMENTAL CORPORATION



By Joshua Scott, President

Date: September 25, 2023