

AGREEMENT FOR MUNICIPAL SERVICES

THIS AGREEMENT FOR MUNICIPAL SERVICES is entered into this 1st day of April, 2024, by and between the CITY OF LAWTON, OKLAHOMA, a municipal corporation, hereinafter referred to as "Seller," and REPUBLIC PAPERBOARD COMPANY LLC, a Delaware corporation, hereinafter referred to as "Consumer."

WHEREAS, the Consumer operates a recycled paperboard manufacturing mill (the "Facility") in the area legally described on **Exhibit "A"** attached hereto and made part of this Agreement;

WHEREAS, the Seller owns and provides certain municipal services which could be made available to Consumer in the operation of the Facility pursuant to that certain Agreement for Municipal Services between Seller and Consumer dated June 9, 1998 ("Legacy Contract");

WHEREAS, the Seller and Consumer desire to enter into this Agreement to replace the Legacy Contract, which is nearing the end of its stated term, pursuant to which Consumer desires to receive municipal services from Seller as set forth below (collectively the "Services") and to pay Seller for such Services; and

WHEREAS, Consumer acknowledges that Seller is bound by certain state and federal regulations relating to treatment of water, pretreatment standards for sanitary sewer discharges, and disposal and storage of solid waste and Consumer agrees to abide by the requirements and limitations imposed by such regulations and to pay the costs associated with meeting the mandates of those regulations by Seller.

IN CONSIDERATION OF THE FOREGOING, the mutual covenants and obligations of the parties, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Seller and Consumer agree as follow:

SECTION I. WATER SERVICES

1.1 WATER. Seller agrees to furnish Consumer, during the term of this Agreement and any renewal or extension thereof, potable water meeting applicable purity standards of the Oklahoma Department of Environmental Quality ("ODEQ") in an amount not to exceed one million five hundred thousand (1,500,000) gallons per day (monthly average with an individual day's consumption not to exceed one million seven hundred twenty eight thousand (1,728,000) gallons. No minimum

quantity of water is required to be consumed by Consumer hereunder.

1.2 WATER PRESSURE. Seller agrees to provide Consumer potable water at a minimum pressure of 50 psi static pressure. Additionally, Seller agrees to provide a Maximum of 1,200 gallons per minute at a minimum residual pressure of 40 psi for a two (2) hour fire flow duration period. The Maximum of 1200 GPM is allowed except during fire flow time frame To minimize the fluctuations in the static pressure of water supplied to Consumer, Seller shall provide water service to Consumer exclusively through the twelve inch (12") industrial line of Seller (the "Main Supply Line"), except in the event of a failure of such Main Supply Line, in which event Consumer may be temporarily supplied with potable water through a twelve inch (12") line which comes from the west high zone, until such time as the failure in the Main Supply Line is remedied by Seller, provided however, failure of pressure or water supply due to any failure in the Main Supply Line including, without limitation, breaks, power failure, flood, fire and use of water to fight fire, earthquake, high winds, or other catastrophe, shall not constitute a default by Seller so long as Seller promptly and continuously prosecutes all actions necessary to remedy such events within a reasonable period of time to restore water service. At the point of connection, Consumer has installed a back flow preventive device which meets Seller's reasonable standards and Consumer will maintain such device at its own expense. Installation of the service line and back flow preventive device will be done in accordance with Seller's plumbing standards as well as the Seller's standard details for constructions and must be approved by Seller's plumbing officials.

1.3 WATER METER. Consumer agrees that it will pay for the cost of the water meters (the "Water Meter") and the installation/maintenance of the Water Meter and all appurtenances relating to the Water Meter, and further agrees to maintain and repair such Water Meter thereafter at Consumer's cost and expense. The water meter shall be checked for accuracy every 12 months. The water meter shall interface with the Seller's AMR meter telemetry system.

1.4 WATER LINE MAINTENANCE. Consumer agrees that it will be responsible, at its own costs and expense, for the maintenance and repair of its water line from the point of connection at the Water Meter to its Facility, except in the event that the damage of the Consumer's service line is caused by the actions or negligence of Seller, its employees or agents, in which case Seller will promptly repair said service line at Seller's cost and expense.

1.5 WATER CHARGES. Consumer agrees that it will pay to the Seller for the cost of potable water used by the Consumer based on a

monthly or periodic reading of the Water Meter. The cost of the water will be as provided in the attached contracted rate schedule (**Exhibit “B”**) or as rates may hereinafter be amended by the parties hereto. The parties agree that the Consumer meets the definition of a "large volume consumer" as defined in Section 22-1-2-114 of the Lawton City Code, 2015, as the same shall be amended as hereinafter provided (the "Water Rate Code Provision). Consumer agrees to comply with all of the provisions Lawton City Code, 2015, which are applicable to Consumer and the Consumer’s Facility.

1.6 WATER DURING CONSTRUCTION. When requested by the Consumer for construction efforts, the Seller will make available to Consumer's contractor at the point of delivery of potable water to Consumer, or other point reasonably close thereto, water in sufficient quantity during construction of any future Facility upgrade and for testing and flushing of Consumers water system during the construction of the Consumer's water line. Cost for the water used during the testing and flushing will be paid directly by Consumer to Seller based on the amount of water used and at Seller's then current water rates as set forth in contract agreement as now provided or as may be hereafter amended. The Consumer's construction contractor must obtain a temporary water meter from the Seller at the established rate for the purpose of metering the amount of water used during construction and testing of said water line.

1.7 NO RESALE. Consumer agrees that at no time during which this Agreement is in effect will Consumer sell any of the water purchased by Consumer from Seller, to any other third-party user, provided however, this restriction shall not prevent Consumer from transferring and/or selling water to any of its affiliates for use at the Facility.

SECTION II. SANITARY SEWER

2.1 COMPLIANCE WITH LAWS. Consumer agrees to be bound by and comply with all of Seller's sanitary sewer quality controls and standards as they are promulgated in Article 3, Chapter 22, Lawton City Code, 2015, as now provided or as may hereafter be amended, but only to the extent any such amendment is the direct result of a requirement of the Oklahoma Department of Environmental Quality (“ODEQ”) or the Environmental Protection Agency ("EPA"). Consumer further agrees to be bound by and comply with the federal Water Pollution Control Act, the Clean Water Act and any other federal or state directives relating to discharge of wastewater by Consumer into the Seller's storm water and sanitary sewer systems.

2.2 SEWER CHARGES. Consumer agrees to pay the Seller for the use of Seller's sanitary sewer system. The rates for such usage during the operation of Consumer's Facility will be as set forth in **Exhibit "B"**. The rate for Sewer shall become effective at commencement of this contract.

2.3 PRETREATMENT STANDARDS. Consumer agrees that it is bound by and will comply with Seller's pretreatment standards of wastewater as those standards and procedures are contained in Article 3, Chapter 22, Lawton City Code, 2015, as now provided or as may hereafter be amended, but only to the extent any such amendment is the direct result of a requirement of the ODEQ or the EPA.

SECTION III. SOLID WASTE

3.1 DISPOSAL. Seller agrees to allow Consumer to dispose of its non-hazardous solid waste at Seller's landfill. For purposes of this Agreement, "non-hazardous solid waste" is defined as all wastes not defined as hazardous according to the definitions in EPA's and/or ODEQ's regulations implementing the Resource Conservation and Recovery Act ("RCRA"). Consumer agrees that it will separate all of its non-hazardous solid waste generated at the Facility, into Solid Waste and Processed Waste (which shall include Treated Waste) all as defined hereinbelow.

3.2 COMPLIANCE WITH SELLER'S REGULATIONS. Consumer agrees to comply with Article 4, Chapter 22, Lawton City Code, 2015, as now provided or as may hereafter be amended, but only to the extent any such amendment is the direct result of a requirement of the ODEQ or the EPA and in compliance with applicable rules applying to waste materials being disposed of in a municipal solid waste landfill. Seller reserves the right to close Seller's landfill on Sundays.

3.3 WASTE CHARGES. Consumer agrees to pay a fee for solid waste disposed of in Seller's landfill at the following charges for solid waste delivered to such landfill:

3.3.1 Solid Waste. Consumer shall pay at the rate as identified in **(Exhibit "B")**. The term "Solid Waste" for purposes of this Agreement, shall be deemed to be any waste produced by Consumer at its Facility which is not (i) human waste disposed of in Seller's sanitary sewer system, (ii) Processed Waste as defined in Section 3.3.2 hereinbelow, or (iii) Treated Waste as defined in Section 3.3.3 hereinbelow.

3.3.2 Processed Waste. Consumer shall pay at the rate as

identified in **Exhibit “B”**, for disposal of processed waste that can be used a beneficial daily cover by the City of Lawton Landfill facility. The Seller shall make the determination if for Processed Waste produced by Consumer at its Facility meets the requirements of the Landfill as daily cover. The term "Processed Waste" for purposes of this Agreement, shall be deemed to be waste generated by Consumer in its manufacturing process, the weight of which shall be determined by its non-water content (which is expected to average forty percent (40%)).

3.3.3 Treated Waste. Seller acknowledges that Consumer will produce treated waste (the "Treated Waste"), in Consumer's manufacturing process, which is comprised of filtered paper fibers and mineral fillers, which Seller can use to cover other waste at Seller's landfill on a periodic basis. Seller agrees that to the extent Seller utilizes such Treated Waste produced by Consumer for such purpose, Consumer shall pay the rate as identified in **Exhibit “B”**.

3.4 CONTAINER USE AND PICK-UP

Seller agrees to provide containers at the rate identified in Chapter 22 of Lawton City Code, 2015 Appendix A of Seller's fees and charges schedule. So long as Seller's landfill is open on Sundays, Seller shall provide fifteen (15), twenty-yard (20 yd.) containers. In the event Seller closes its landfill on Sundays, Seller shall provide twenty-four (24), twenty-yard (20 yd.) containers. Consumer reserves the right to contract with private waste haulers, at Consumer's sole cost and expense, for the delivery of Solid Waste and Processed Waste to Seller's landfill. In the event Consumer chooses any such private waste haulers, Consumer shall be solely responsible for all charges for the delivery of Solid Waste and Processed Waste to Seller's landfill. In the event Consumer desires to have Seller pick up Consumers Solid Waste or Processed Waste, Seller shall do so at rates as Seller and Consumer shall agree upon.

3.4 STATE LAW COMPLIANCE. Consumer agrees that all collected screening, slurries, sludges and other solid waste materials that are disposed in Seller's landfill will be in compliance with the Oklahoma Solid Waste Management Act and in such a manner as to prevent entry of that waste or runoff from the waste into the waters of the state, and in compliance with applicable rules of ODEQ.

SECTION IV. TERM OF AGREEMENT AND AMENDMENT

4.1 TERM. This Agreement shall be on the Effective Date and

expire on the date of which is five (5) years after the Effective Date and provides for two (2) extensions of five (5) years each. The rates during each extension will be adjusted in accordance with **Exhibit "B."** The extensions will occur automatically unless Consumer or Seller notifies the other Party in writing at least six (6) months prior to the expiration that Consumer or Seller is not exercising the option to not extend the term.

4.2 LIMITATIONS ON SELLER'S LIABILITY. Without otherwise limiting the creation, validity and existence of the obligations of the Seller under this Agreement and notwithstanding the stated term of duration of this Agreement or any other provision of this Agreement, the parties hereto agree that the obligations of the Seller under this Agreement are subject to, and expressly conditioned upon, the appropriation by the City Council of Lawton, Oklahoma, of sufficient funds to permit the Seller to perform its obligations hereunder, pursuant to Article 10, Section 26 of the Oklahoma Constitution. To the extent funds appropriated, allocated and allotted to the Seller for all purposes are not sufficient to permit the Seller to perform its obligations under this Agreement as described herein, the Seller shall be obligated to perform under this Agreement only to the extent of the funds appropriated, allocated and allotted to the Seller. The Seller shall for each fiscal year request sufficient appropriations, allocations and allotments to continue performance under this Agreement, shall make good faith efforts to procure such funding, and, in the event insufficient funds are appropriated, allocated and allotted, shall promptly notify the Consumer. The Seller shall not be liable for or subject to any damages or penalties by reason of the reduction or termination of its obligations under this Agreement as provided in this Section 4.2. Neither the State of Oklahoma nor any other governmental agency or subdivision thereof, including the Seller, shall be obligated to appropriate funds annually for the purposes of this Agreement. The Seller understands and agrees that Seller has no right of termination pursuant to the terms of this Section 4.2 and that notwithstanding the absence of such right in favor of Seller, both the consideration and the mutuality of contract contained in this Agreement are sufficient for all purposes.

4.3 AMENDMENT. This Agreement may be amended in writing at any time and from time to time, as may be mutually agreed to by the Seller and Consumer.

4.4 ADJUSTMENT TO WATER, SEWER, AND SOLID WASTE CHARGES. The parties agree that the charges for water, sewer and solid water rates will be adjusted as identified in **Exhibit "B"**. The Landfill fixed dump fee per load will be as identified in **Exhibit "B"**.

SECTION V. MISCELLANEOUS PROVISIONS.

5.1 BILLING PROCEDURES. Seller and Consumer agree that the billing cycle, payment dates and payment procedures for Consumer will be the cycle, dates and procedures established in the Lawton City Code, 2015, as now provided or as may hereafter be amended.

5.2 DEFECTS AND LEAKAGE. In the event of a defect in Consumer's Water Meter, water used by Consumer during a billing period may be averaged based on the provisions of Section 22-215, Lawton City Code, 2015, as now provided or as may hereafter be amended.

5.3 FIRE PROTECTION AND HAZARDOUS MATERIALS. Seller agrees that it will provide fire suppression services and hazardous material identification and recognition to Consumer in the same and like manner as those services are provided the citizens of Lawton, Oklahoma, all without additional cost or charge to Consumer.

5.4 STREET REPAIRS. Seller agrees that it will maintain and repair public ways within the jurisdiction of Seller which are traveled upon by vehicles of Consumer or its contractors in the same and like manner as those maintenance and repairs are provided the citizens of Lawton, Oklahoma, all without additional cost or charge to Consumer.

5.5 OTHER IMPROVEMENTS. Seller will be responsible for additional infrastructure improvements, such as waterlines, sewer lines, streets, drainage system, etc., to meet the operational requirements of Consumer.

5.6 PERMITS. Seller recognizes that Consumer may need to obtain federal and state permits in the construction of modifications to its Facility, to include water and sanitary sewer systems. Seller agrees to cooperate and assist Consumer in obtaining all such federal and state permits by providing Consumer with necessary data, information and statistics needed to obtain such permits. However, Consumer will pay for all such permits and administrative expenses related thereto.

5.7 ASSIGNMENT. This Agreement is assignable with the prior written approval of the Seller, which approval will not be unreasonably withheld.

5.8 NOTICES.

Notice to Seller/City will be addressed to:

City Manager
City of Lawton
212 SW 9th Street
Lawton, Oklahoma 73501

Notice to Consumer will be addressed to:

Republic
Paperboard Company LLC
8801 SW Lee Blvd.
Lawton, Oklahoma 73505
Attn: Sverre Gunnarschja, Vice President - Operations

Notices shall be sent either by (i) certified mail return receipt requested, (ii) nationally recognized overnight courier service or (iii) personal delivery. A notice shall be deemed received on the earlier to occur of three (3) business days after posting or actual receipt. Either party may change its notice address at any time by providing notice of such change as hereinabove provided.

5.9 LAW GOVERNING. This Agreement shall be construed in accordance with and shall be enforceable under the laws of the State of Oklahoma. Jurisdiction and Venue will be in the District Court of Comanche County, Oklahoma, or the Federal Court of the Western District of Oklahoma. To the extent ordinances or regulations of the Seller are referred to herein, or are otherwise applicable to this Agreement, notwithstanding the lack of specific reference herein, the parties intend and agree that any subsequent changes to such ordinances or regulations shall not be deemed in any way to restrict or otherwise materially, adversely affect the rights and benefits of Consumer hereunder.

5.10 SEVERABILITY. If any clause, provision or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof, which shall remain in full force and effect.

5.11 ENTIRE AGREEMENT: COUNTERPARTS. This Agreement together with all appendices, exhibits and schedules attached hereto (collectively the "Attachments") constitutes the entire agreement between the parties with respect to the matters contained herein. All prior agreements with respect thereto (including the Legacy Agreement) are superseded and each party confirms that it is not relying on any representations or warranties of the other party except as specifically set

forth herein. No amendment or modification hereof shall be binding unless duly executed by both parties. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. This Agreement shall be binding upon the respective party's successors and assigns in accordance with its terms. The Attachments are as follows:

Exhibit "A" – Legal Description

Exhibit "B" – Rate Schedule

5.12 DUE AUTHORIZATION. Each party hereby represents and warrants to the other that all requisite action on the part of such party in connection with entering into this Agreement has been taken. Such execution and the performance by such party hereunder have been duly authorized by all requisite action of such party and all provisions of this Agreement are and shall be fully binding and enforceable according to their respective terms.

5.13 DEFAULT AND REMEDIES. In the event either party defaults in the performance of any obligations under this Agreement, the non-defaulting party shall give written notice of such default to the defaulting party. The defaulting party (i) shall have thirty (30) days from receipt of such notice in which to cure such defaults, or (ii) in the event such default cannot be reasonably cured within such thirty (30) day period, notwithstanding the diligent efforts of the defaulting party, the defaulting party shall have such additional period as may be necessary to cure such default so long as the defaulting party has commenced such cure within such thirty (30) day period and thereafter diligently and continuously pursues a cure for such default. In the event any such default is not cured within such period, the non-defaulting party shall be entitled to pursue any and all of its rights and remedies under applicable law.

5.14 IMPACT OF OTHER USER RATES. Notwithstanding the stated rate charges for water, sewer, and solid waste services as set forth in this Agreement, the Seller hereby agrees that if at any time during which this Agreement is in effect, the Seller agrees to provide to any other user (an "Other User"), such services provided by Seller, at a rate or rates which are less than the rates stated herein, effective as of the date when such rates are actually charged to any such Other User, this Agreement shall be deemed amended to provide such lower rate or rates for services to the Consumer under this Agreement. Such reduced rate or rates shall be in effect until any such Other User's rate or rates are reduced or increased in which case the rate for the particular service in question shall thereafter be the lesser of (i) the new Other User rate, or (ii) the rate originally set forth for such Service in this Agreement.

Signature Page Follows

IN WITNESS WHEREOF, the Seller and Consumer have hereunto set their hands and seals the day and year first above written.

SELLER:

CITY OF LAWTON, OKLAHOMA,
A Municipal Corporation

Stanley Booker, Mayor

ATTEST:

Donalynn Blazek-Scherler, City Clerk

CONSUMER:

REPUBLIC PAPERBOARD COMPANY LLC,
A Delaware Limited Liability Company

Sverre, Gunnarschja
Vice President- Operations

Approved as to form and legality for the City of Lawton, Oklahoma, this ____ day of _____, 2023.

Timothy Wilson, Acting City Attorney