

LEASE AGREEMENT

THIS AGREEMENT, made this July 1 2010, by and between City of Clinton Public Works Authority (the "Lessor"), and Severn Trent Environmental Services, Inc. ("Lessee").

WITNESSETH, that in consideration of the rents and covenants hereinafter set forth herein, Lessor hereby leases to the Lessee the following described vehicle (hereinafter "Vehicle") upon the following covenants and conditions:

SECTION 1. VEHICLE.

Lessor hereby leases to Lessee, Lessee hereby takes from Lessor, the right to use and possess for all lawful purposes the Vehicle owned by Lessor and described as follows:

Make Ford

Model F-150

Year 2008

Description OK9-WWTP1

VIN No. 1FTRF12W18KE91353

SECTION 2. TERM.

A. The term of this Lease (the "Term") shall commence on July 1, 2010 (Date"), and shall be for a period of from the date of the commencement of the Term to June 20, 1015.

B. This Lease shall terminate at the end of the original Term hereof, or any extension or renewal thereof, without the necessity of any notice from either Lessor (unless otherwise terminated pursuant to the terms of this Lease) or Lessee to terminate the same, and Lessee hereby waives notice to terminate and agrees that Lessor shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of the Vehicle from a Lessee holding over to the same extent as if statutory notice had been given.

C. Lessee shall at its expense, at the expiration of the Term or any earlier termination of this Lease, a) promptly surrender to Lessor possession of the Vehicle in good order and repair ordinary wear and tear excepted, b) remove therefrom the Lessee's signs, goods and effects and any machinery, trade fixtures and equipment which are used in conducting the Lessee's trade or business and are not owned by Lessor, and c) repair any damage to the Vehicle caused by such removal. Also at the expiration of the Term, Lessee shall deliver all keys for, and all combinations on locks or ignitions to Lessor at Lessor's notice address. Lessee shall be responsible for all direct

damages to Lessor as a result of Lessee's failure to surrender the Vehicle in accordance with this Lease, and this clause shall survive the termination of this Lease.

SECTION 3. RENT

Lessee covenants and agrees to pay to Lessor, as rental for the Vehicle during the original Term hereof, the following namely: A basic rental of (\$1.00), payable in July of each year during the term of this Lease.

SECTION 4. PAYMENT OF RENTALS

Lessee covenants to pay all rentals when due and payable without set-off or deduction for any reason whatsoever (rent being an independent covenant). Any monies paid or expenses incurred by Lessor to correct violations of any of the Lessee's obligations hereunder shall be additional rentals. Any additional rental provided for in this Lease Agreement becomes due with the next installment of Basic Rental due after receipt of notice of such additional rental from Lessor.

SECTION 5. VEHICLE TAKEN "AS IS"

Lessee hereby accepts the Vehicle in "As-Is" condition.

SECTION 6. LESSEE'S MECHANICS' LIENS.

In the event any mechanic's lien shall at any time be filed against the Vehicle by reason of work, labor, services or materials performed or furnished to Lessee or to anyone holding the Vehicle through or under Lessee, Lessee shall forthwith cause the same to be discharged of record. If Lessee shall fail to cause such lien forthwith to be discharged after being notified of the filing thereof then in addition to any other right or remedy of Lessor. Lessor may, but shall not be obligated to discharge the same by paying the amount claimed to be due, and the amount so paid by Lessor and all costs and expenses, including reasonable attorney's fees incurred by Lessor in procuring the discharge of such lien shall be due and payable by Lessee to Lessor as Additional Rent on the first day of the next following month. Notice is hereby given that Lessor shall not be liable for any labor or materials furnished to Lessee upon credit, and that no mechanics', materialmen's or other liens for any such labor or materials shall attach to or affect the interest of Lessor.

SECTION 7. SIGNS AND ADVERTISING; ALTERATIONS

A. Lessee will not place or suffer to be placed or maintained on the exterior of the Vehicle any signs, advertising matter of any other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Vehicle without first obtaining Lessor's written approval thereof. Lessee may not install such miscellaneous equipment or make any alterations to the property during the course of the lease.

B. Without the prior written consent of Lessor, Lessee shall not make any other alterations, changes, modifications, additions or improvements to the Vehicle.

SECTION 8. PERMITS; USE OF THE PROPERTY

A. Lessee shall provide all permits and licenses necessary for the operation and use of the Vehicle. Lessee shall comply with all laws, rules, regulations and ordinances applicable to the use and possession and operation of the Vehicle. If compliance with any law, rule, regulation, ordinance, permit or license requires changes or additions to be made to the Vehicle, such changes or additions shall be made by the Lessee at its own expense.

B. Notwithstanding anything to the contrary contained in this Lease or otherwise, Lessee shall have the obligation to perform any and all routine maintenance, repairs and other improvements necessary or desirable for Lessee to use the Vehicle for the permitted uses and for the Vehicle to comply with all applicable laws, codes, rules and regulations of the applicable governmental authorities.

C. Lessee will not install use, operate or maintain the Vehicle improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this agreement. Lessor shall not be liable or responsible to Lessee for any loss, damage, liability or expense of any kind caused by or related to the Vehicle, or resulting from any defect in or deficiency of the Vehicle, or resulting from the use or operation of the Vehicle.

SECTION 9: EXPENSES OF OPERATION; REPAIRS

A. Lessee shall pay all charges for gasoline and /or oil used to operate the Vehicle while in Lessee's possession.

B. At its own cost and expense, Lessee shall service, repair and maintain the Vehicle so as to keep the Vehicle in as good condition, repair, appearance and working order as when delivered to Lessee hereunder, ordinary wear and tear excepted. At its own cost and expense Lessee shall replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms and devices shall be free and clear of all liens, encumbrances and rights of others, and shall become the property of Lessor and shall be covered by this agreement to the same extent as the Vehicle originally covered by this agreement.

SECTION 10. LESSEE'S INSURANCE

At all times after the Vehicle is leased to Lessee for purposes as set forth herein, Lessee will carry and maintain, at its expense, the following insurance with insurance companies licensed to do business in the State of Oklahoma:

Liability and insurance, including insurance against assumed or contractual liability under this Lease, with respect to the Vehicle, to afford protection with limits for each occurrence, of One Million Dollars (\$1,000,000.00) with respect to personal injury, death, or property damage.

SECTION 11. INDEMNITY BY LESSEE

To the extent permitted by law, Lessee shall and does hereby indemnify Lessor and save it harmless and, at Lessor's option, defend it from and against any and all claims, actions, damages, liability and expense, including attorneys' and other professional fees, in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Lessee of the Vehicle, occasioned wholly or in part by any act or omission of Lessee, its officers, agents, contractors, employees or invitees. Lessee also agrees to indemnify Lessor against costs or claims arising from Lessee's violation or alleged violation of any law or applicable regulatory as the same are in effect on the date hereof and may be hereafter modified, amended or supplemented.

SECTION 12. LESSOR NOT RESPONSIBLE FOR ACTS OF OTHERS

Lessor shall not be responsible or liable to Lessee, or to those claiming by, through or under Lessee, for any loss or damage which may be occasioned by or through the acts of omissions of persons, or for any loss or damage resulting to Lessee, or those claiming by, through or under Lessee, or its or their property, from any action.

SECTION 13. NO ASSIGNMENTS OR SUBLETTING

Lessee will not assign this Lease in whole or in part nor sublet all or any part of the Lease Agreement.

SECTION 14. DAMAGE TO THE LEASED PROPERTY

In the event all or any part of the Vehicle is lost, stolen, destroyed or damaged beyond repair, Lessee shall replace the same at Lessee's sole cost and expense within 30 days after such event and such replacement shall be substituted in this agreement by appropriate endorsement.

SECTION 15. REPRESENTATIONS AND WARRANTIES

LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE PROPERTY, ITS QUALITY OR FITNESS FOR A PARTICULAR PURPOSE, ITS DESIGN, CONDITION OR WORKMANSHIP; ITS FREEDOM FROM PATENT INFRINGEMENT; THE ENFORCEABILITY OF THE MANUFACTURER'S WARRANTIES AND GUARANTEES; OR AS TO THE TAX OR ACCOUNTING TREATMENT OF THE LEASE OF THE PROPERTY, AND HEREBY DISCLAIMS THE SAME.

LESSOR IS NOT RESPONSIBLE FOR ANY REPAIRS OR SERVICE TO THE VEHICLE, DEFECTS THEREIN, OR FAILURES IN THE INSTALLATION OR OPERATION THEREOF, AND NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF LEASE OF THE PROPERTY, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION, WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damage resulting from the inoperability or loss of value of the Vehicle due to any cause or situation (including without limitation governmental actions or regulations or actions of other third parties) whether or not presently foreseeable.

SECTION 16. DEFAULT

In the event Lessee fails to pay rent or any other amount herein provided when due and payable, or in the event the Lessee fails to perform promptly any of the other obligations or covenants herein or under any other agreement between the parties, or if Lessee breaches the representations or warranties set forth herein, or if Lessee shall become bankrupt, then in any such event Lessor may pursue one or more of the following remedies (which shall be cumulative and exercisable concurrently or separately) as Lessor in its sole discretion may elect:

(a) Terminate this agreement and repossess the Vehicle leased hereunder, in which event the rent for the remainder of the term or any other charge provided for herein which is unpaid shall become immediately due and payable.

(b) Repossess and lease the Vehicle or any portion thereof for such period and rental and to such other persons as Lessor may elect, and apply the proceeds of any such leasing, after deducting the costs and expense of repossessing, repairing, storing and leasing, in payment of the rent and the other obligations of Lessee hereunder; and/or

(c) Any remedy available at law or in equity.

SECTION 17. ASSIGNMENT AND SUBLEASE

Without the prior written consent of Lessor, Lessee shall not (i) assign, transfer, pledge, or hypothecate this agreement, the Vehicle or any part thereof, or any interest therein, or (ii) sublet the Vehicle or any part thereof, or permit the Property to be used for any purposes not permitted herein. Consent to any of the foregoing prohibited acts shall not constitute consent to any subsequent like act by Lessee or any other person.

SECTION 18. LESSOR'S RIGHT TO PERFORM FOR LESSEE

If Lessee fails to make any payment or fails to perform or comply with any of its covenants or obligations, Lessor may at its election make such payment or perform or comply with such covenants and obligations and the amount of such payment and the expenses incurred by Lessor in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the highest legal rate shall be deemed additional rent payable by Lessee upon demand.

SECTION 19. TERMINATION

Upon the expiration of this agreement or the earlier termination thereof, Lessee shall return the Vehicle to Lessor in the condition, repair, appearance and working order by delivering the Vehicle

at Lessee's cost and expense to such place as Lessor shall specify within the continental United States.

SECTION 20. REMEDIES CUMULATIVE

A. No reference to any specific right or remedy shall preclude Lessor from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled either at law or in equity.

B. Lessor's failure to insist upon a strict performance of any covenant of this Lease Agreement or to exercise any option or right herein contained shall not be a waiver or relinquishment for the future of such covenant, right or option but the same shall remain in full force and effect.

SECTION 21. SUCCESSORS AND ASSIGNS

This Agreement and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Lessor, its personal representatives, successors and assigns, and shall inure to the benefit of Lessee and only such assigns of Lessee to whom the assignment by Lessee has been consented by Lessor.

SECTION 22. UNDERSTANDING OF PARTIES

A. This Lease Agreement shall be binding from the date hereof until the commencement of the Term as provided herein and thereafter according to its terms; and

B. Notwithstanding anything to the contrary contained herein, Lessor, in its sole and subjective discretion shall have the right to terminate this Lease at anytime during the term of this Lease after giving Lessee ten (10) days prior notice.

SECTION 23. NOTICES

All notices from Lessee to Lessor shall be directed to Lessor, via certified mail. All notices from Lessee to Lessor shall be directed to:

City of Clinton
Arnold Adams, Public Works Director
415 Gary Blvd.
PO Box 117
Clinton, OK 73601

All notices from Lessor to Lessee shall be directed to Lessee, via certified mail. All notices from Lessor to Lessee shall be directed to:

Shane Jeff
Seyern Trent Environmental Services, Inc.
1200 Georgia Ave.
Chickasha, OK 73018

Either party may designate in writing a substitute address for that set forth above and thereafter notices shall be directed to such substitute address.

SECTION 24. APPLICABLE LAW; SEVERABILITY

This Lease Agreement shall be construed under the laws of the State of Oklahoma.

SECTION 25. CAPTIONS AND HEADINGS

The captions and headings herein are for convenience and reference only.

SECTION 26. SEVERABILITY

If any term or provision, or any portion thereof, of this Lease, or the application thereof to any person or circumstances shall to any extent, be rendered invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those which it is held specifically invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 27. INTERPRETATION.

No provision of this Lease shall be construed against or interpreted to the disadvantage of either Lessor or Lessee by any court or other governmental or judicial authority by reason of either Lessor or Lessee having or being deemed to have drafted, structured or dictated such provision.

SECTION 28. COMPLETE UNDERSTANDING

This Lease represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in the provisions of this Lease. Neither party hereto has any right to rely on any other prior or contemporaneous representation made by anyone concerning this Lease which is not set forth herein. All prior communications from Lessor with respect to estimated charges payable by Lessee hereunder are for information only and are not to be construed as representations of the actual charges which Lessee is required to pay hereunder, or as binding upon Lessor in any manner whatsoever. Except as otherwise expressly set forth in this Lease, Lessee has relied on no statement of Lessor or its agents in executing this Lease or in the negotiation of any of its provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement under their respective seals as of the day and year first above written.

CITY OF CLINTON PUBLIC WORKS AUTHORITY

By: _____

Title: _____

Date Executed: _____

SEVERN TRENT ENVIRONMENTAL SERVICES, INC.

By: David Gentry

Title: Regional Manager

Date Executed: 8-5-10