

Our ref: ~~WAS010-010~~

7 September 2007

Mr N Brookes
Nick Brookes Recycling Limited
Wardle Industrial Estate
Green Lane
Nantwich
Cheshire
CW5 6DB

Dear Mr Brookes

Re: Agreement for AGG103-010: Washing Plant

Please find enclosed two copies of the WRAP Agreement for the above numbered project.

Please could you sign both copies on page 29 and complete the date on page 1 then return one copy for the attention of Tim Luckett, Project Support Officer at the above address. The other copy should be retained for your own records.

If you have any queries about the contract please contact Tim Luckett who will be happy to deal with your enquiry.

Yours sincerely



Dr Liz Goodwin
Chief Executive

Encs.

AGG103-010 5.9.07 CL

SUPPORT AGREEMENT

Between

**THE WASTE AND RESOURCES
ACTION PROGRAMME**

**Nick Brookes Recycling Limited
(as the Recipient)**

**Washing Plant
WRAP Project No. AGG103-010**

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THIS AGREEMENT is made on the Twelve day of September 2007.

Between: **The Waste and Resources Action Programme** (company number 4125764) whose registered office is at The Old Academy, 21 Horse Fair, Banbury, Oxon, OX16 0AH ("**WRAP**");

And: **Nick Brookes Recycling Limited** (Company number 6129848) whose registered office is at Wardle Industrial Estate, Green Lane, Wardle, Nr Nantwich, Cheshire CW5 6DB, (the "**Recipient**");

And: **Mr N. Brookes** at Hadley Moss, Mill Lane, Little Budworth, Cheshire, CW6 6DD (the "**Guarantor**")

RECITALS: WRAP has agreed with the Recipient to make Support available to the Recipient for the purpose of financially assisting the Project on and subject to the terms and conditions set out in this agreement.

It is intended by the parties hereto that this agreement be the deed of any Guarantor notwithstanding the fact that WRAP and the Recipient may execute this agreement underhand.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and interpretation

1.1 In this agreement, the following words have the following meanings:

"Actual Support-funded Percentage": at any time the percentage produced by dividing the total amount of the Support paid by WRAP to the Recipient by the Total Project Costs.

"Application for Payment": an application by the Recipient for payment of Support substantially in the form set out in Schedule 4 (Form of Application for Payment);

"Borrowings": any indebtedness, for or in respect of:

- (a) moneys borrowed;
- (b) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with accounting standards, be treated as a finance or capital lease;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (e) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (d) above.

"Co-funding": the funding, other than the Support, procured or to be procured by the Recipient in connection with the Project described in Schedule 1 (Pre-conditions).

"Contract Period": the period from the date of this agreement to the date falling 5 years after the Operation Date.

"Eligible Costs": the costs associated with the Project in relation to which WRAP is able to provide support funding in accordance with European Union state aid regulations, a forecast of which is set opposite each Project Asset in the table in Part 1 - Project Assets in Schedule 3 (Budget).

"Environmental Criteria": means:

- (a) the environmental licences, the environmental management systems and the environmental policy statement and/or accreditations of the Recipient; and
- (b) the laws relating to the environment and the health and safety of humans.

"Event of Default": any event described in Clause 6.1 (Events of Default), whether or not within the Recipient's control.

"Guaranteed Liabilities": all present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever, of the Recipient to WRAP under this agreement or any documents entered into by the Recipient pursuant to this agreement together with all costs, charges and expenses incurred by WRAP in the protection, preservation and enforcement of its rights under this agreement or any documents entered into by the Recipient pursuant to this agreement.

"Holding Company": a holding company within the meaning of section 736 of the Companies Act 1985.

"Key Personnel": the person(s) named as Key Personnel in Schedule 2 (Key Contract Details), being those individuals who are fundamental to the performance of this agreement or such other persons notified to, and agreed with WRAP and who have equivalent competencies.

"Milestone": each milestone specified in the table in Part 2 - Support Payment Profile of Schedule 3 (Budget).

"Milestone Completion Date": each date specified as the Milestone Completion Date set opposite each Milestone in the table in Part 2 - Support Payment Profile of Schedule 3 (Budget), being the date on or before which the Milestone should be completed.

"Minimum Capacity": the minimum amount of Waste to be Processed as specified in Schedule 2 (Key Contract Details).

"Minimum Output": the minimum yield from the Process as specified in Schedule 2 (Key Contract Details).

"Operation Date": the date on which the Project Monitor certifies to WRAP's satisfaction that the Works have been completed for the Project in accordance with the terms of this agreement and the Project Plan or such other date as WRAP may agree in its absolute discretion.

"Operation Target Date": the date specified as the Operation Target Date in Schedule 2 (Key Contract Details), being the target date that is acceptable to WRAP for the Works to be completed and for the commencement of operation of the Project Assets.

"Output": the product specified as the Output in Schedule 2 (Key Contract Details), being the product of the recycling, or other process, that WRAP requires to ensure is delivered by the Recipient and the Project.

"Output Table": the table specified as the Output Table in Schedule 2 (Key Contract Details).

"Permitted Security": means:

- (a) any Security with a third party specified as Third Party Permitted Security in Schedule 2 (Key Contract Details);
- (b) any title transfer or retention arrangement entered into by the Recipient in relation to its purchases of goods, products or supplies in the ordinary course of its trading and on the supplier's standard or usual terms and conditions;

- (c) any lien arising by operation of law and in the ordinary course of trading; or
- (d) any Security arising with the prior written consent of WRAP.

"Potential Event of Default": an event which has a reasonable possibility of becoming an Event of Default.

"Process": the process of production of the Output from Waste, including any details of the Process specified in Schedule 2 (Key Contract Details).

"Progress Report": a written report signed by the Recipient in such form as WRAP may reasonably require updating WRAP on general progress in relation to the Project and expenditure incurred in relation to the Project and including:

- (a) whether there has been, or is likely to be, any material change in the nature, scale or timing of the Project;
- (b) details of any material change in the support payment profile as set out in the table in Part 2 - Support Payment Profile of Schedule 3 (Budget);
- (c) details of any material pending or threatened litigation or other legal proceedings in respect of the Project or the Recipient; and
- (d) details of any other financial assistance received towards the Project.

"Project": the design, development, construction, and/or financing of the Works together with the financing, management, installation, commissioning and operation of the Project Assets, in each case at the Project Location and in accordance with this agreement and the Project Plan (as each such document may be varied or amended with the approval of WRAP in accordance with this agreement).

"Project Assets": the assets to be utilised or incorporated in, or acquired, created or improved by, the Project, including the project assets set out in the table in Part 1 - Project Assets of Schedule 3 (Budget).

"Project Documents": means:

- (a) this agreement;
- (b) the Project Plan;
- (c) each other document referred to in this agreement; and
- (d) each of the other documents which the Recipient has entered into, or enters into, in connection with the Project.

"Project Location": the location specified as the Project Location in Schedule 2 (Key Contract Details).

"Project Monitor": such project monitor as WRAP may appoint from time to time.

"Project Plan": the tender submission, budget, plans, drawings, specifications, calculations and other data and information in writing relating to the Project approved by WRAP.

"Project Purpose": to Process the amount of Waste per annum that results in at least the Output per annum set out in Schedule 2 (Key Contract Details).

"Provisional Project Audit": an account detailing the Support and Total Project Cost respectively received and paid, or anticipated to be received and paid, by the Recipient in

achieving Successful Completion, and any other matters which WRAP may reasonably require for the purpose of:

- (a) reconciling the Support and Total Project Cost respectively received and paid;
- (b) establishing the anticipated Actual Support-funded Percentage as at the Operation Date;
- (c) establishing that the Support has been applied only for the purposes for which it was made available; and
- (d) establishing any other matters WRAP reasonably requires.

"Recipient Party": each of the Recipient and any Guarantor.

"Recipient's Group": each of the Recipient, its Holding Company, if applicable, and each of their respective Subsidiaries, if applicable.

"Requisite Consents": all planning consents, building regulation approvals, State Aid Clearance and other necessary approvals and consents (under statute, any lease or contract or otherwise) and all other relevant statutory or regulatory requirements.

"Security": a security interest, mortgage, charge, pledge, lien or any other type of preferential right or arrangement (including set-off, title transfer, title retention and trust arrangements), the economic or commercial effect of which is, in the reasonable opinion of WRAP, similar to conferring security.

"State Aid Clearance": the clearance required by the Recipient and claimed either (a) under the WRAP Environmental Grant Funding scheme clearance (European Commission document number C(2003) 4087), or (b) under one or more of the EU state aid block exemptions or (c) under one or more of the de minimis rules, and the State Aid Clearance relevant to the Project shall be specified in Schedule 2 (Key Contract Details).

"Subsidiary": a subsidiary or wholly-owned subsidiary within the meaning of section 736 of the Companies Act 1985 and a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

"Successful Completion": the achievement of the Operation Date as certified by WRAP or WRAP's advisers on behalf of WRAP:

- (a) on or before the Works Completion Date;
- (b) in conformity, in all material respects, with the Project Plan; and
- (c) in a way which achieves the Project Purpose.

"Support": the amount of financial support paid or to be paid to the Recipient by WRAP to complete the Project Purpose from time to time, as varied or amended in accordance with this agreement, the total available amount of which is specified in Schedule 2 (Key Contract Details).

"Support Funding Percentage": the amount specified as the Support Funding Percentage in Schedule 2 (Key Contract Details), as varied or amended in accordance with any term of this agreement, being the percentage level of the anticipated Total Project Costs to the Support paid or to be paid to the Recipient by WRAP.

"Support Payment Long Stop Date": the date specified as the Support Payment Long Stop Date in Schedule 2 (Key Contract Details), being the final date after which WRAP will not pay support.

"Support Payment Period": the period commencing on the date of this agreement and ending on the earliest of:

- (a) the date on which any further payment of Support is cancelled;
- (b) the earlier of:
 - (i) the date falling 6 months after the Operation Date; and
 - (ii) the Support Payment Long Stop Date, or such later date as may be agreed by WRAP in writing; and
- (c) the expiry date or termination date of the grant agreement between the Department for the Environment, Food and Rural Affairs and WRAP from time to time.

"Total Project Costs": the aggregate amount of the costs incurred and paid by the Recipient in connection with the Project.

"Waste": the Waste specified in Schedule 2 (Key Contract Details).

"Works": the works to be designed and constructed by the Recipient specified in the Project Plan, including the Works specified in Schedule 2 (Key Contract Details).

"Works Commencement Date": the date specified as the Works Commencement Date in Schedule 2 (Key Contract Details), being the final date that is acceptable to WRAP for the Works to be commenced to a material extent.

"Works Completion Date": the date specified as the Works Completion Date in Schedule 2 (Key Contract Details), being the final date that is acceptable to WRAP for the Works to be completed and for the commencement of operation of the Project Assets.

"WRAP's Advisers": such persons, firms or entities as WRAP will appoint to advise or represent WRAP for the purposes of this agreement.

- 1.2 References to a "Clause", "Paragraph" or "Schedule" are references to a clause of, paragraph of, or a schedule to, this agreement unless otherwise provided. Clause headings are for ease of reference only.
- 1.3 References to this or any other agreement or document or statute are references to them in force for the time being and as amended, varied, supplemented, consolidated or re-enacted from time to time and include any schedules or annexes to such agreement or document and, in the case of statutes, any delegated legislation.
- 1.4 References to parties and other persons include their successors and permitted assigns, except where the content requires otherwise.

2. State Aid Clearance and Maximum Support

State Aid Clearance

- 2.1 If State Aid Clearance is not obtained and maintained:
 - 2.1.1 for the whole of the Support, then the obligation to provide the Support will terminate; or
 - 2.1.2 for any element or amount of the Support then the obligation to provide that element or amount of the Support will terminate and this agreement will continue to apply in respect of the balance of the Support.

Maximum Support

- 2.2 The Support payable by WRAP under this agreement will not exceed the lesser of:
 - 2.2.1 the Support amount specified in Schedule 2 (Key Contract Details);

2.2.2 in relation to each Project Asset specified in the table in Part 1 - Project Assets of Schedule 3 (Budget), and as the case may be, in relation to each Milestone specified in the table in Part 2 - Support Payment Profile of Schedule 3 (Budget), the lesser of:

- (a) the forecast amount of Support specified opposite each Project Asset or as the case may be, Milestone; or
- (b) the Support Funding Percentage of the part of the Total Project Costs in relation to the specific Project Asset or Milestone,

unless WRAP agrees in writing to an adjustment to the relevant Support amounts for any such Milestones or Project Asset. WRAP shall endeavour to respond to any written request from the Recipient to make an adjustment within no more than 30 days; and

2.2.3 the amount permitted from time to time in accordance with the State Aid Clearance or European Union regulations or any other relevant law or regulation.

3. Payment of Support

Pre-conditions

3.1 The payment of the Support is conditional on the following in form and substance satisfactory to WRAP in its absolute discretion:

- 3.1.1 receipt by WRAP of all the items, or evidence of such items, referred to in Schedule 1 (Pre-conditions);
- 3.1.2 receipt by WRAP of an Application for Payment from the Recipient after the achievement of each Milestone;
- 3.1.3 receipt by WRAP of a status report from the Project Monitor certifying that:
 - (a) the relevant Milestone has been achieved in accordance with the Project Plan and this agreement and on or before the relevant Milestone Completion Date;
 - (b) in relation to the relevant Milestone specified in the table in Part 2 – Support Payment Profile of Schedule 3 (Budget), the amount of the relevant Support payment for that Milestone does not exceed the specified Support or the Support Funding Percentage of the part of the Total Project Costs in relation to the specific Milestone;
 - (c) the total amount paid of Support to the Recipient does not, and after the payment will not, exceed the total available Support amount; and
 - (d) the cost of the Works have not increased or decreased by more than 10% from the levels set out in the table in Part 2 – Support Payment Profile of Schedule 3 (Budget), unless, if they have so increased or decreased, the Project has been reassessed by WRAP for value for money and the Support has been increased or decreased at WRAP's absolute discretion with the written agreement of WRAP, the Recipient and any Guarantor;
- 3.1.4 the satisfaction of WRAP that the Support will be paid at the same time or after a pro rata amount of the Co-funding is available to the Recipient (taking account of the amount of Co-funding and the total amount of the Support);
- 3.1.5 WRAP considers that Successful Completion is likely to occur on or before the Works Completion Date;
- 3.1.6 in relation to each Milestone specified in the table in Part 2 - Support Payment Profile of Schedule 3 (Budget) the satisfaction of WRAP that it has been completed on or before

the Milestone Completion Date specified opposite it, unless WRAP agrees in writing to an adjustment. WRAP shall endeavour to respond to any written request from the Recipient to make an adjustment within no more than 30 days;

- 3.1.7 the State Aid Clearance being obtained and maintained in full force and effect;
- 3.1.8 the Support Payment Period not having expired;
- 3.1.9 the Support not being used for political or religious advocacy;
- 3.1.10 no Event of Default or Potential Event of Default having occurred and being continuing;
- 3.1.11 each representation referred to in Clause 4 (Representations) being true and accurate in all material respects and not being misleading; and
- 3.1.12 WRAP having no reason to have a material concern with the Recipient's financial standing, technical ability and/or experience to satisfy its obligations under this agreement.

Payment of Support

- 3.2 Once WRAP is satisfied that a Milestone has been achieved and a payment of Support is due, WRAP will pay the Recipient the Support up to the amount specified for each Milestone on or before the final date for payment which will be no later than 30 days from such date as WRAP is satisfied that a payment of Support is due.

WRAP waiver discretion

- 3.3 WRAP may, in its absolute discretion, and on such terms as it may specify, agree to pay the Support to the Recipient when the conditions described in this Clause 3 have not been met. If WRAP does so, this will not prejudice its rights to refuse to pay any further Support until those conditions are met.

4. Representations

- 4.1 The Recipient represents to WRAP at all times that the representations set out in this Clause are true and accurate in all material respects, and are not misleading, and will notify WRAP of any breach of these representations at the earliest opportunity:
 - 4.1.1 it is duly incorporated and validly existing;
 - 4.1.2 it has the power to own its assets and carry on its business;
 - 4.1.3 the obligations expressed to be assumed by it in the Project Documents are legal, valid, binding and enforceable obligations;
 - 4.1.4 it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of the Project Documents;
 - 4.1.5 no breach of the Project Documents is continuing;
 - 4.1.6 it has disclosed to WRAP all information which would or might reasonably be thought to influence WRAP in the payment of the Support to the Recipient or the amount of the Support;
 - 4.1.7 all information provided to WRAP for the purposes of the Project Documents was true and accurate in all material respects as at the date it was provided; and

- 4.1.8 it is not aware, after due enquiry, of anything which materially threatens the success of the Project or the Successful Completion of the Works on or before the Operation Target Date or makes it unlikely.

5. Undertakings

Carrying out of the Project

- 5.1 The Recipient will carry out, or procure the carrying out of, the Project in accordance with the Project Documents.

Key undertakings

- 5.2 The Recipient undertakes to ensure that the following key undertakings will be met at all times:
- 5.2.1 the Actual Support-funded Percentage will not exceed the Support Funding Percentage;
 - 5.2.2 the Project will be located at the Project Location and during the Contract Period, the Recipient will ensure that the Project Assets will only be used at the Project Location or, with WRAP's approval, in the region of the Project Location as permitted by the State Aid Clearance;
 - 5.2.3 to procure the commencement of the Works to a material extent as soon as reasonably practicable and in any event on or before the Works Commencement Date;
 - 5.2.4 to comply with the Environmental Criteria and any other regulations, administrative requirements or guidance relating to any fund from which WRAP is funding its obligations under this agreement from time to time;
 - 5.2.5 to comply with all applicable health and safety legislation, regulations, policy statement and best practice in relation thereto.
 - 5.2.6 the Operation Date will be on or before the Works Completion Date;
 - 5.2.7 on the Operation Date the Recipient shall be able to process at least the Minimum Capacity of Waste and produce the Minimum Output per annum using the Project Assets;
 - 5.2.8 the raw material input to the Project will comprise Waste;
 - 5.2.9 the Project will produce the Output;
 - 5.2.10 the employees of the Recipient will be given the necessary training to operate the Project Assets for which they are responsible in accordance with the manufacturer's specification and to ensure the safe and efficient operation of the Project Assets;
 - 5.2.11 during the Contract Period, the Recipient will use the Project Assets to Process, and resulting in an Output of, at least the tonnes of Waste in each year set out in the Output Table for that year. Where applicable such tonnages of processed Waste and Output shall be in excess of the tonnages already processed by the Recipient's Group in the region of the Project Location in the 12 months prior to the date of this agreement; and
 - 5.2.12 within 7 days of receipt of a written request from WRAP, provide WRAP with information, in form and substance satisfactory to WRAP, verifying that the Recipient is able to Process in each period specified in the Output Table at least the tonnes of Waste specified in the Output Table.

Other undertakings

- 5.3 The Recipient undertakes:

Use of Support

- 5.3.1 To apply the Support only for the Project Purpose and towards the Total Project Costs in accordance with the Project Plan and other Project Documents.

Progress Report

- 5.3.2 To deliver to WRAP or WRAP's appointed Project Monitor a Progress Report each month, or if WRAP agrees each three months, following the date of this agreement until Successful Completion, or such later date as WRAP will require.
- 5.3.3 To deliver to WRAP or the Project Monitor such information as WRAP or the Project Monitor may reasonably require to supplement any Progress Report or Application for Payment.

Financial and other Information

- 5.3.4 To procure the delivery to WRAP within 6 months of the end of each of its financial years, copies of audited financial statements of the Recipient disclosing a true and fair view of the financial condition of the Recipient as at the date they were drawn up.
- 5.3.5 To deliver to WRAP, if WRAP so requires, a copy of any written advice concerning the adequacy or otherwise of the internal controls, systems and/or practices of the Recipient sent to the Recipient by its auditors in relation to those statements or the relative audit.
- 5.3.6 To deliver to WRAP a copy of its policy statement in respect of health and safety at work and details of arrangements for implementation of that policy.
- 5.3.7 To use all reasonable endeavours to ensure that at all times any of its consultants, auditors and other advisers are available to speak with and otherwise to deal with any queries from WRAP.

Execution of the Works

- 5.3.8 To procure the commencement as soon as reasonably practicable and in any event no later than the time specified by WRAP, and thereafter the carrying out and completion of the Works with all due expedition, in a good and workmanlike manner, with good quality materials and substances of their respective kinds, in accordance with the Project Plan and also with the Requisite Consents, and to undertake due monitoring of the progress of the Works, and following the Operation Date to take all reasonable steps to procure the remedy as soon as reasonably practicable of all material defects in workmanship and materials which may then be found.

Environmental report

- 5.3.9 To promptly satisfy the environmental recommendations and promptly undertake the required further investigations (and to promptly take reasonable action to address the findings of such investigations) included in any environmental report(s) approved by WRAP in relation to the Project and notified to the Recipient in respect of operational issues including air emissions, noise, traffic movements and other environmental issues.

Operation Target Date

- 5.3.10 To use reasonable endeavours to ensure Successful Completion on or before the Operation Target Date.

Employment of Consultants

- 5.3.11 To notify WRAP as soon as reasonably practicable, together with details of the arrangements, of the intention to appoint or engage any persons in connection with the

design, management, supervision or carrying out of any part of the Project, including any architects, contractors, quantity surveyors, surveyors, structural engineers, or to amend, cancel, modify, rescind, vary or waive the material terms of any existing appointment or engagement, and if required by WRAP, to consult with WRAP and obtain its consent in respect of such proposed appointment or engagement.

Project Assets and Project works or services

- 5.3.12 To notify WRAP as soon as reasonably practicable, together with details of the arrangements, of the intention to enter into any agreement for (i) the acquisition of any material Project Assets or (ii) the carrying out of any material works or services in connection with the Project, and at the time of such notification the Recipient will:
- (a) confirm that each such commitment is on an arm's length basis and where relevant in accordance with good industry practice;
 - (b) demonstrate to the reasonable satisfaction of WRAP that any Project Assets, works or services in connection with the Project will be acquired in an equitable and economic manner with probity and that the proposed consideration and any related costs and expenses are an accurate reflection of their open market value; and
 - (c) in relation to material Project Assets, provide WRAP with evidence of the valuation of the relevant Project Assets,

and, if requested, the Recipient will provide WRAP with certified copies of each such agreement promptly after it has been entered into and, if required by WRAP, such agreement will be in form and substance satisfactory to WRAP.

European Procurement legislation

- 5.3.13 To comply with all applicable European Union procurement legislation and any implementing measures and any other relevant law or regulation in connection with the procurement of any Project Assets, works or services in connection with the Project and promptly provide to WRAP any information which WRAP may request in order to satisfy itself that the Recipient has done so.

Payment of Outgoings

- 5.3.14 To pay and discharge all costs, expenses and other amounts required to procure the due performance of its obligations under this agreement.

Project Meetings

- 5.3.15 To hold project meetings on a regular basis and at least each three months, to give to WRAP at least 5 days' prior written notice of each such meeting together with copies of the agenda for and papers to be considered at the relevant meeting, to allow WRAP and WRAP's Advisers to be present and participate at the discussions at such meetings and to give to WRAP copies of the minutes of all such meetings including any which WRAP and WRAP's Advisers do not attend.

Inspection

- 5.3.16 To permit WRAP and WRAP's Advisers:
- (a) to access the Project Location in order to inspect the Project, discuss any Progress Report and/or any Application for Payment; and
 - (b) to inspect any works before the Recipient requests the issue of any certificate of partial or practical completion that may be required and to procure that there

is due regard to any observations which they make in particular in respect of any items which they consider require to be done or remedied before the relevant certificate should be requested (but without prejudice to the rights and obligations of any person in relation to the issue of such certificate),

in each case as they may reasonably require during normal working hours and on reasonable prior notice and provide them with or ensure that they are provided with all necessary assistance and facilities for such purpose.

Insurance

- 5.3.17 To maintain or procure the maintenance of insurance in connection with the Project against such risks and losses, in such respective amounts, with reputable insurers and on such terms as are appropriate for a project of similar size and nature and promptly to apply the proceeds of any insurance claim either in reinstatement or replacement of any relevant asset, discharge of any relevant third party liability or towards payment of any amounts then owing from the Recipient.

Operation of the Project Assets

- 5.3.18 To ensure that the Project Assets are operated in accordance with the Project Plan for the Project Purpose in accordance with all Requisite Consents and applicable law and to duly monitor their operation to ensure that this is so.

Not alter Project Plan

- 5.3.19 Not to, without WRAP's consent, not to be unreasonably withheld or delayed, do or permit anything to be done which would make any of the details set out or incorporated in the Project Plan untrue, incomplete or misleading, including alteration to the Project Plan or information, in any material respect.
- 5.3.20 To the extent that any of those details becomes untrue, inaccurate or misleading for reasons outside its control, or any proposal is made which, if implemented would cause any of those details to become so, to notify WRAP as soon as practicable on becoming aware of such a fact.

Ensure provision of Co-funding

- 5.3.21 To ensure that the Co-funding specified in Schedule 1 (Pre-conditions) is procured in at least the amounts and no later than the times specified in Schedule 1 (Pre-conditions), and not to do anything which might reasonably be expected to prejudice its availability.

No Borrowings without notice to WRAP

- 5.3.22 Not to, without notifying WRAP in advance, incur or permit to remain outstanding any Borrowing in connection with the Project or the Project Assets.

No mortgage or other security

- 5.3.23 Not to during the Contract Period, without WRAP's consent,
- (a) create or permit to subsist any Security over any Project Assets; nor
 - (b) sell, transfer, dispose or enter into any other preferential arrangement where the arrangement or transaction is entered into primarily as a method of raising Borrowings (including financing the acquisition of a Project Asset),
- except for the Permitted Security.

Notification

5.3.24 To promptly notify WRAP if an Event of Default or a Potential Event of Default occurs.

6. Events of Default

6.1 Each of the events set out in Clauses 6.1.1 (Insolvency) to 6.1.16 (Unlawfulness) (inclusive) is an Event of Default, whether or not caused by any reason whatsoever outside the control of any person:

Insolvency

6.1.1 At any time during the Contract Period:

- (a) a Recipient Party is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) the value of the assets of any Recipient Party is less than its liabilities (taking into account contingent and prospective liabilities);
- (c) a moratorium is declared in respect of any indebtedness of any Recipient Party;
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Recipient Party;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Recipient Party;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial factor or other similar officer in respect of any Recipient Party or any of its assets; or
 - (iv) enforcement of any Security over any assets of any Recipient Party;
- (e) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Recipient Party that is not discharged within 30 days;
- (f) any analogous procedure or step to those referred to above in this Clause 6.1.1 is taken in any jurisdiction; or
- (g) any Recipient Party ceases to operate, dies or ceases to have legal capacity.

Misuse of Support

6.1.2 The Recipient applies any of the Support otherwise than for the Project Purpose in the Project Location and for compliance with or achievement of the Environmental Criteria.

Works Completion Date

6.1.3 At any time before the Operation Date and after consultation with the Recipient, WRAP determines, in its absolute discretion, or is advised by any of WRAP's Advisers or the Recipient that it is apparent that, due to delays, cost overruns, lack of funding, material loss or damage to Project Assets, inadequate project management or any other matters

whatsoever, Successful Completion is unlikely to occur on or before the Works Completion Date.

Breach of key obligation

- 6.1.4 At any time, any Recipient Party fails to perform and observe its undertaking set out in Clause 5.1 in all material respects or any of its key undertakings set out in Clause 5.2 or any obligations under Clause 8 (Guarantee).

Breach of other obligation

- 6.1.5 At any time during the Contract Period any Recipient Party fails to perform and observe any of its other undertakings and obligations under the Project Documents and, if such failure is capable of remedy in the opinion of WRAP, the Recipient Party fails to remedy its default to the satisfaction of WRAP within 30 days after the earlier of notice from WRAP requiring it to be remedied or the Recipient becoming aware of the default.

Change of Project Purpose

- 6.1.6 At any time during the Contract Period, the proposed or actual use or operation of the Project Assets ceases to meet the Project Purpose.

Fraud or negligence

- 6.1.7 At any time, any Recipient Party has acted fraudulently or negligently in relation to this agreement or the Project.

Material misrepresentation

- 6.1.8 At any time during the Contract Period, any representation or statement made by or on behalf of any Recipient Party in this agreement or the Project Documents is not true and accurate in any material respect whether deliberately or not.

Change to the ownership of the Recipient

- 6.1.9 At any time during the Contract Period the ownership of the Recipient is changed without WRAP's consent, not to be unreasonably withheld or delayed.

Change to the Key Personnel

- 6.1.10 At any time during the Contract Period the Key Personnel is changed without WRAP's consent, not to be unreasonably withheld or delayed.

Cross Default

- 6.1.11 At any time during the Contract Period,
- (a) any Borrowings of any Recipient Party are not paid when due nor within any originally applicable grace period;
 - (b) any Borrowings of any Recipient Party is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
 - (c) any commitment for any Borrowings of any Recipient Party is cancelled or suspended by a creditor of such Recipient Party as a result of an event of default (however described); or

- (d) any creditor of any Recipient Party becomes entitled to declare any Borrowings of such Recipient Party due and payable prior to its specified maturity as a result of an event of default (however described).

Material weakening in financial condition

- 6.1.12 At any time during the Contract Period there is a material weakening in the creditworthiness or financial condition of any Recipient Party.

Disposals of Project Assets

- 6.1.13 At any time during the Contract Period, the Recipient:
 - (a) disposes, or procures that any owner of, or party with any interest in, any Project Asset disposes of or enters into any sale, transfer, lease, or other disposal of any or all of its interest in any of the Project Assets without the consent of WRAP;
 - (b) modifies any Project Asset other than with the primary objective of satisfying the Project Purpose without the consent of WRAP; or
 - (c) fails to use any Project Asset in accordance with the Project Plan without the consent of WRAP.

Material Adverse Effect

- 6.1.14 At any time during the Contract Period any event or series of events occurs which in the reasonable opinion of WRAP might reasonably be expected to have a material adverse effect on:
 - (a) the ability of any Recipient Party to perform its obligations under this agreement; or
 - (b) the business, assets or financial condition of any Recipient Party.

Full force or effect

- 6.1.15 At any time during the Contract Period this agreement is not or ceases to be in full force or effect.

Unlawfulness

- 6.1.16 It is or becomes unlawful for any Recipient Party or WRAP to perform any of its obligations under the Project Documents.

- 6.2 If an Event of Default occurs and is continuing WRAP will consider the seriousness of the Event of Default and whether or not it is remediable, and WRAP's present intention in such circumstances is to seek to discuss the matter with the Recipient and to agree a course of action to be taken, but it is not obliged to do so and does not intend to do so where it considers that it would be inappropriate to do so for any reason, including:

- 6.2.1 that the Event of Default is irremediable;
- 6.2.2 that the Recipient has deliberately or negligently failed to comply with the Project Documents, on this or any previous occasion; or
- 6.2.3 that it would be against its own interests or unlikely to lead to a satisfactory outcome.

6.3 If an Event of Default occurs and is continuing:

- 6.3.1 if WRAP chooses not to discuss the matter with the Recipient; or
 - 6.3.2 if a course of action is agreed but it is not followed, or any conditions attached to it are not met; or
 - 6.3.3 if the course of action fails to remedy the Event of Default to WRAP's satisfaction;
- WRAP may by notice to the Recipient:
- (a) suspend or cancel all further payment of the Support;
 - (b) make all further payments of the Support subject to such conditions as WRAP may specify;
 - (c) demand immediate repayment of, in which case the Recipient will immediately repay, the whole or any part of the Support; and/or
 - (d) exercise any guarantees, security and/or other rights which WRAP may have.

7. Repayment and reduction of Support

7.1 If at any time or over a period:

- 7.1.1 any financial assistance towards the Project has been received or is in the opinion of WRAP likely to be received by the Recipient from any public authority, which includes any of the members of the European Union or their institutions, any government department or local authority and any body wholly or partly supported by public funds or charitable contributions, in addition to any assistance the availability and amount of which the Recipient has disclosed to WRAP in Schedule 1 (Pre-conditions) and the availability and amount of which have been taken into account in making the Support available; or
 - 7.1.2 in order to ensure that any assistance given under this agreement, taken together with any other assistance which, in the opinion of WRAP, has been or is likely to be received towards the Project, is within the aid limits laid down by the European Union; or
 - 7.1.3 WRAP is required to do so by a decision of the Commission of the European Union,
- WRAP may:
- (a) reduce the Support Funding Percentage; and/or
 - (b) reduce the total available amount of Support and/or
 - (c) require repayment of the Support,

such that the Actual Support-funded Percentage does not exceed the reduced Support Funding Percentage and/or the reduced amount of the total available amount of Support is not exceeded.

- 7.2 If at any time the required Co-funding is less than the amount of Co-funding specified in Schedule 1 (Pre-conditions), WRAP may reduce the total available amount of Support and/or require repayment of the Support such that the Actual Support-funded Percentage does not exceed the Support Funding Percentage.
- 7.3 The Recipient will, unless WRAP agrees otherwise, repay to WRAP any Support paid to it as a result of an administrative error by WRAP, the Recipient, or any other person.
- 7.4 WRAP may notify the Recipient in advance of the Operation Date requiring the Recipient to prepare a Provisional Project Audit.

- 7.5 The Provisional Project Audit will be in such form, and must be prepared by such date, as WRAP may reasonably require. WRAP may require that it is prepared, or reviewed and reported on, by the Recipient's auditors, or auditors nominated by WRAP.
- 7.6 Based on the Provisional Project Audit, WRAP may adjust further payments of the Support and/or require repayment of the Support such that the anticipated Actual Support-funded Percentage at the Operation Date does not exceed the Support Funding Percentage.
- 7.7 Any amounts falling to be paid by the Recipient to WRAP under this agreement will be paid on demand of WRAP. WRAP may, but need not, set off any such unpaid amounts against Support payable by it to the Recipient.
- 7.8 If the Recipient fails to pay any amounts due to WRAP on the due date, such amounts will bear interest at the rate of 2% per annum over the base rate from time to time of Barclays Bank PLC or such other clearing bank as may be selected by WRAP and notified to the Recipient from time to time until paid in full. WRAP may, but need not, set off any such unpaid amounts against Support payable by it to the Recipient.

8. Guarantee / Security

- 8.1 The Guarantor covenants to observe and perform the obligations set out in Schedule 5 (Guarantee).

9. Publicity and Confidentiality

- 9.1 The Recipient will not make or consent to the making of any public statement or announcement, or engage in any promotional activity concerning this agreement or WRAP without WRAP's consent, not to be unreasonably withheld or delayed. Where WRAP provides such consent, the Recipient will acknowledge the Support in any publicity material.
- 9.2 The Recipient will install and maintain at the Project Location such signs, commemorative material and other promotional material indicating the involvement of WRAP with the Project as WRAP may reasonably require.
- 9.3 WRAP may disclose information concerning the Project and the Recipient:
- 9.3.1 to third parties in order to promote, as it thinks fit, its association with the Project and for the purposes of research, reporting to the government or any public bodies and provision of publicly available information, provided the information is not of a confidential nature and the Recipient has notified WRAP in writing of that confidentiality; and
 - 9.3.2 to its professional advisers and technical consultants as required solely for the purposes of this agreement.

10. Indemnity

The Recipient will, on demand, indemnify and agrees to keep indemnified WRAP against all costs, expenses, actions, charges, claims, damages, proceedings and other liabilities sustained or incurred as a result of any Event of Default or Potential Event of Default.

11. No liability of WRAP

- 11.1 Nothing in this agreement nor any other document will impose any obligation or liability on WRAP, or any of WRAP's Advisers with respect to any actions of or obligation or liability assumed or incurred by the Recipient or its agents, contractors or employers, whether under contract, statute or otherwise (including for taxes).
- 11.2 The Recipient agrees not to make any representation or suggestion to any person which would contradict Clause 11.1.

12. No partnership

Nothing in this agreement will create a partnership between WRAP and the Recipient.

13. Consents, Approvals etc.

- 13.1 Any consent, approval, waiver or agreement of WRAP under this agreement must be obtained in advance and is ineffective unless in writing. It may be given subject to any conditions thought fit by WRAP, but subject to any express requirement of reasonableness. Any amendment to this agreement is ineffective unless in writing.
- 13.2 Any approval or consent given by WRAP or any person on behalf of WRAP pursuant to this agreement will not be deemed to be an acceptance by WRAP of the correctness or suitability of the contents of the subject of the approval or consent.
- 13.3 WRAP reserves all its rights pursuant to this agreement in relation to any changes or anticipated changes to the Works, Project Documents or any of the Schedules to this agreement that may be disclosed in the Progress Report.

14. Certain changes to require amended application

Where permission for any change of Project Purpose, or change of ownership, composition or structure of the Recipient, is requested under this agreement, the Recipient must submit an amended application for the Support for approval as part of the Project Plan.

15. Assignment

- 15.1 This agreement will benefit and be binding on the parties, their respective successors and permitted assigns, including any statutory or other body which may become the successor of WRAP.
- 15.2 The Recipient acknowledges that the Support is non-transferable and that WRAP may, but the Recipient may not, and the Recipient agrees not to attempt or purport to, assign or transfer this agreement or any of its rights under this agreement, except with the consent of WRAP.

16. Notices

- 16.1 Any communication to any party will be sent to that party at the fax number or address from time to time notified by that party for the purpose of this agreement. The initial fax number and address for each party are as set out in Schedule 2 (Key Contract Details).
- 16.2 Any communication so sent by WRAP (a) by fax will be deemed to have been delivered when sent or (b) by post will be deemed to be delivered 2 days after being posted first class post prepaid.
- 16.3 WRAP may from time to time notify the Recipient of the identity of WRAP's Advisers, including contact name, address and other communication details, and specify that any notices required to be given to WRAP under this agreement should be given to WRAP's Advisers in addition to or, as it may specify, rather than directly to WRAP.

17. Entire Understanding

This agreement comprises the entire understanding of the parties in relation to the matters referred to in this agreement and supersedes any previous understanding, arrangement or agreement between the parties in relation to such matters. The parties acknowledge that no claim shall arise in respect of any previous understanding, arrangement or agreement so superseded.

18. Continuation of Agreement

This agreement will continue in force until such time as WRAP is satisfied, acting reasonably, that there is no outstanding breach under this agreement.

19. Third Party Rights

Nothing in this agreement is intended to confer on any person any right to enforce any provision of this agreement which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

20. Governing Law

This agreement will be governed by the laws of England. Disputes and differences between the parties arising out of or in relation to this agreement shall be referred to the exclusive jurisdiction of the English Courts.

In witness whereof this agreement has been, if applicable, duly executed by each Guarantor as a deed and signed by WRAP and the Recipient under hand and is intended to be and is delivered the day and year first before written.

Schedule 1 - Pre-conditions

The payment of the Support is, save as otherwise agreed or provided in this agreement, conditional on WRAP having received, in form and substance satisfactory to it, all of the items referred to in this Schedule or evidence of such matters.

Project Plan

1. The Project Plan (approved and agreed by WRAP and the Recipient).

Guarantee / Security

2. The Recipient will have obtained and delivered a performance bond(s) to secure its obligations under this agreement in form and substance satisfactory to WRAP.

Representations correct

3. Any evidence as WRAP may require that the representations by the Recipient in this agreement are true and accurate in all material respects and not misleading.

Co-funding

4. Co-funding as follows:

Co-funding provider	Lloyds TSB Bank plc, North Staffordshire Office; Lloyds TSB Bank plc (Asset Finance), Nick Brookes Recycling Limited.
Co-funding amount	£1,656,152
Date Co-funding provided or to be provided	As and when required.
Documentary evidence of Co-funding	Letter from Lloyds TSB Bank plc, North Staffordshire Office; Letter from Lloyds TSB plc (Asset Finance).

IMPORTANT - any substantive change to the method of the Recipient's Co-funding (e.g. from corporate borrowing to equipment leasing) may have a significant impact on the Support that WRAP may pay the Recipient in accordance with State Aid Clearance.

Project Assets

5. Ownership by the Recipient of the material Project Assets already owned by the Recipient, including, if required by WRAP, evidence acceptable to WRAP of the Recipient's freehold, heritable or leasehold interest in the Project Location and any other matters affecting the Project Location, provided that where the Recipient has a leasehold interest in the Project Location WRAP will require evidence that the leasehold interest is valid for at least the duration of the Contract Period.

Planning

6. The planning permission necessary for the Project issued to the Recipient.

Other Requisite Consents

7. The other Requisite Consents necessary for the Project issued to the Recipient.

Insurance

8. An insurance broker's letter or certificate or such other documentary evidence that the Recipient has in place insurance in connection with the Project against such risks and losses, in such respective amounts, with reputable insurers and on such terms as are appropriate for a project of similar size and nature as required in accordance with the insurance undertaking in Clause 5 (Undertakings).

Board resolutions

9. A copy, certified by a director or the company secretary of minutes of the meeting(s) of the board of directors of each Recipient Party at which valid resolutions were adopted approving this agreement and any documents supplemental to this agreement and any other documents that each Recipient Party is required by WRAP to enter into in respect of the Project and authorising a person or persons to execute and deliver such documents and all notices, certificates, communications or documents to be given by each Recipient Party in connection with such documents.

Legal Opinion

10. A legal opinion(s) in a form(s) acceptable to WRAP in respect of each Recipient Party's powers to enter into and be bound by this agreement and any documents supplemental to this agreement and any other documents that such Recipient Party is required by WRAP to enter into in respect of the Project issued to WRAP by solicitors representing such Recipient Party acceptable to WRAP.

Property Tenure

11. Evidence that the Recipient holds a freehold, commonhold, heritable or leasehold interest in the Project Location until at least the end of the Contract Period.

State Aid Clearance

12. Where State Aid Clearance is under the WRAP Environmental Scheme the Recipient shall produce a certificate signed by a director of the Recipient declaring any other aid applied for in relation to this Project.

General

13. Such other documents or information as WRAP may require.

Schedule 2 – Key Contract Details

1. Key Personnel means Nick Brookes.
2. Minimum Capacity means 176,256 tonnes per annum based on usage of 5 days per week.
3. Minimum Output means 117,576.
4. Operation Target Date means 1st February 2008.
5. Output means Sand, 10mm, 20mm and 40mm washed aggregates.
6. Output Table means:

Period after the Operation Date	Input of Waste (tonnes)	Output (tonnes)
Year 1	132,480	117,576
Year 2	132,480	117,576
Year 3	145,728	129,334
Year 4	160,320	142,284
Year 5	176,256	156,427
Total	747,264	663,197

7. Process details means washing and screening of construction and demolition waste to produced added value aggregates.
8. Project Location means Wardle Industrial Estate, Green Lane, Nantwich, Cheshire, CW5 6DB.
9. State Aid Clearance means WRAP ENVIRONMENTAL SCHEME CLEARANCE.
10. Support means a maximum of £709,780 (seven hundred and nine thousand, seven hundred and eighty pounds).
11. Support Funding Percentage means a maximum of 30%
12. Support Payment Long Stop Date means 29 February 2008
13. There are no Third Party Permitted Securities associated with Nick Brookes Recycling.
14. Waste means construction and demolition waste, that otherwise would have gone to landfill.
15. Works includes the installation and commissioning of an aggregate washing plant along with associated civil works, in each case such that the Recipient will have the capacity to Process 747,264 tonnes of Waste into Output during the Contract Period in accordance with Clause 5.2.
16. Works Commencement Date means 1 September 2007.
17. Works Completion Date means 1 February 2008.
18. The initial fax number and address for each party for the purposes of Clause 16 (Notices) are:
 - 18.1 WRAP

Address: The Waste and Resources Action Programme
The Old Academy
21 Horse Fair
Banbury
OXON OX16 0AH

Attention: Mike Falconer Hall

Fax: 01295 819911

Copy to: Simon Putnam, Interim Market Development Programmes Director, The Waste and Resources Action Programme

18.2 The Recipient

Address: Nick Brookes Recycling Limited, Wardle Industrial Estate, Green Lane, Nantwich, Cheshire, CW5 6DB

Attention: for the attention of Mr N Brookes

Fax: 01829 260556

18.3 The Guarantor

Address: Mr N. Brookes, Hadley Moss, Mill Lane, Little Budworth, Cheshire, CW6 6DD

Fax: 01829 260556

Schedule 3 Budget

Part 1 – Project Assets

No.	Project Asset	Forecast project cost per Project Asset £	Forecast Eligible Costs per Project Asset £	Forecast Support per Project Asset £
	<u>Fixed Infrastructure</u>			
	Civil costs	350,000	350,000	105,000
	Additional Ferrous	45,000	45,000	13,500
	Water borehole	9,000	9,000	2,700
	Electricity substation	85,000	85,000	25,500
	<u>Plant</u>			
	CDE Washing plant	1,460,492	1,460,492	438,148
	Extec Mobile Crushing Plant	178,500	178,500	53,550
	Loading shovel	128,000	128,000	38,400
	360 Degree Excavator	97,940	97,970	29,382
	<u>Equipment</u>			
	Dust suppression	12,000	12,000	3,600
	Total available amount of Support		2,365,932	709,780

Explanatory note - For the avoidance of doubt, the figures provided above are forecast figures only and are based on the parties' best estimate of the cost of each item at the time of signature of this Support Agreement. The total Support figure is the maximum support available under this agreement.

The actual amount of Support that WRAP shall provide to the Recipient is subject to change and will relate to the actual overall cost of each project asset. Where the actual costs of individual project asset are lower, the WRAP Support paid will be adjusted so that it is proportionately lower. In circumstances where the actual costs of an individual project asset are higher, then any increase in the WRAP support payable will be at the absolute discretion of WRAP. For the avoidance of doubt, in no circumstances shall the total amount paid by WRAP to the Recipient be greater than the total available amount of Support.

Schedule 3 Budget

Part 2 – Support Payment Profile

Milestone	Description	Milestone Completion Date	Support £
A	<u>Initial orders</u> At least 90% by value of orders for the supply of the following Project Assets Plant; CDE Washing Plant have been placed by the Recipient and acknowledged by the supplier(s) <i>Evidenced by a copy of the relevant purchase orders or equivalent, invoice and proof of payment.</i>	30 Sept 2007	£131,444
B	<u>Initial orders and Equipment delivery on site</u> 100% by value of the following Project Assets Infrastructure has been delivered and installed: - CDE Washing Plant - Extec Mobile Crushing Plant 360° Excavator <i>Evidenced by a site visit made by a representative of WRAP and / or the Project Monitor and any relevant GRN's (Goods Received Note) invoices and proof of payment.</i>	31 Oct 2007	£302,006
C	<u>Initial Commissioning</u> 100% by value of the following Project Assets, Plant to have been delivered to the Project Location, installed and initial commissioning is underway: CDE Washing Plant <i>Evidenced by a site visit made by a representative of WRAP and / or the Project Monitor and relevant GRN's (Goods Received Note), invoices and proof of payment.</i>	30 Nov 2007	£43,815
D	<u>Equipment Delivery, Site infrastructure installation, Site operation / Retention</u> 100% by value of the following Project Assets Infrastructure has been installed and equipment delivered to site:	28 Feb 2008	£232,515

	• Civil costs • Additional Ferrous • Water borehole • Electricity substation <i>Evidenced by a site visit made by a representative of WRAP and / or the Project Monitor and any relevant GRN's (Goods Received Note) or receipts for materials & works completed, invoices and proof of payment</i> 100% by value of the following equipment delivered to site: • Loading shovel • Dust Suppression <i>Evidenced by a site visit made by a representative of WRAP and / or the Project Monitor, receipts or invoice copies for one off consultancy work. Completion of Training to be evidenced by employee certificates and receipts for course costs invoices and proof of payment.</i> The Project Assets are operational and the Recipient has commenced the Process (as a minimum, state minimum) resulting in the satisfaction of the Recipients Output Table (detailed in Schedule 2), measured on a pro rata basis and quality production objectives		
	Total available amount of Support		£709,780.00

Schedule 4 – Form of Application for Payment

To: The Waste and Resources Action Programme ("WRAP")
The Old Academy
21 Horse Fair
Banbury
OXON OX16 0AH
FAO: Mike Falconer Hall

Copy to: Simon Putnam, Interim Market Development Programmes Director, WRAP

Fax: 01295 819911

Date:

Dear Sirs,

AGG111-008: Application for Payment

I refer to the support agreement (the "**Agreement**") dated number day of month year and made between (1) the Recipient, (2) WRAP and (3) Mr N. Brookes (the "**Guarantor**").

Terms defined in the Agreement bear the same meanings in this letter.

I hereby confirm, based on the Total Project Costs and Eligible Costs incurred to date and the latest budget, that:

- (1) the Support requested will not exceed the Support payable under the Agreement;
- (2) the costs in relation to which the Support is requested are Eligible Costs which have been incurred and paid by the Recipient;
- (3) the relevant Milestone(s) have been met in accordance with the Project Plan; and
- (4) attached hereto are the documents to which I have referred, including the latest Progress Report, confirming (with supplementary evidence as appropriate) that (a) the relevant Milestone(s) has/have been reached and (b) the relevant Project Assets are insured in accordance with the Agreement.

Milestone reference	Amount
	£

Yours faithfully,

.....
Nick Brookes Recycling Limited

Schedule 5 – Guarantee

Note :If there will be a bond or Security provided as credit enhancement the proposed form of bond or security should be set out in this schedule

SIGNATORIES

WRAP

THE WASTE AND RESOURCES ACTION PROGRAMME

By:



The Recipient

Nick Brookes Recycling Limited

By:

