

APR 21 2004

STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)
)
PETITION OF JO'LYN CORPORATION)
and FALCON WASTE AND RECYCLING)
for an ADJUSTED STANDARD from)
35 ILL.ADM.CODE PART 807 or,)
in the alternative, A FINDING OF)
INAPPLICABILITY.)

AS 04- 02
(Adjusted Standard - Land)

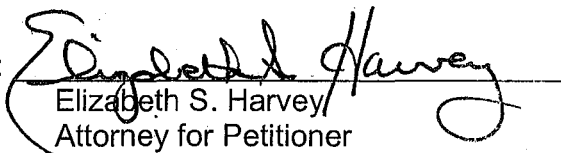
NOTICE OF FILING

To: (See attached Service List.)

PLEASE TAKE NOTICE that on this 21st day of April 2004, the following were filed with the Illinois Pollution Control Board: **Petition for Adjusted Standard, Appearance, and Motion for Expedited Consideration**, which are attached and herewith served upon you.

JO'LYN CORPORATION and
FALCON WASTE AND RECYCLING

By:


Elizabeth S. Harvey
Attorney for Petitioner

Elizabeth S. Harvey
SWANSON, MARTIN & BELL
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Firm I.D. No. 29558

CERTIFICATE OF SERVICE

I, the undersigned non-attorney, state that I served a copy of the above-described documents to counsel of record in the above-captioned matter via U.S. Mail at One IBM Plaza, Chicago, IL 60611 on or before 5:00 p.m. on April 21, 2004.


Jeanette M. Podlin

[x] Under penalties as provided by law pursuant to 735 ILCS 5/1-109, I certify that the statements set forth herein are true and correct.

SERVICE LIST

Mr. John J. Kim
Division of Legal Counsel, IEPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276.

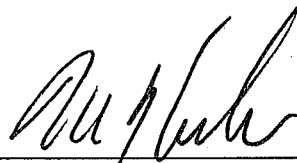
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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD, STATE OF ILLINOIS
Pollution Control Board

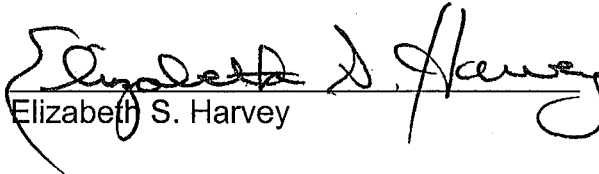
IN THE MATTER OF:)
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PETITION OF JO'LYN CORPORATION)
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INAPPLICABILITY.)

APPEARANCE

Swanson, Martin & Bell, by its attorneys Michael J. Maher and Elizabeth S. Harvey, hereby files its appearance on behalf of petitioners Jo'Lyn Corporation and Falcon Waste and Recycling.



Michael J. Maher



Elizabeth S. Harvey

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APR 21 2004

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD STATE OF ILLINOIS
Pollution Control Board

IN THE MATTER OF:)

PETITION OF JO'LYN CORPORATION)
and FALCON WASTE AND RECYCLING)
for an ADJUSTED STANDARD from)
35 ILL.ADM.CODE PART 807 or,)
in the alternative, A FINDING OF)
INAPPLICABILITY.)

AS 04- 02
(Adjusted Standard – Land)

**PETITION FOR ADJUSTED STANDARD, OR IN THE ALTERNATIVE
A FINDING OF INAPPLICABILITY**

Petitioners Jo'Lyn Corp ("Jo'Lyn") and Falcon Waste Disposal ("Falcon") (collectively, "petitioners"), by their attorneys Swanson, Martin & Bell, hereby petition for an adjusted standard, or, in the alternative, a finding of inapplicability. This petition is submitted pursuant to the provisions of Section 28.1 of the Environmental Protection Act (415 ILCS 5/28.1) and 35 Ill.Adm.Code Part 104, Subpart D. Petitioners seek a determination that the raw material used in their production process is not a "waste", and that therefore they do not need waste permits pursuant to Part 807 of the Illinois environmental regulations. In the alternative, if the Board disagrees that the material used is not a waste, petitioners seek an adjusted standard from Part 807 (35 Ill.Adm.Code 807).

INTRODUCTION

Petitioners Jo'Lyn and Falcon¹ operate a facility in McHenry County, Illinois, which processes granulate bituminous shingle material (GBSM) into a

¹ Falcon is a division of Jo'Lyn. Falcon and Jo'Lyn are both petitioners in this matter, although the petition applies to only a single facility.

useful paving product. GBSM is a clean and consistent post-production material generated at the end of the manufacturing of roofing shingles, such as “tabs” or punch outs, and miscolored or damaged shingles. GBSM is not post-consumer material or shingle “tear-offs”, and thus does not present the potential problems of “tear-offs”, such as inconsistent materials, nails, and potential asbestos content. Instead, GBSM is uniform in composition, and has never been used by a consumer.

Petitioners purchase this clean and consistent GBSM directly from shingle manufacturers. Petitioners currently have a contract for purchase of GBSM from IKO Chicago, Inc., which manufactures roofing shingles. (See Exhibit A.) After purchase, petitioners process the GBSM at their Woodstock, McHenry County, Illinois facility. The GBSM is shredded to uniform size by use of a grinder. After grinding, the material is used as a paving product, marketed by petitioners under the name “Eclipse Dust Control”. This paving product can be used on parking lots, driveways, farm lanes, animal feed areas, bike and walking paths, and other surfaces. The material is placed on the area to be paved, and compacted. This results in a paved surface which eliminates dust, is long-lasting and inexpensive, and does not require seal coating or other maintenance. (See Exhibits B and C.)

Petitioners began this operation in 2000. Petitioners inquired about the necessity of permits from the Illinois Environmental Protection Agency (Agency), and were originally told that no land permit was necessary. Petitioners obtained the required water (stormwater run-off) permit, and applied for an air permit. The request for an air permit was subsequently denied on the grounds that petitioners

need a land permit. However, in 1993 IKO had received, from the Agency a solid waste determination finding that the GBSM material generated at IKO's facility is not a solid waste when used for paving surfaces. The Agency's determination specifically allows for the use of GBSM when ground either at the IKO facility or at the end user's site. (See Exhibit D.) Thus, petitioners continue to believe, based upon the Agency's own determination, that the GBSM is not "waste", and thus no land permit is required.

Petitioners have engaged in a lengthy dialogue with the Agency regarding this process. The process is environmentally friendly, and utilizes material that might otherwise be landfilled for lack of a market.² Unfortunately, the Agency has not yet agreed that the GBSM is not a "waste", despite its earlier determination finding that GBSM is not a waste. Petitioners remain optimistic that the Agency will reconsider its position, and will provide a supportive recommendation on this petition.

THE MATERIAL USED IS NOT A "WASTE"

The material used by petitioners in their process is not a "waste", and therefore the requirements of Part 807 of the Board's regulations are inapplicable. The Board has previously recognized that an adjusted standard petition can, in the alternative, seek a finding of inapplicability. (*In the Matter of Petition of Illinois Wood Energy Partners, L.P. for an Adjusted Standard from 35 Ill.Adm.Code 807 or, in the alternative, a Finding of Inapplicability, AS 94-1*

² It is important to note that GBSM is not a discarded material, but a result of the shingle production process which has value and use when proper markets are available. If there is no market for GBSM (as a result of burdensome permitting requirements), the material could end up being landfilled.

(October 6, 1994), 1994 Ill. ENV.Lexis 1314.) Petitioners here seek a finding that the material used by petitioners is not a "waste", and that therefore the requirements of Part 807 do not apply.

The Agency itself, on May 18, 1993, specifically determined that IKO's GBSM "is not a solid waste when utilized" to form a pavement surface after grinding of the GBSM. (See Exhibit D.) That waste determination recognized that the material may be ground either "on site" (at IKO) or at the end user's site. Here, petitioners' process uses the GBSM exactly as required by the Agency: it is ground at petitioners' (the end user) site, and then used to form a pavement surface. Thus, the Agency has already determined that the GBSM, as used by petitioners, is not a "waste". Petitioners ask the Board to hold the Agency to its determination. The Board should find that the GBSM, as used by petitioners, is not a "waste", and is thus not subject to the requirements of 35 Ill. Adm. Code Part 807.

Even beyond the Agency's 1993 determination that the GBSM is not a solid waste, it is clear that GBSM does not fit the definition of "waste". Section 3.53 of the Act defines "waste" as

any garbage, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility, *or other discarded material....*

415 ILCS 5/3.53 (emphasis added).

This same definition is used in Section 807.104. However, the GBSM is not "discarded", since it is a useful material which is sold for further use, given the proper market. Since the material is not "discarded", and does not fit any of the other items in the definition of "waste", the GBSM is not a waste.

The appellate court, in *Alternate Fuels, Inc. v. Director of the Illinois Environmental Protection Agency*, 337 Ill.App.3d 857, 786 N.E.2d 1063, 272 Ill.Dec. 229 (5th Dist. 2003), *leave to appeal allowed* 205 Ill.2d 575, 803 N.E.2d 479, 281 Ill.Dec. 75 (2003), was faced with a similar situation, and determined that the material at issue was not "waste". Alternate Fuels, Inc. ("AFI") collects, separates, and processes plastic materials into alternate fuel. That alternate fuel is then sold to a power plant, for use as fuel in producing electricity. This Board had previously determined that the alternate fuel was not a waste. *Illinois Power v. IEPA*, PCB 97-35 and 97-36 (January 23, 1997). However, the Agency initiated an enforcement action against AFI. AFI then brought a declaratory judgment action against the Agency.

The appellate court agreed with AFI that the statutory definition of "recycling, reclamation, or reuse", which includes the statement that the process is designed to remove any "contaminant" from waste (415 ILCS 5/3.30), shows a legislative intent to distinguish between waste that is discarded and materials that might otherwise be discarded but are instead returned to the economic mainstream by way of the process of recycling. *AFI*, 272 Ill.Dec. at 13-14. The appellate court then went on to find that the materials used by AFI for recycling are not discarded, are not waste, and are not subject to the permit and local siting procedures applicable to waste. These findings were based upon the court's review of the statute (which does not define "discarded") and the purpose behind the Act (protecting the environment, including providing an incentive for

suppliers to recycle their materials rather than discard them). *AFI*, 272 Ill.Dec. at 14-17.

Petitioners' situation is almost identical to the situation reviewed in *AFI*. Like *AFI*, petitioner uses material (GBSM) that might otherwise be discarded, but can be returned to the economic mainstream by recycling. Simply because a material might be discarded for lack of a market does not mean that the material fits the definition of "waste". Such an outcome would lead to a circular result: insistence that a recycling facility comply with the myriad requirements of Part 807 (imposed on "waste" facilities) could result in a lack of a market³, simply because no recycling facility could meet those requirements. In short, an insistence that a material is "discarded" could result in that material actually being discarded, thus "creating" a waste. The Board should follow the decision of the appellate court in *AFI*, and its own decision in *Illinois Power*, and hold that the GBSM is not a "waste".

In the discussions between the Agency and petitioners, the Agency has sometimes pointed to Section 721.102 in its position that the GBSM is "waste". Section 721.102 defines "solid waste" under the state RCRA program, and is included in Part 721, which regulates hazardous waste.⁴ The Part 807 definition of "waste" is different than the definition of "solid waste" found at Section 721.102. Petitioners believe that the statutory and regulatory definitions of "waste" found in Part 807 are controlling in determining whether the Part 807 requirements are

³ In this case, there is already a market for GBSM, as evidenced by Jo'Lyn's purchase of the GBSM from IKO. (See Exhibit A.) Additionally, there is a market for petitioners' "Eclipse Dust Control" pavement. See Group Exhibit E, contracts between Jo'Lyn and purchasers of "Eclipse Dust Control".

⁴ The GBSM is not a "hazardous waste".

applicable. As demonstrated above, the GBSM is not “waste” under the Act of Part 807. Additionally, petitioners believe that the Agency’s recent interpretations may be based on a misunderstanding of petitioner’s process. The Agency has expressed concerns about asbestos, fiberglass, nails, wood, and other contaminants which could impact the quality and safety of the paving product. However, as explained above, petitioners’ process uses only clean and consistent GBSM, which is a pre-consumer product. The process does not use “tear-offs”, and thus concerns about the constituents in the paving product are misplaced.

In sum, petitioners ask the Board to find that the GBSM used by petitioners for recycling into a paving product is not a “waste”, and thus not subject to Part 807. The Agency itself previously determined that this GBSM is not a waste. Additionally, the appellate court decision in *AFI*, and this Board’s decision in *Illinois Power*, support a finding that the GBSM is not “discarded”, and thus is not a “waste”.

PETITION FOR ADJUSTED STANDARD

If the Board finds that the material used by petitioners is indeed a “waste”, petitioners seek an adjusted standard from the provisions of Part 807. The remainder of this petition discusses the content requirements for adjusted standard petitions, as set forth in Section 104.406 of the Board’s procedural rules.

Standard from which relief is sought (Section 104.406(a))

Petitioners ask that the Board grant Jo'Lyn and Falcon an adjusted standard from the requirements of Part 807 of the Board's regulations. Part 807 contains permitting and other requirements for solid waste management facilities.

Promulgation of the regulation of general applicability (Section 104.404(b))

Part 807 was promulgated to implement Sections 5, 21.1, and 22 of the Act.

Level of justification (Section 104.404(c))

The regulations of general applicability (Part 807) do not specify a level of justification or other requirements for an adjusted standard.

Description of petitioners' activity (Section 104.404(d))

Petitioners' facility is located at 1200 Rosefarm Road, Woodstock, McHenry County, Illinois. As discussed above, petitioners purchase GBSM from IKO⁵. The contract specifically requires that the GBSM be free of contaminants. (See Exhibit A.) The GBSM is then transported to petitioners' facility, where it is ground into uniform pieces. After grinding, the material is used as a paving product, marketed by petitioners under the name "Eclipse Dust Control". This paving product can be used on parking lots, driveways, farm lanes, animal feed areas, bike and walking paths, and other surfaces. The material is placed on the area to be paved, and compacted. This results in a paved surface which

⁵ While petitioners currently contract only with IKO, there are other shingle manufacturers in Illinois who are also potential sources of GBSM. Petitioners have not yet pursued contracts with other manufacturers while they seek resolution of this matter.

eliminates dust, is long-lasting and inexpensive, and does not require seal coating or other maintenance. (See Exhibits B and C.)

There are no emissions, discharges or releases to the land from petitioners' activities.

Compliance alternatives (Section 104.404(e))

Petitioners assert, as discussed above, that the GBSM used in their process is not a "waste". If the Board finds that the material is indeed a waste, the only compliance alternative available to petitioners is full compliance with the panoply of regulatory requirements imposed by the Act and by Part 807. For example, petitioners would be required to seek local siting approval pursuant to Section 39.2 of the Act (415 ILCS 5/39.2), even before submitting a revised permit application to the Agency.⁶ Local siting approval is an expensive and lengthy process, and could cost hundreds of thousands of dollars, including local filing fees. Even after local siting approval was obtained, compliance with the full set of requirements of Part 807, including financial assurance requirements, is cost-prohibitive.

These requirements should not be imposed upon petitioners, as their operation is not the type of operation contemplated by the Board in promulgating Part 807. The Part 807 requirements are properly directed to facilities which treat, store, or dispose of waste, with the resulting environmental issues which can arise from such a facility. To treat petitioners' recycling facility, which uses only one type of clean and consistent pre-consumer material, in the same way as

⁶ Jo'Lyn previously applied to the Agency for a Part 807 permit. The Agency denied that permit on September 9, 2003. Jo'Lyn has appealed that permit denial to the Board (*Jo'Lyn Corp. v. Illinois Environmental Protection Agency*, PCB 04-49).

a landfill or transfer station is unnecessary for the protection of the environment, and beyond the scope of facilities considered by the Board.

Description of the adjusted standard (Section 104.404(f))

Petitioners propose the following adjusted standard:

Jo'Lyn Corporation and Falcon Waste and Recycling are hereby granted an adjusted standard from the provisions of 35 Ill. Adm. Code Part 807. The requirements of Part 807 do not apply to recycling operations conducted by Jo'Lyn and/or Falcon at the facility in McHenry County, Illinois, so long as:

1. Jo'Lyn and Falcon continue to use only clean GBSM, acquired from a manufacturer of roofing products or other source of clean GBSM.
2. Jo'Lyn and Falcon continue to grind the GBSM into uniform pieces, either course ground or fine ground.
3. Jo'Lyn and Falcon use the GBSM chips to form paving surfaces.
4. Jo'Lyn and Falcon operate the facility in compliance with other provisions of the Environmental Protection Act.

Quantitative and qualitative impact of petitioners' activity (Section 104.404(g))

As discussed above, petitioners' process produces no emissions, discharges, or releases to the land. Thus, the qualitative and quantitative impact of compliance with the rule of general applicability is the same as compliance with the proposed adjusted standard.⁷ This is important to recognize, as issuance of the adjusted standard will not increase emissions, discharges, or releases to the land by use of the recycling process. In fact, because the recycling process provides a beneficial use of the GBSM, producing a useful product that in itself reduces dust from unpaved surfaces, issuance of the

⁷ Petitioners may need an air permit from the Agency for minor air emissions. However, as this petition does not seek an adjusted standard from the air regulations, there is no difference in qualitative or quantitative air emissions between compliance with the air regulations of general applicability and the proposed adjusted standard. Jo'Lyn has already received a NPDES permit for storm water discharges (general industrial storm water permit), No. ILR005938.

proposed adjusted standard will actually decrease emissions and releases, in an overall sense.

Justification (Section 104.404(h))

As noted above, the rules of general applicability did not contemplate the issues pertaining to the recycling of GBSM into a useful paving product. Thus, those rules do not specify a level of justification for an adjusted standard. However, the proposed adjusted standard is justified by the innumerable environmental benefits of the GBSM recycling process.

Consistency with federal law (Section 104.404(i))

The Board may grant the proposed adjusted standard consistent with federal law.

Hearing (Section 104.404(j))

Petitioners waive hearing on this petition.

Supporting documents (Section 104.404(k))

Documents supporting this petition are attached as Exhibits A through G. In addition to documents discussed in the above petition, these exhibits include letters of support for petitioners' process, as well as a \$165,000 grant received from DCEO to support petitioners' process.

SECTION 28.1(c) FACTORS

Section 28.1(c) of the Act (415 ILCS 5/28.1(c)) states that the Board may grant individual adjusted standards upon adequate proof that: 1) the factors relating to the petitioners are substantially and significantly different from the factors relied upon by the Board in adopting the general regulation; 2) the

existence of those factors justifies an adjusted standard; 3) the requested standard will not result in environmental or health effects substantially and significantly more adverse than the effects considered by the Board in adopting the rule of general applicability; and 4) the adjusted standard is consistent with any applicable federal law.

The factors relating to petitioners are substantially and significantly different

In adopting Part 807, the Board replaced and superseded the "Rules and Regulations for Refuse Disposal Sites and Facilities", adopted by the Illinois Department of Public Health in 1966. 35 Ill.Adm.Code 807.102. The Board also acted to implement Section 22 of the Act, which gives the Board authority to regulate, *inter alia*, waste disposal, storage, treatment, and disposal sites. 415 ILCS 5/22. The recycling activities conducted by petitioners are not refuse or waste disposal, and petitioners' facility is not a landfill or transfer station. Instead, petitioners' activities provide an environmental benefit by recycling clean GBSM into a useful paving product, which itself has environmental benefits. Thus, the factors relating to petitioners' recycling activities are substantially and significantly different than those pertaining to activities regulated under Part 807.

The existence of those factors justifies an adjusted standard

As discussed in this petition, these different factors justify an adjusted standard. Petitioners recycle clean GBSM into a useful paving product. Compliance with the extensive requirements of Part 807 is economically unreasonable for petitioners. Coupled with the fact that compliance with Part 807

does not provide any environmental benefit, the proposed adjusted standard is justified as the only possible means available.

The adjusted standard will not result in adverse environmental or health effects

The adjusted standard will not result in adverse environmental or health effects substantially and significantly different from the factors relied upon by the Board in adopting Part 807. As discussed, the adjusted standard will not have any negative environmental or health effect at all. In fact, the adjusted standard will result in positive environmental and health effects. The clean GBSM, which might otherwise be landfilled simply for lack of a market, will be recycled into a useful paving product which provides a number of benefits itself, including affordable and durable dust suppression. Thus, the adjusted standard will provide environmental and health benefits.

The adjusted standard is consistent with federal law

The proposed adjusted standard is consistent with federal law, and granting the adjusted standard will not violate federal law.

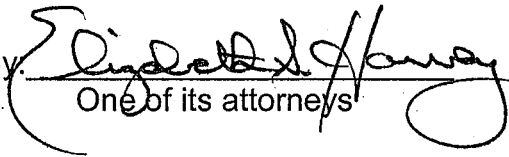
CONCLUSION

Petitioners ask that the Board find that Part 807 of the Board's rules are inapplicable to petitioners' recycling of clean GBSM. The GBSM is not a waste, and should not be regulated as a waste. Instead, it is a useful product. In the alternative, petitioners seek an adjusted standard from Part 807. Compliance with those regulations is economically unreasonable, and provides no environmental or health benefit.

WHEREFORE, petitioners Jo'Lyn Corporation and Falcon Waste and Recycling hereby request that the Board find that Part 807 is inapplicable to petitioners' McHenry County recycling facility. In the alternative, petitioners ask that the Board grant the proposed adjusted standard from Part 807, or for other relief as deemed appropriate by the Board.

Respectfully submitted,

JO'LYN CORPORATION and
FALCON WASTE AND
RECYCLING

By: 
One of its attorneys

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Chicago, IL 60611
312.321.9100
312.321.0990 (facsimile)

TEMPORARY PURCHASE AGREEMENT

Purchase Description. Jo'Lyn Corporation., 2 Kennedy Drive, Harvard, Illinois 60033 hereinafter called Jo'Lyn agrees to purchase Bituminous Shingle Material hereinafter called BSM from IKO Chicago, 6600 S. Central Ave., Chicago, Illinois 60638, hereinafter called IKO. Jo'Lyn will purchase BSM at the rate of \$5.00 per ton to be weighed at IKO's location, provided that IKO sign a service agreement with Falcon Waste & Recycling for the storage and transportation of BSM from IKO's location to Jo'Lyn's designated location.

SPECIAL INSTRUCTIONS:

GENERAL TERMS AND CONDITIONS:

Services Rendered. The undersigned (Jo'Lyn) agrees to purchase BSM from IKO and agrees to make the payments as provided for herein and abide by the terms and conditions of this Agreement.

Binding Effect. This Agreement is a legally binding contract on the part of both Jo'Lyn and IKO and their respective heirs, successors and assigns in accordance with the terms and conditions set out herein.

Payments. Jo'Lyn shall pay IKO on monthly basis for the BSM furnished by IKO in accordance with the rates provided for herein. Jo'Lyn will receive a duplicate copy of transported material/tonnage receipt, from Falcon Waste & Recycling at time of delivery. Payment shall be made by Jo'Lyn to IKO within 10 days of the receipt of an invoice from IKO. IKO may impose and Jo'Lyn agrees to pay a late fee for all past due payments, such late fee not to exceed the maximum rate for same allowed by applicable law.

BSM. The material to be furnished by IKO and received by Jo'Lyn pursuant to this Agreement is BSM new or hereafter owned and produced by IKO, excluding all contaminants which, in Jo'Lyn's reasonable judgment, prevents resale or reduces the resale value of BSM. A description and/or procedures with respect to removal of contaminants may be set forth above as part of special instructions. In the event that any BSM furnished to Jo'Lyn by IKO as BSM is hereafter, due to the presence of contaminants therein, rejected by potential purchaser or otherwise determined by Jo'Lyn not to be resalable. IKO shall pay Jo'Lyn the charges incurred by Jo'Lyn for hauling and disposal of such material. All BSM shall be placed in Jo'Lyn-approved receptacles. Jo'Lyn shall acquire title to BSM when unloaded at their location.

Service Changes. If Jo'Lyn is unable to fulfill and or receive the requirements/permits of the Illinois Environmental Protection Agency rules and regulation this contract shall be null and void. However, if the Illinois Environmental Protection Agency declassifies this material from being a waste, there will be no charge for purchase of B.S.M. and subsequently Falcon Waste & Recycling Inc., will lower it's hauling fee by \$5.00 per ton. This contract will also be void if Jo'Lyn accumulates a stockpile of BSM equal to or larger than one years delivered supply, from IKO. Such notifications from either party must be made in writing and sent to the other party, and corresponding changes in rates, may be changed by the parties, either in writing or by the practices and actions of the parties, without affecting the validity of the Agreement. This Agreement shall continue in effect for the term provided herein and shall apply to changes of services address location of IKO within the area in which Falcon Waste & Recycling Inc. provides transportation services.

Failure to Perform. In the event Jo'Lyn fails to pay IKO all amounts which become due under this Agreement, or fails to perform its obligations hereunder, and IKO refers such matter to an attorney. Jo'Lyn agrees to pay, in addition to the amount due, any and all costs incurred by IKO as a result of such action, including, to the extent permitted by law, reasonable attorney's fees.

Excused Performance. Neither party hereto shall be liable for its failure to perform or delay in performance hereunder due to contingencies beyond its reasonable control including, but not limited to, strikes, riots, fires, and acts of God.

Assignment. Neither party shall assign this Agreement without the prior written consent of the other party, except that Jo'Lyn without IKO's consent may assign this Agreement to any corporation affiliated with Jo'Lyn.

IKO Chicago

Jo'Lyn

By: (Signature)

Kathryn Powles

By: (Signature)

John A. Thues III

Print name: Kathryn Powles

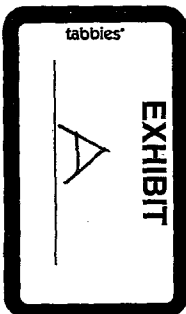
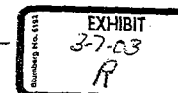
Print name: JOHN A. THUES III

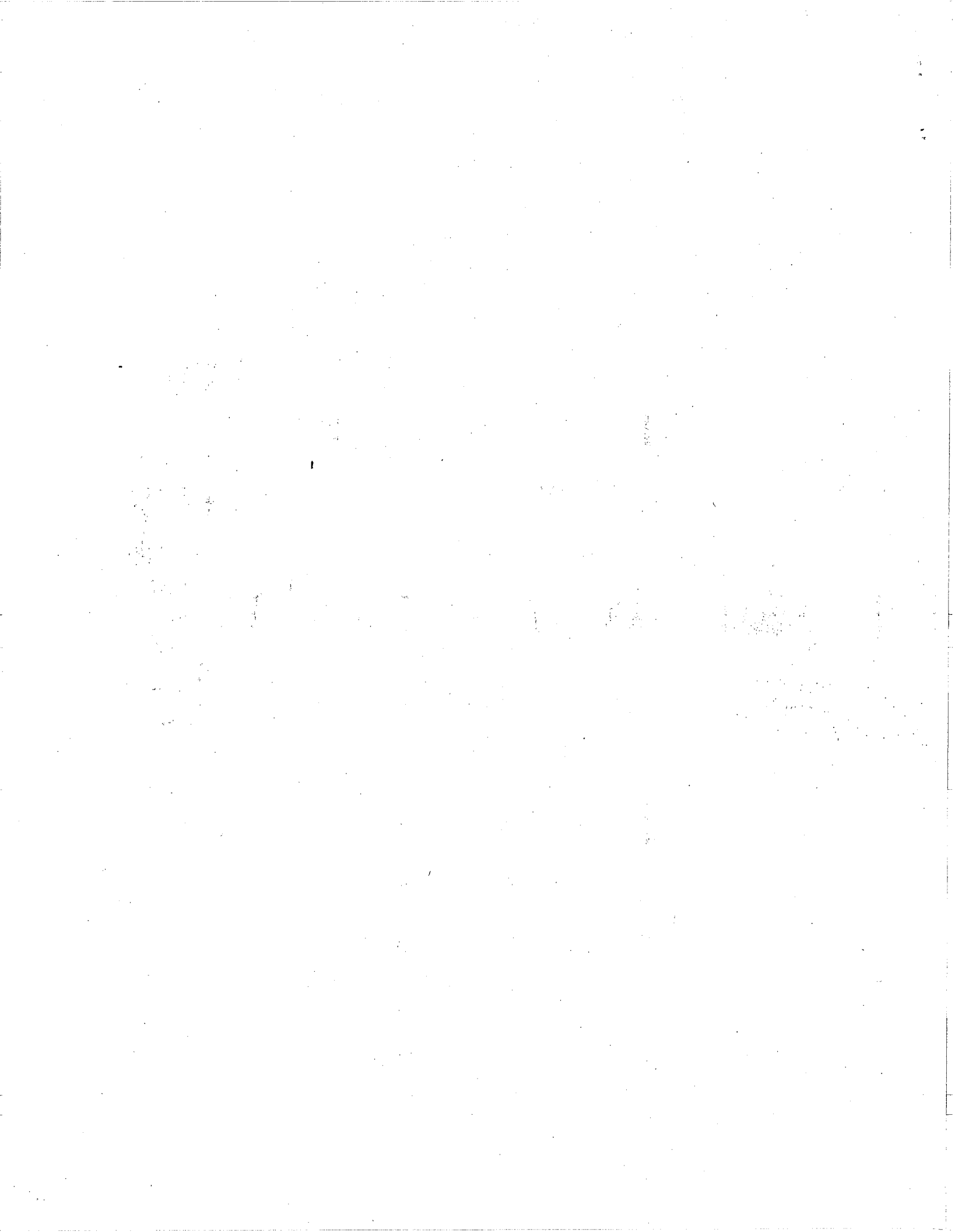
Title: V.P.

Title: PLANT MANAGER

Date: 11/21/00

Date: 21 NOV 00





Jo'Lyn Corp.

P.O. Box 638, Harvard IL 60033



Phone: 815-943-3730

Fax: 815-943-3722

Dear Potential Customer,

We, at Jo'Lyn Corp., are very pleased to announce our new product "Eclipse Dust Control". We have placed several years of research into this revolutionary new product and have found it to be a beneficial alternative to blacktop and/or liquid dust suppression methods. Below is a comparison chart.

Issue	Liquid Suppression	Blacktop	Eclipse Dust Control
Estimated Life	None	5+ years	5+ years
Extra Maintenance Needed	Every Rainfall	Yearly Seal Coating	<u>None</u>
Cost (on average)	\$0.45 sq. ft. not installed	\$1.00 sq. ft. installed	\$0.45 sq. ft. installed

Jo'Lyn Corp. strongly believes in Eclipse Dust Control's longevity. Over the past several years it has proven its durability, enduring our northern Illinois elements, even upon snowplowing.

We see Eclipse Dust Control as an up and coming contender in the pavement industry. By the installation costs alone you are ahead of the game. Upon that, add your saved time and money on upkeep, i.e., seal coating, which is not required for Eclipse. In addition, Eclipse Dust Control is resilient. Unlike blacktop, it does not crack under the pressure of heavy loads, even on the edges, where most cracking would normally occur on blacktop.

As you can clearly see the benefits are numerous; not only in start up costs but in its upkeep. Eclipse Dust Control is definitely worth your investment.

Quote from Customer:

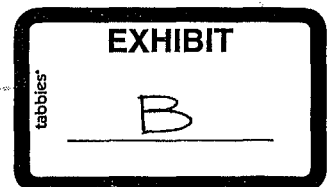
"This letter is to inform your company of our satisfaction with our driveway and parking lots performance over the last three years. Until then the dust was almost unbearable and the mud, very annoying. As you know the driveway is traveled by both autos and heavy duty truck use. Considering the abuse and virtually no maintenance, we consider the paving alternative "Eclipse Dust Control" to be a superior product and would recommend its use to others with dust and mud problems"

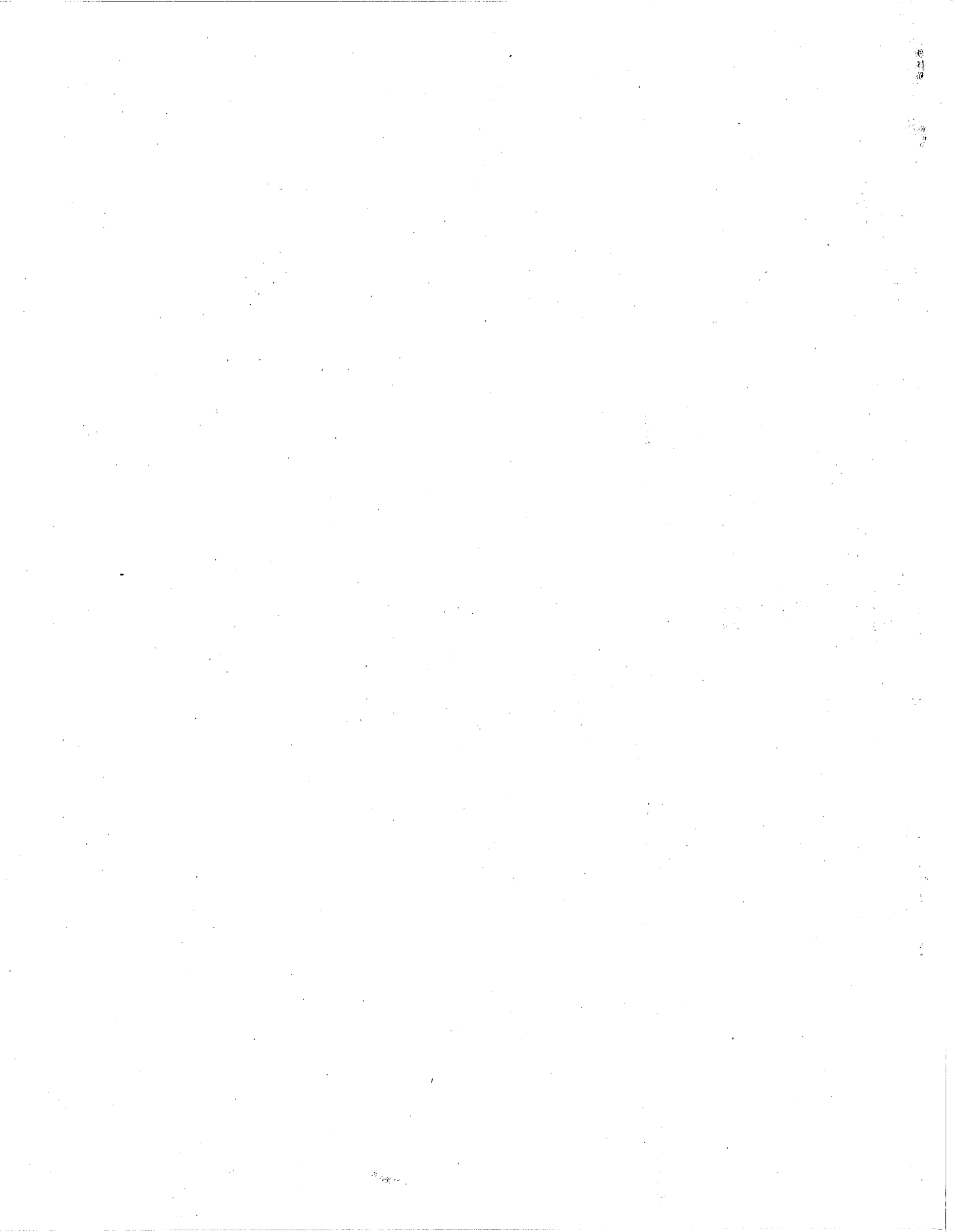
Roy "Charlie" Hunt, VP, Harvard Crane and Construction Co., Inc.

Please call us today for more information and/or a free quote.

Sincerely,

Jo'Lyn Representative





USES & BENEFITS

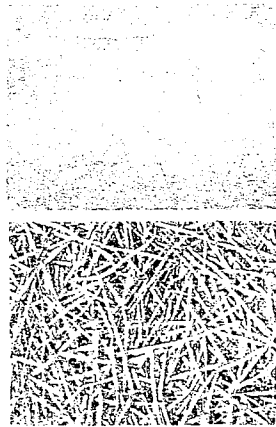
Uses:

- Parking Lots
- Driveways
- Farm Lanes
- Animal Feed Areas
- Bike Paths
- Construction Sites
- Walking Paths
- Landing Pads
- Base Material

Benefits:

- Eliminates Dust
- Saves Natural Resources
- Last a long time
- Noise Control
- No seal coating costs
- Smooth surface
- Saves You money

BEFORE COMPACTION



AFTER COMPACTION



FINISHED PRODUCT

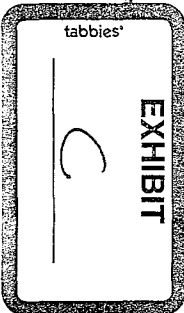


For **FULL SUN** Application only.
 Shaded areas coming soon.



Call us today for a free quote!

1-877-667-4488



Eliminate re-
applying your
dust control,
In one easy
application that
Lasts Years!

Go Ahead

Eclipse your dust problems.

We did.

No dust

No noise

No re-applying costs

This application is

Environmentally safe,

long lasting &

Affordable!

Eclipse Dust Control is created by Jo'Lyn Corp..

Jo'Lyn Corp. is a family owned business. With over 25 years experience in the waste/recycling industry. They pride themselves in being at the cutting edge of quality recycling services and products. Jo'Lyn is committed to preserving our Earths' natural resources, so that generations to come will enjoy the beauty and benefits of our life giving planet!

Help Preserve our Earth

RECYCLE TODAY!



Jo'Lyn Corp.
U.S.A.
1-877-667-4488



Long Lasting
DUST CONTROL

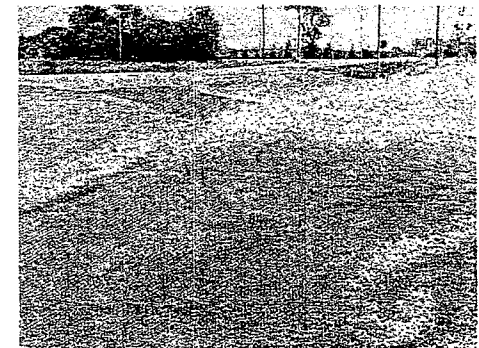
Block out your Dust
with

Eclipse Dust Control

It's quick and easy to install.

&

Lasts for years to come.



Recycle today with this
100% recycled product.



State of Illinois
ENVIRONMENTAL PROTECTION AGENCY

Mary A. Gade, Director

2200 Churchill Road, Springfield, IL 62754-9276

217/524-3300

May 18, 1993

REC'D MAY 20 1993

IKO Chicago, Inc.
Attn: Reynold R. Hagel
6600 S. Central Avenue
Bedford Park, Illinois 60638

Re: 0310125096 -- Cook County
IKO Chicago, Inc.
Log No. S-147
State Permit File
Solid Waste Determination: Granulated Bituminous Shingle Material (GBSM)

Dear Mr. Hagel:

The Agency has evaluated your request for a solid waste determination for granulated bituminous shingle material (GBSM) generated by the Bedford Park facility and has determined that it is not a solid waste when utilized for the following applications:

1. GBSM Shingle Chips may be used to form a pavement surface for unpaved, muddy, soft, or dusty roadways. The Shingle chips shall be applied at a sufficient thickness (5-6") to ensure a cohesive, durable roadbed.
2. GBSM Ground Chips are divided into the following categories:
 - a. Course ground chips (1/2" x 1/2" to 5" x 5") may be used to form a pavement surface for unpaved roadways (see 1. above). Also, these chips may be used to form a pavement sub-base material for road construction projects. Once again, the chips should be applied at a sufficient thickness to provide a stable base structure.
 - b. Fine ground chips (<1/2" x 1/2") may be used as an ingredient in hot mix paving compounds (hot mix asphalt).

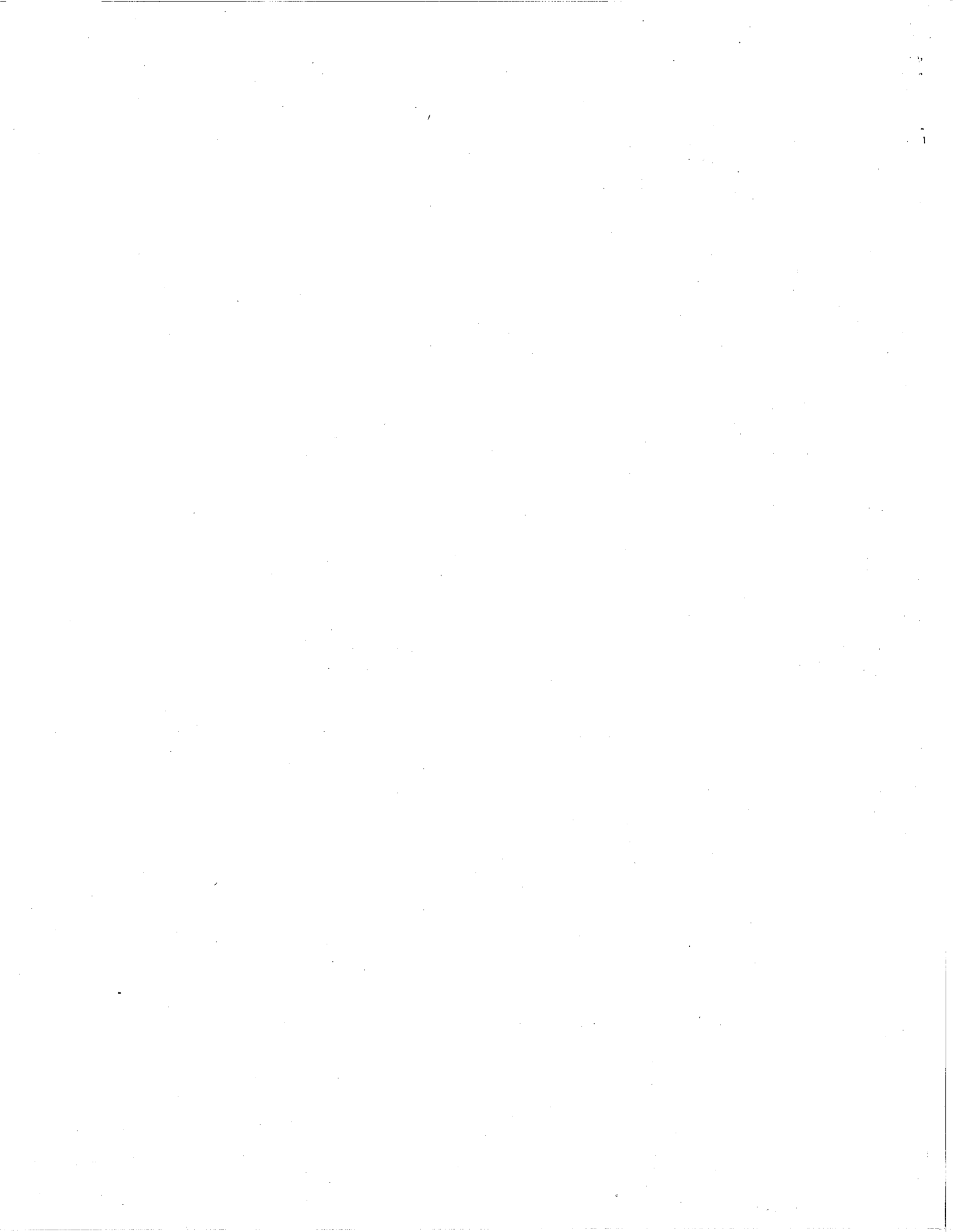
Both the coarse ground chips and the fine ground chips may be produced (shredded) either on-site or at the end user's site, but must be utilized in the manner(s) described above.

While use of this material may be exempt from the permit requirements of 35 Ill. Adm. Code Subtitle G, Section 807.201 such use cannot violate any other provisions of the Act or the rules and regulations adopted thereunder. Any material not used as described above is subject to the regulations as they apply. Also, if at any time during this period the process which generates this waste changes, resampling and analysis must be performed and submitted to the Agency for reevaluation.

EXHIBIT

tabbies

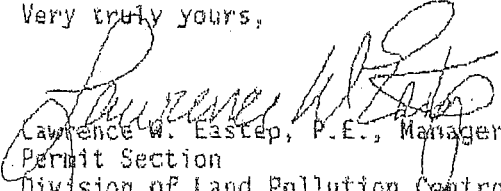
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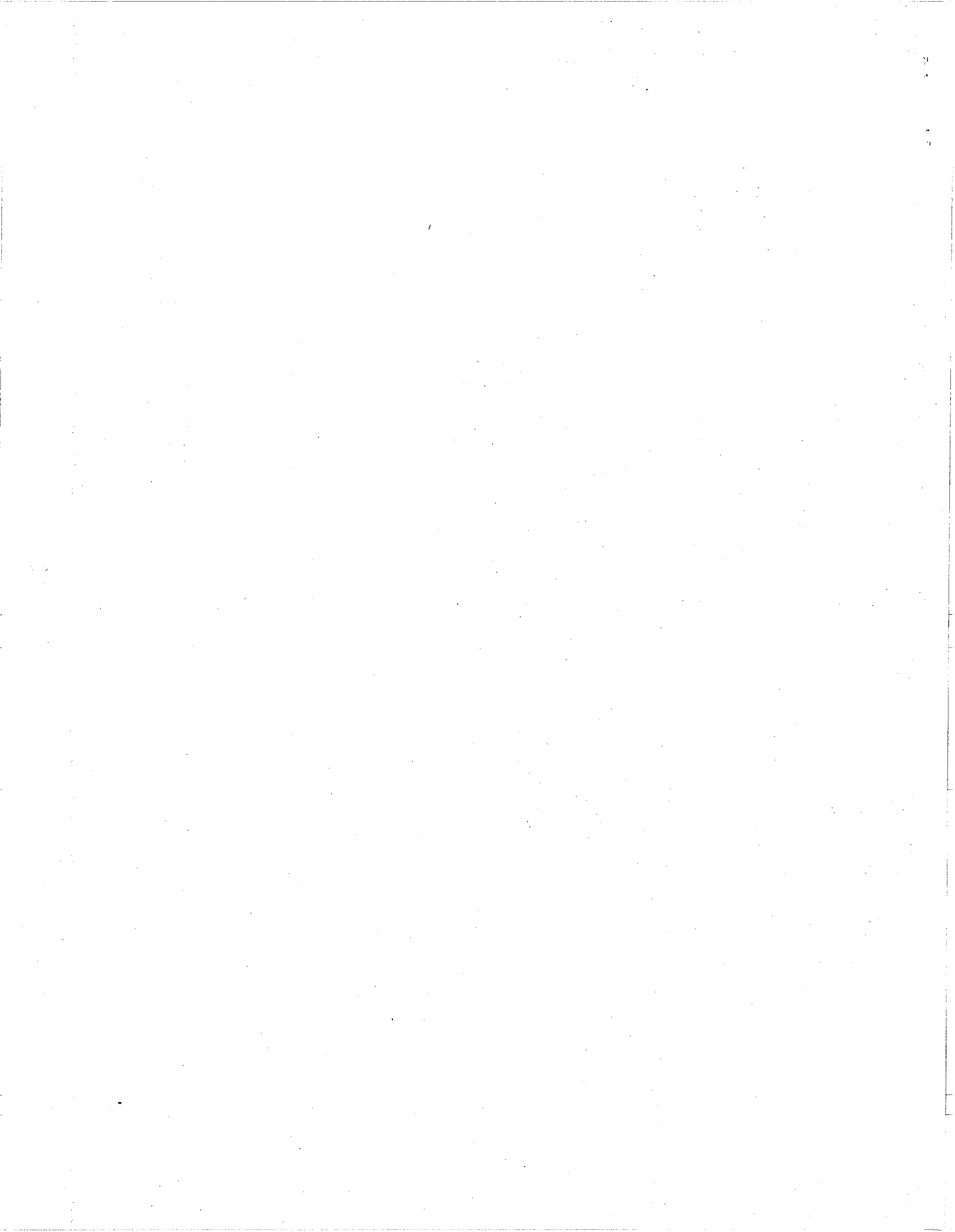
Page 2

If you have any questions regarding this information, please contact Scott Hacke at 217/524-3267.

Very truly yours,

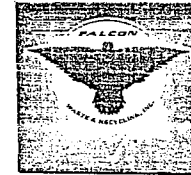

Lawrence W. Eastep, P.E., Manager
Permit Section
Division of Land Pollution Control
Bureau of Land

^{OWE}
LWE:SAH:sf/415Y,26-27



Joe Gallagher

Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3730
Fax: 815-943-3722

Eclipse Dust Control

Installation Quote

Name: Wickes Lumber Phone: 262-723-4280
Address: 5825 State Rd 11, Elkhorn, WI 53121

Products & Services:

Falcon will furnish all material and perform all labor necessary to install Eclipse Dust Control. This quote does not include extra gravel that may be needed to create a good base.

Size of Area: 41,160 square Ft.

Thickness of material(s): 3" @ 1" subbase \$4,000.-

Customer Responsibilities:

Obtain proper permits that may be required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$19,264.00

nineteen thousand two hundred sixty four & 00/100 Dollars.

Half down, \$9,500.-, due approximately 2 weeks prior to start date. Remaining balance due on completion.

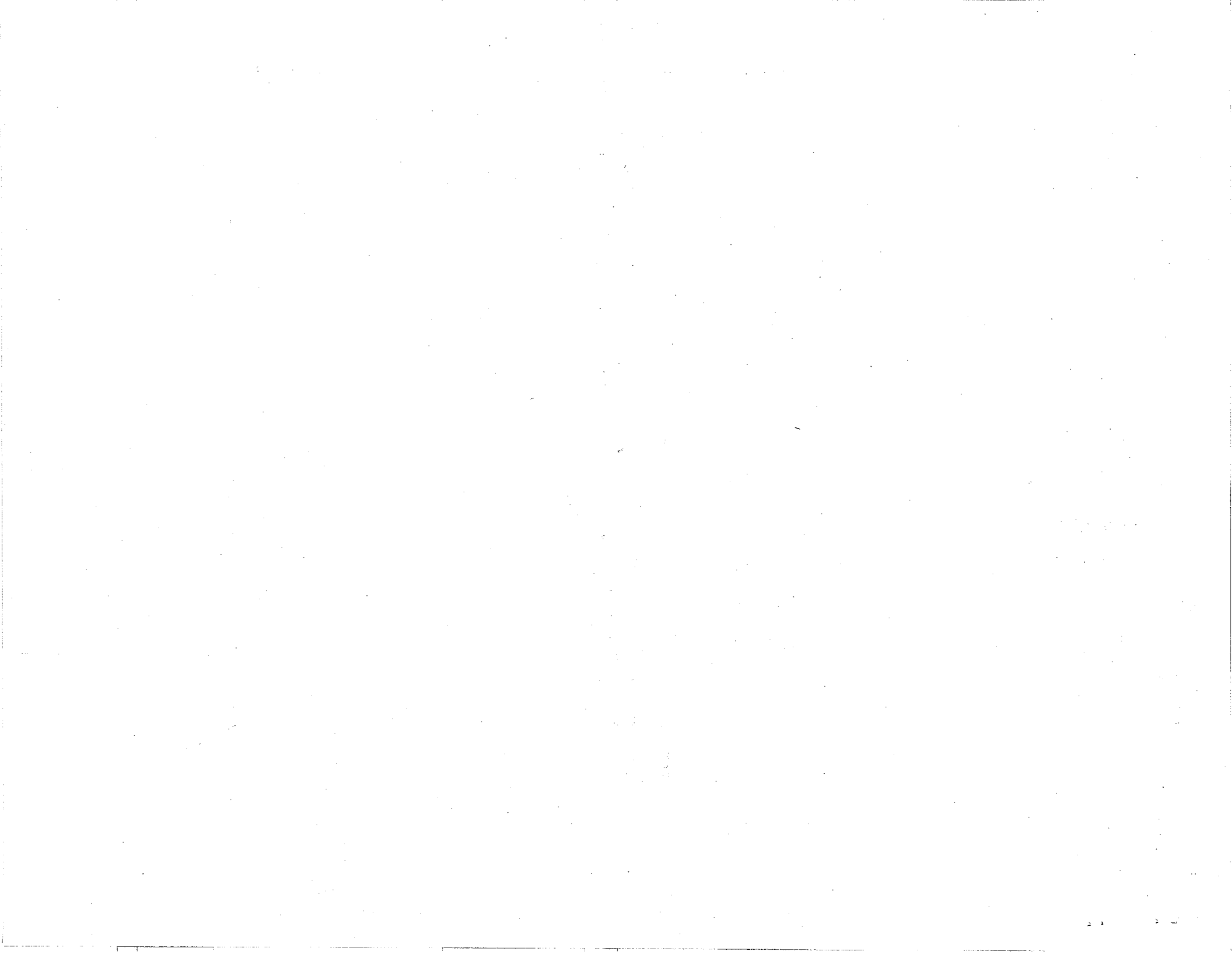
Approximate Start Date: _____

Customer: _____ Date _____

Falcon: Kathryn Poulos Date 9/9/02

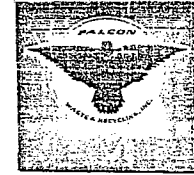
They are putting it in their budget for next year





AUE Gallagher

Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3730
Fax: 815-943-3722

Eclipse Dust Control

Installation Quote

Name: Wickes Lumber Phone: 262-723-4280
Address: 5825 State Rd 11, Elkhorn, WI 53121

Products & Services:

Falcon will furnish all material and perform all labor necessary to install Eclipse Dust Control. This quote does not include extra gravel that may be needed to create a good base.

Size of Area: 41,160 square Ft.

Thickness of material(s): 2" @ 1" subbase \$4,000.

Customer Responsibilities:

Obtain proper permits that may be required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ 19,264.00

nineteen thousand two hundred sixty four & 00/100 Dollars.

Half down, \$ 9,500., due approximately 2 weeks prior to start date. Remaining balance due on completion.

Approximate Start Date: _____

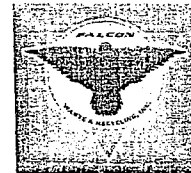
Customer: _____ Date _____

Falcon: Kathryn Poulos Date 9/9/02

They are setting it in their budget for next year



Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3730
Fax: 815-943-3721

Eclipse Dust Control

Installation Quote/ Contract

Name: Liberty Storage Phone: 459-1776
Address: 4114 Rte 176, Crystal Lake

Products & Services:

Falcon will furnish all material and perform all labor necessary to install all Eclipse Dust Control. This quote does not include extra gravel that may be needed to create a good base.

Size of Area: 59,062 square feet

Thickness of material(s): 2"

Customer Responsibilities:

Obtain proper permits that may be required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ 24,600.⁰⁰

twenty four thousand six hundred & ⁰⁰/100 — Dollars.

Half down, \$ 12,300.-, due approximately 2 weeks prior to start date. Remaining balance due on completion.

Approximate Start Date: _____

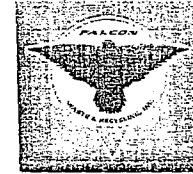
Customer: _____ Date: _____

Falcon: Kathryn Poulos Date: 9/9/02

Haven't had time to get back to them, but they were very interested



Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3131
Fax: 815-943-3131

Eclipse Dust Control

Installation Quote/ Contract

Name: Liberty Storage Phone: 459-1776
Address: 4114 Rte 176, Crystal Lake

Products & Services:

Falcon will furnish all material and perform all labor necessary to install Eclipse Dust Control. This quote does not include extra gravel that may be needed to create a good base.

Size of Area: 59,062 square feet
Thickness of material(s): 2"

Customer Responsibilities:

Obtain proper permits that may be required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ 24,600.⁰⁰

twenty four thousand six hundred & ⁰⁰/100 — Dollars.

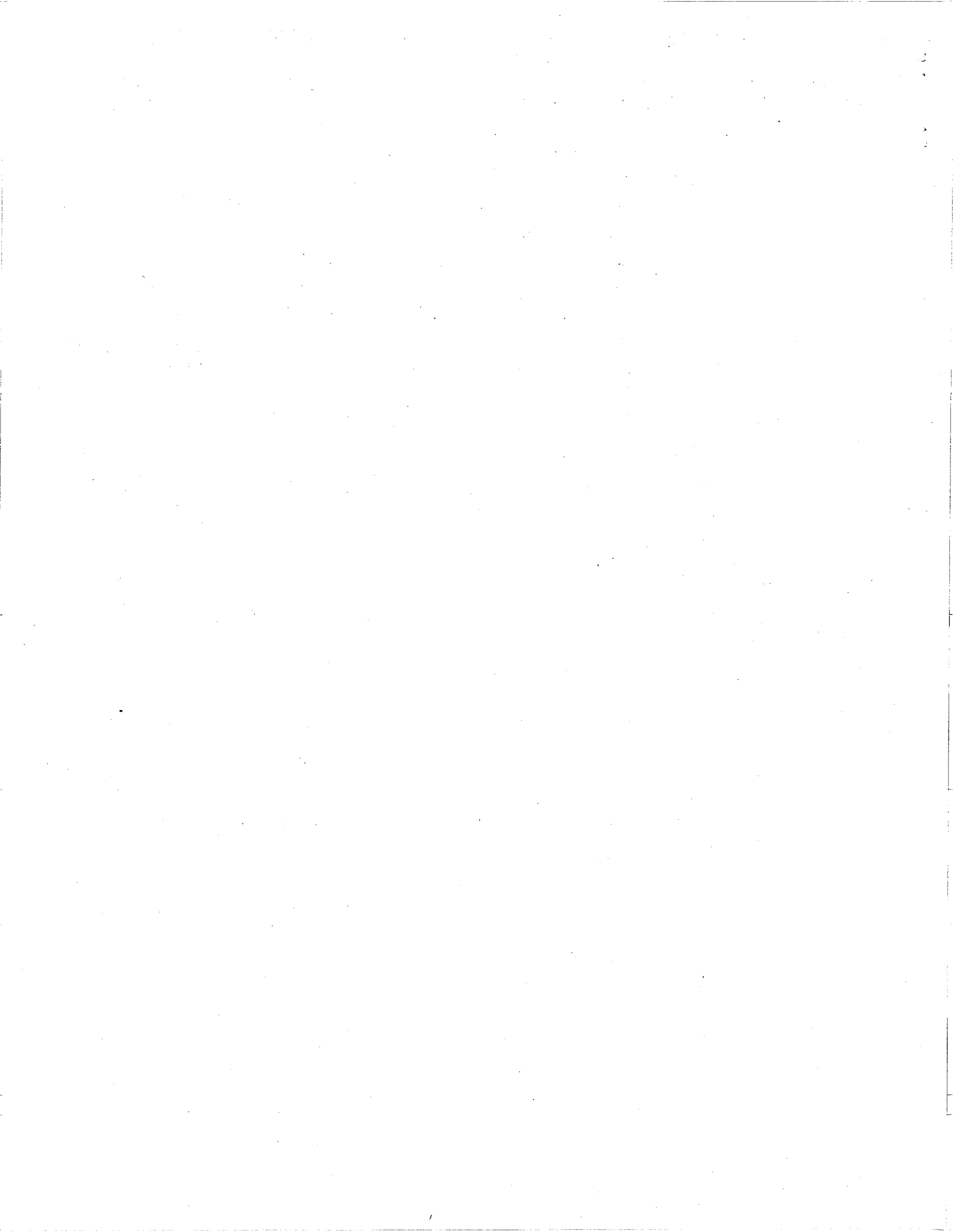
Half down, \$ 12,300.-, due approximately 2 weeks prior to start date. Remaining balance due on completion.

Approximate Start Date: _____

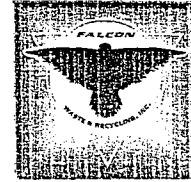
Customer: _____ Date: _____

Falcon: Katherine Poulos Date: 9/9/02

*Haven't had
time to get back
to them, but they
were very interested*



Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3730
Fax: 815-943-3722

Eclipse Dust Control

Installation Contract

Name: Dan Marsh Phone: 847-244-9022

Address: 37611 N. Holdridge Ave. Waukegan IL

Hereinafter known as Customer, is entering into a contract with Falcon Waste & Recycling, Inc., 2 Kennedy Drive, Harvard, IL, hereinafter known as Falcon, for the materials and services to be supplied and performed by Falcon.

Products & Services.

Falcon will furnish all materials and perform all labor necessary to complete the following:

Prep & pave driveway area

Size of Area: 1733 sq. Ft.

Thickness of material(s): 2" packed

Customer Responsibilities:

Obtain proper permits required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ 893.20

eight hundred ninety three & 20/100 Dollars.

Half down, \$ 450.00 due 2 weeks prior to start date. Remaining balance due on

completion. Approximate Start Date: _____

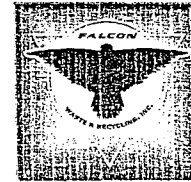
Customer: Donna Marsh Date: 8/13/02

Falcon: Kathryn Parker Date: 8/12/02

Told her
mit till Spring



Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3730
Fax: 815-943-3722

Eclipse Dust Control

Installation Contract

Name: Dan Marsh Phone: 847-244-9022

Address: 37611 N. Holdridge Ave, Wkgn IL

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Products & Services.

Falcon will furnish all materials and perform all labor necessary to complete the following:

Prep & pave driveway area

Size of Area: 1733 sq. Ft.

Thickness of material(s): 2" packed

Customer Responsibilities:

Obtain proper permits required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ 893.20

eight hundred ninety three & 20/100 Dollars.

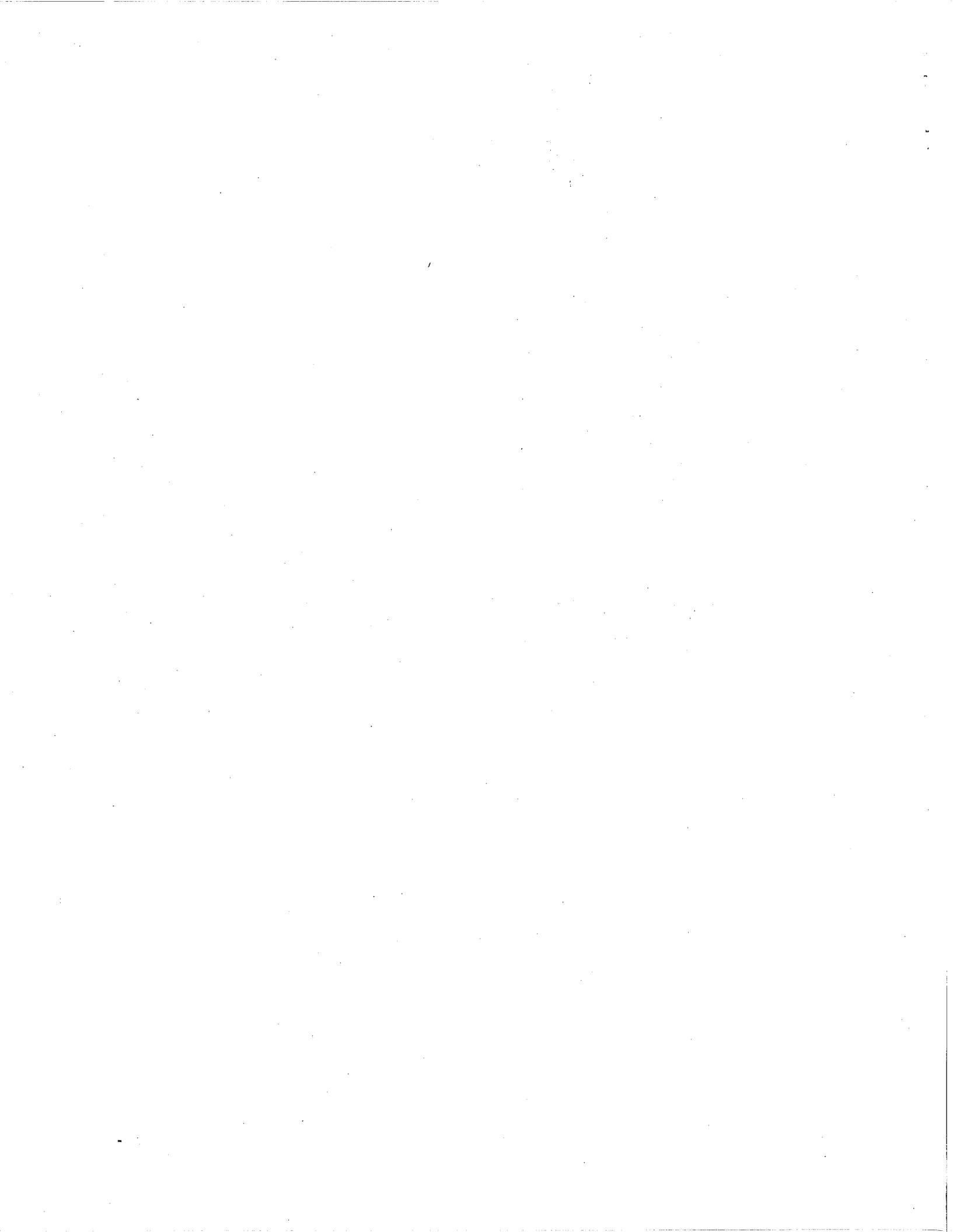
Half down, \$ 450.00, due 2 weeks prior to start date. Remaining balance due on

completion. Approximate Start Date: _____

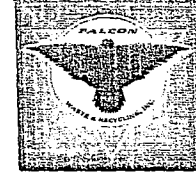
Customer: Dan Marsh Date: 8/13/02

Falcon: Kathryn Soules Date: 8/12/02

Told her
not till Spring



Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3739
Fax: 815-943-3732

Eclipse Dust Control

Installation Quote/ Contract

Name: Joseph Koch Phone: 943-5671

Address: 10310 Willow Lakes Rd, Harvard

Products & Services:

Falcon will furnish all material and perform all labor necessary to install Eclipse Dust Control. This quote does not include extra gravel that may be needed to create a good base.

Size of Area: 4,435 sqft.

Thickness of material(s): 2"

Customer Responsibilities:

Obtain proper permits that may be required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ 1540

ONE THOUSAND FIVE HUNDRED FORTY AND NO/100 Dollars.

Half down, \$ 770, due approximately 2 weeks prior to start date. Remaining balance due on completion.

Approximate Start Date: _____

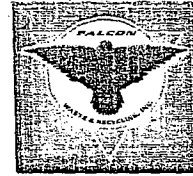
Customer: Jim Koch Date 10-15-02

Falcon: [Signature] Date 10/15/02

*Test done
in Spring*



Falcon Waste & Recycling, Inc.
P.O. Box 638, Harvard IL 60033



Phone: 815-943-3739
Fax: 815-943-3732

Eclipse Dust Control

Installation Quote/ Contract

Name: Joseph Koch Phone: 943-5671

Address: 10310 Willow Lakes Rd, Harvard

Products & Services:

Falcon will furnish all material and perform all labor necessary to install Eclipse Dust Control. This quote does not include extra gravel that may be needed to create a good base.

Size of Area: 4,435 sq.ft.

Thickness of material(s): 2"

Customer Responsibilities:

Obtain proper permits that may be required by local authorities.

Pricing & Payment Terms:

All of the above work to be performed for the sum of: \$ ~~1540~~ 1540

ONE THOUSAND FIVE HUNDRED FORTY AND NO/100 Dollars.

Half down, \$ 770, due approximately 2 weeks prior to start date. Remaining balance due on completion.

Approximate Start Date: _____

Customer: Jm Koch Date 10-15-02

Falcon: [Signature] Date 10/15/02

*Total work
in Spring*





Illinois Department of Commerce and Community Affairs

George J. Ryan
Governor

Pam McDonough
Director

June 10, 2002

Ms. Kathryn Powles
President
Falcon Waste & Recycling, Inc.
P.O. Box 638
Harvard, IL 60033-0638

Dear Ms. Powles:

Enclosed is Grant Agreement Number 02-44508 between Falcon Waste & Recycling, Inc. ("Grantee") and the Illinois Department of Commerce and Community Affairs ("Department"). Please review the Agreement carefully to ensure that the Grantee's rights and responsibilities are clearly understood. You are encouraged to have the Agreement reviewed by an attorney. If the terms of the Agreement are acceptable, please complete the steps indicated on the enclosed checklist in order to properly execute the Agreement.

The Agreement should then be returned to me at the following address:

Barb Eldridge
Illinois Department of Commerce and Community Affairs
Bureau of Energy and Recycling
620 E. Adams Street
Springfield, IL 62701

Pursuant to the Notice of Grant Award, the Grantee may incur costs against the Agreement as of June 15, 2002, provided that the Grantee accepts the terms and conditions as set forth in the attached Agreement. The Department may elect not to execute the Agreement if any of the terms are changed without the Department's prior approval, and the Grantee will be responsible for any costs already incurred. Please contact me immediately if any of the terms of the Agreement are unacceptable.

Internet Address <http://www.commerce.state.il.us>

620 East Adams Street
Springfield, Illinois 62701

James R. Thompson Center
100 West Randolph Street, Suite 3-400
Chicago, Illinois 60601

607 East Adams Street
Springfield, Illinois 62701

2309 West Main, Suite 118
Marion, Illinois 62959

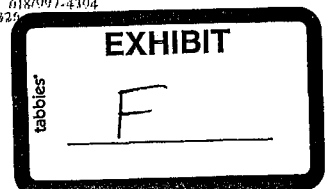
217/782-7500
Fax: 217/514-1627 • VDD: 809/785-6055

312/814-7170
Fax: 312/814-6732 • TDD: 800/419-0667

217/785-2800
Fax: 217/785-2618 • TDD: 809/785-6055

618/997-4304
Fax: 618/997-1825

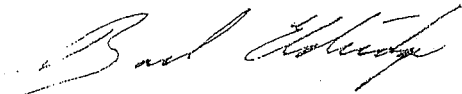
Printed on Recycled and Recyclable Paper





You will be provided with a fully executed copy of the Agreement after it has been signed by Director McDonough. If you have any questions, please call Angie Adkins-Embrey at 217/785-2808, or call me at 217/557-5662.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barb Eldridge".

Barb Eldridge
Grants Administrator

Enclosures

cc: file



STATE OF ILLINOIS
DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

Notice of Grant Award No. 02-44503
ENERGY & RECYCLING - RECYCLING

This Grant Agreement (hereinafter referred to as the "Agreement") is entered into between the Illinois Department of Commerce and Community Affairs (hereinafter referred to as the "Department") and

Falcon Waste & Recycling, Inc.

(hereinafter referred to as the "Grantee"). Subject to terms and conditions of this Agreement, the Department agrees to provide a Grant in an amount not to exceed \$150,000.00 to the Grantee.

Subject to the execution of this Agreement by both parties, the Grantee is hereby authorized to incur costs against this Agreement from the beginning date of 06/15/2002 through the ending date of 01/31/2004. The Grantee hereby agrees to use the funds provided under the Agreement for the purposes set forth herein and agrees to comply with all terms of this Agreement.

This Agreement includes the following sections, all of which are incorporated into and made part of this Agreement:

Part:

- I. Budget
- II. Special Grant Conditions
- III. Scope of Work
- IV. Program Terms and Conditions
- V. General Provisions
- VI. Required Certifications

Under penalties of perjury, the undersigned certifies that the name, taxpayer information number and legal status listed below are correct.

If you are an individual, enter your name and SSN as it appears on your Social Security Card. If completing this certification for a sole proprietorship, enter the owner's name followed by the name of the business and the owner's SSN. For all other entities, enter the name of the entity (as used to apply for the entity's EIN) and the EIN.

Name: Falcon Waste & Recycling, Inc.

Taxpayer Identification Number:
SSN/EIN: 364409449



Legal Status (check one):

- Individual
- Owner of sole proprietorship
- Partnership
- Tax-exempt hospital or extended care facility
- Corporation providing or billing medical and/or health care services
- Corporation NOT providing or billing medical and/or health care services

- Government entity
- Nonresident alien individual
- Estate or legal trust
- Foreign corporation
- partnership estate or trust
- Other - not-for-profit organization: _____
- Other: _____

The Grantee acknowledges that the individual signing below is authorized to execute this Agreement and that such signature constitutes the acceptance of this Agreement.

GRANTEE:
Falcon Waste & Recycling, Inc.

By: Kathryn Powles
(Signature)

KATHRYN POWLES
Print or Type

STATE OF ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

By: Fam McDonough, Director

Date _____

Grantee Address:

Please indicate any changes below

PO BOX 638
Harvard, IL 60033-0638

Auth Signator: Kathryn Powles
Phone: (815) 943 - 3730

The following is designated as administrator for the Grantee:

KATHRYN POWLES

Auth Signator: Kathryn Powles
Phone: 815-943-3730



PART II
SPECIAL GRANT CONDITIONS

2.1 AUDIT REQUIREMENTS.

The Grantee is required to have an audit conducted as provided in Part V, Section 5.4 C Audit Requirements.

The Grantee is not required to have an audit conducted as a condition of this Grant Agreement.

PART III
STATEMENT OF WORK

I. INTRODUCTION

The Grantee will use grant funds to purchase a specialized grinder to recycle asphalt roofing shingles. The asphalt roofing shingle tabs will come from manufacturer's waste (pre-consumer) and will be recycled into a road-base alternative.

II. PROJECT SUMMARY

The Grantee, located at P.O. Box 638 in Harvard, Illinois will utilize grant funds for the purchase and installation of the grinder at the their project location, located at 20800 W. Brink Street in Harvard, Illinois.

III. PROJECT MONITORING AND REPORTING REQUIREMENTS

The Grantee shall submit quarterly reports to the Project Manager of the Bureau of Energy & Recycling at the Department. These reports will be due as follows:

October 15, 2002
January 15, 2003
April 15, 2003
July 15, 2003

These quarterly reports shall contain, but not be limited to:

- A. A report of all costs and expenditures incurred in the operation of the project.
- B. A report of all activities accomplished during the reporting period and the results of these activities. This shall include the following detailed records:
 - 1. a report of the total volume of asphalt roofing shingle tabs collected from the manufacturer(s) per month,
 - 2. a list of the manufacturer(s) supplying the material,
 - 3. a list of processors of the recycled waste material,
 - 4. a list of end market users of the recycled material,
 - 5. a report of the end market uses of the recycled material.
- C. A report on the performance of the grinder. Include a general overview of the operational experiences for the reporting period and any operational problems encountered, plus adjustments made to overcome those problems.

- D. A report of the total amount of material diverted from Illinois landfills as a result of this project.
- E. An evaluation of the project's overall effectiveness, including any problems or barriers to its operation.
- F. A report of other information, as requested by the Project Manager.

A comprehensive Final Report will be due on November 15, 2003. The Final Report shall contain all of the information listed above and be a comprehensive description of all activities in detailed summary from the start date to the completion date.

IV. PUBLIC INFORMATION

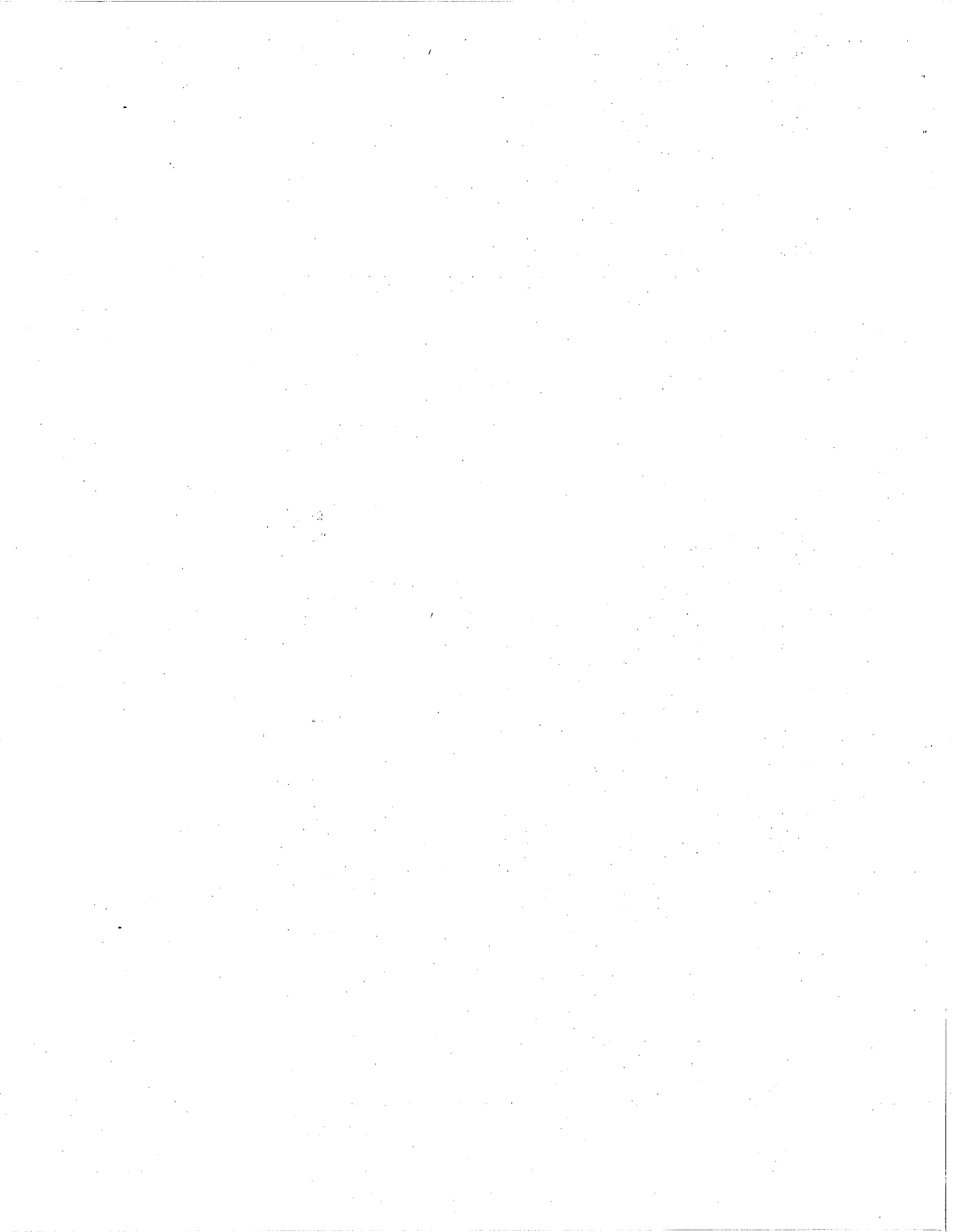
1. Each party shall, for the duration of this Agreement, cause the participation of the other party to be mentioned in all press releases and other material presented to the media concerning the project. Each party will coordinate media presentations and coverage. A copy of any proposed press releases or other material or presentations must be submitted to the Department for review and approval not less than 10 days before these materials are issued. Immediately following publication, copies of all press releases or media materials will be provided to the other party by the originating party. Grantee shall submit its copies of press releases and materials to the Department Project Manager.
2. For major media events, such as open houses or dedications, Grantee will coordinate with the Department Project Manager any plans for such, and provide an opportunity for the Department to review and approve any materials, data, reports or documents created for planned publicity events relating to the project. Materials must be submitted at least 10 days prior to publication or date of event and shall prominently acknowledge the Department's participation in the project.
3. Grantee shall erect a sign, which is approved by the Department, on or near the project site for the duration of the Grant term that identifies the Department as a participant in the project. Grantee shall also affix an appropriate sign or decal to equipment purchased with grant funds that acknowledges the sponsorship of the Department.
4. Grantee agrees to provide to the Department Project Manager visual images of items pertaining to the project detailed herein in the form of 35mm slides. A minimum of 10 slides must be submitted prior to the completion of this Agreement, featuring, but not limited to:

- a. View of the facility
- b. View of sign

c. View of operation(s)

d. Views of actual machinery, equipment, activity, etc., funded by this Agreement.

5. Grantee also agrees to provide the Department Project Manager with copies of any photographs and/or slides of the facility, equipment, machinery, activities or press events relative to the project taken during the term of this Agreement for public education, display or press purposes.



PAYMENT REQUEST/CERTIFICATION FORM

DCCA GRANT NO. 02-44508

GRANTEE NAME AND ADDRESS: Falcon Waste & Recycling, Inc.

P.O. Box 638

Harvard, IL 60033-0638

AMOUNT OF PAYMENT
REQUESTED:

\$ _____

GRANTEE CERTIFICATION

All expenditures from these project funds are for approved project costs only. Further, I certify that supporting documentation on actual expenditures is on file in our office, and that I have full signature authority to sign on behalf of this organization.

By: _____ Date: _____
(Grantee Signature)

Title: _____

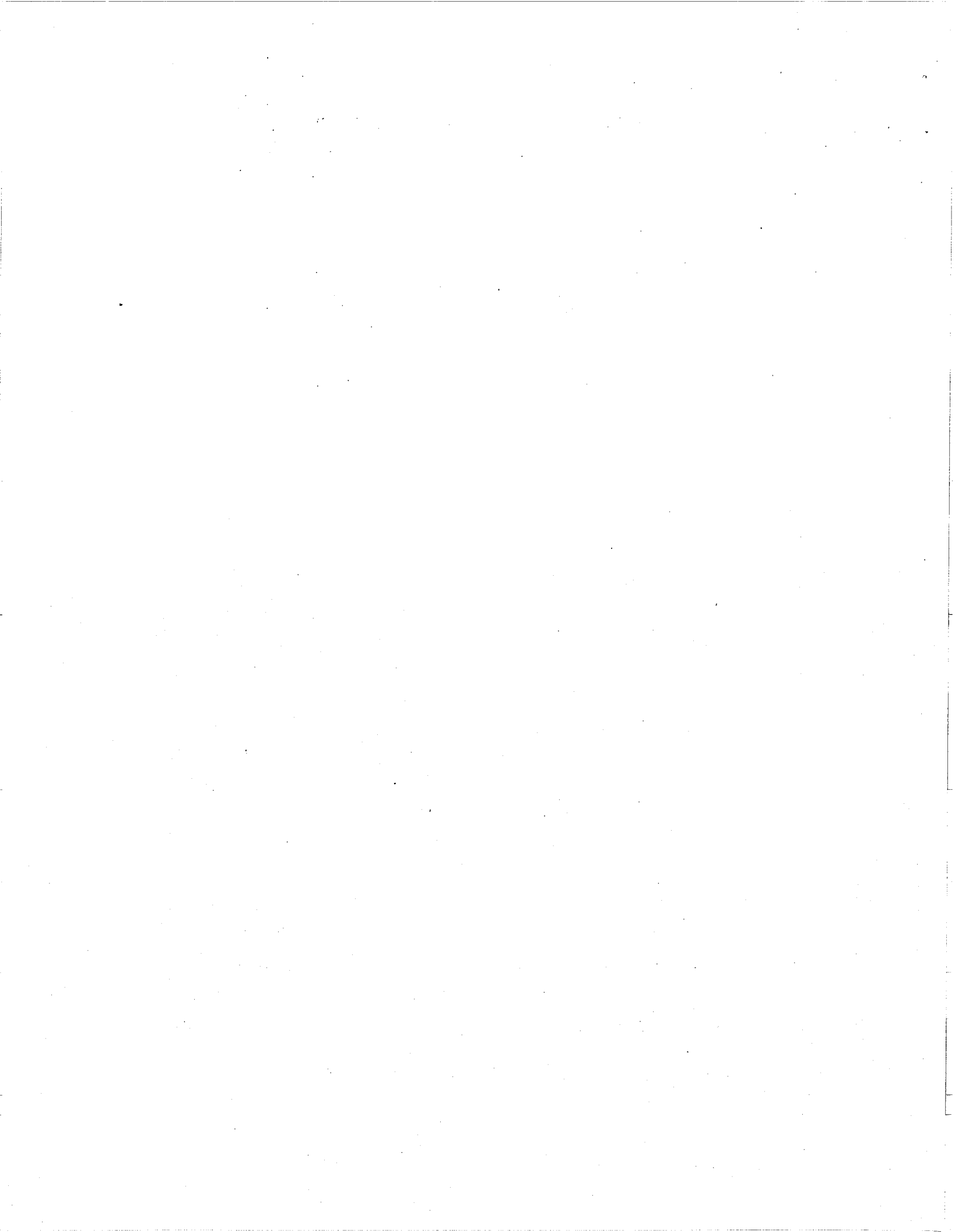
DCCA CERTIFICATION

Receiving Officer: _____ Date: _____

Head of Unit or
Authorized Agent: _____ Date: _____

Appropriation: _____ SUBA: _____

Acct: _____ Date: _____ SFY: _____



PROJECT COMMENCEMENT DATE CERTIFICATION

DCCA GRANT NO. 02-44508

GRANTEE: Falcon Waste & Recycling, Inc.

I hereby make the following certifications regarding the project described in Part III of the above referenced Agreement:

- all approvals necessary to perform the project have been obtained;
- all equipment and material necessary to perform the project has been acquired, installed, implemented or distributed;
- any contracts/third party agreements necessary to perform the project have been executed; and
- all project tasks have commenced as of _____, _____, which is the Project Commencement Date.

I further certify that I am authorized to make this certification on behalf of the Grantee named above.

Name (printed)

Title (printed)

Name (signed)

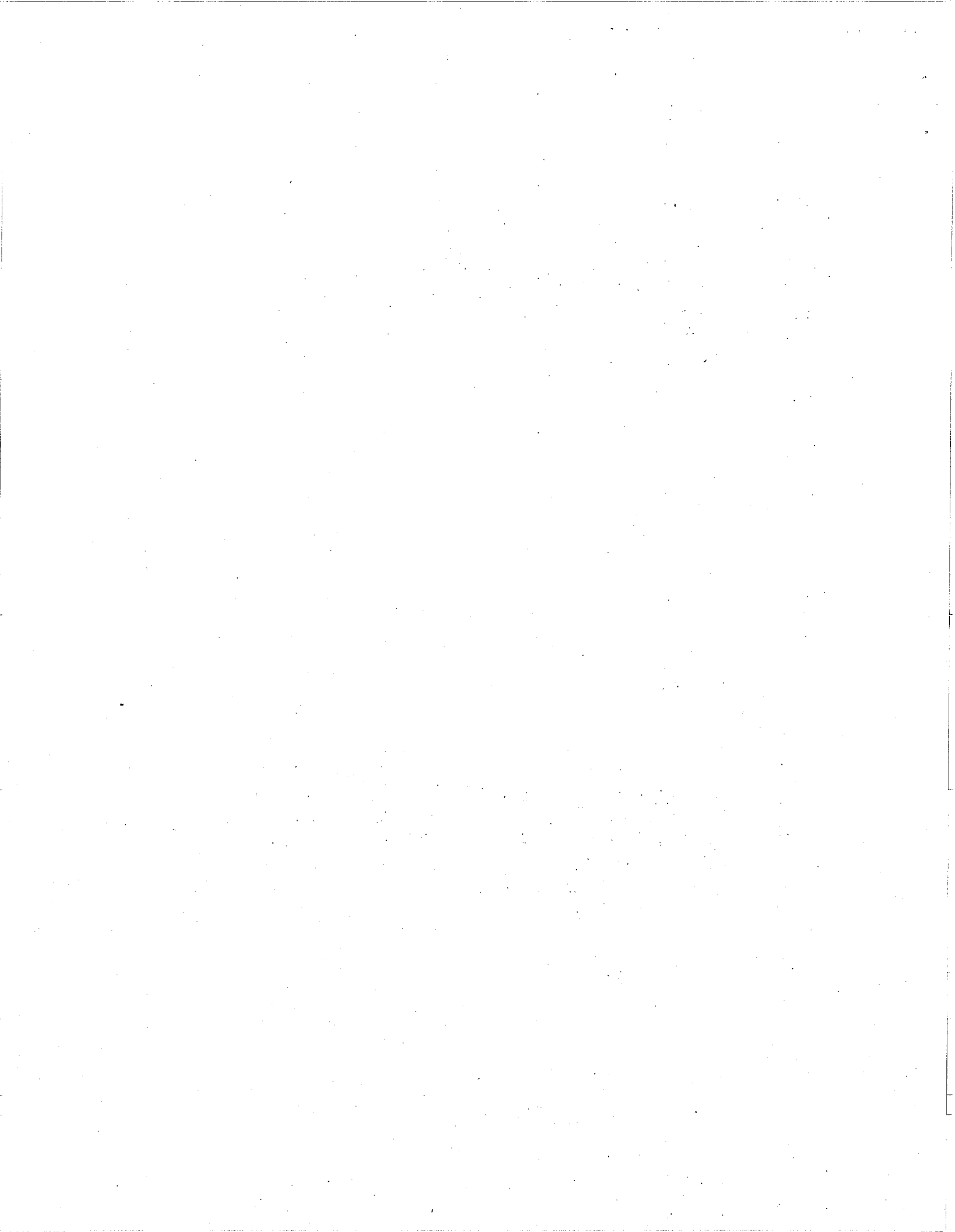
Date

DCCA CONCURRENCE

- I concur that the Project Commencement Date is as specified above.
- I do not concur that the Project Commencement Date has occurred for the reasons set forth on the attached page.

Angie Adkins-Embrey
Project Manager

Date



PROJECT COMPLETION DATE CERTIFICATION

DCCA GRANT NO. 02-44508

GRANTEE: Falcon Waste & Recycling, Inc.

I hereby make the following certifications regarding the project described in Part III of the above referenced Agreement:

- all project tasks have been completed in accordance with the terms of the Agreement.
- all deliverables have been submitted in accordance with the terms of the Agreement.
- the Project Completion Date is _____.

I further certify that I am authorized to make this certification on behalf of the Grantee named above.

Name (printed)

Title (printed)

Name (signed)

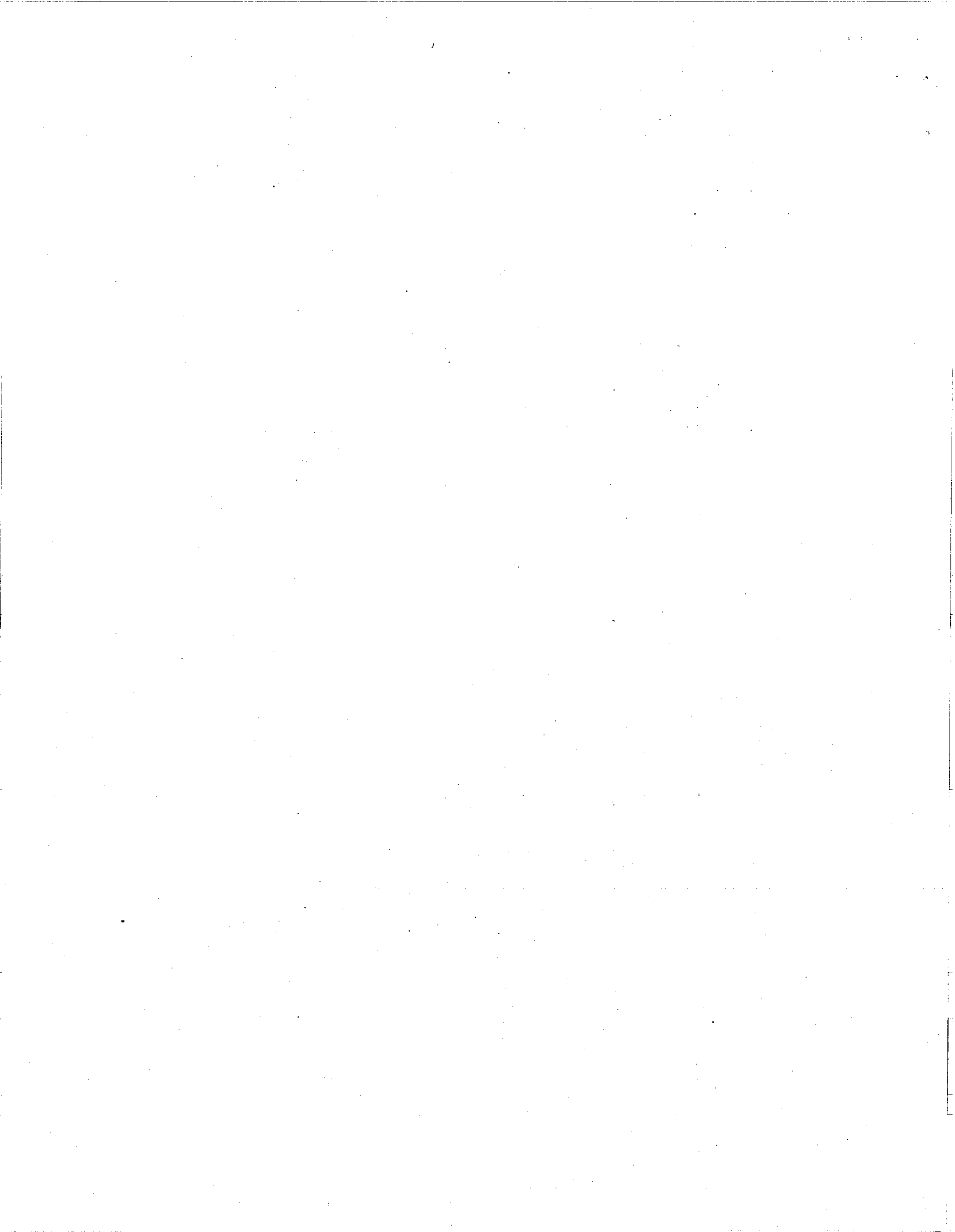
Date

DCCA CONCURRENCE

- I concur that the Project Completion Date is as specified above.
- I do not concur that the Project Completion Date has occurred for the reasons set forth on the attached page.

Angie Adkins-Embrey
Project Manager

Date



PART IV
PROGRAM TERMS AND CONDITIONS

Section 4.1 AUTHORITY; PURPOSE; REPRESENTATIONS AND WARRANTIES.

A. Authority. The Department is authorized by the Illinois Solid Waste Management Act (the "Act") 415 ILCS 20/1, et seq., to provide grants for the purposes of reducing reliance on land disposal of solid waste, promoting alternative means of managing solid waste and assisting local units of government with solid waste planning and management.

B. Purpose; Representations and Warranties. The sole purpose of this grant is to fund the Project described in the Scope of Work set forth in Part III of this Agreement. The Grantee represents and warrants that the grant application submitted by the Grantee is in all material respects true and accurate; that it is authorized to undertake the obligations set forth in this Agreement and that it has obtained or will obtain and maintain all permits, licenses or other governmental approvals necessary to perform the Project described in Part III.

Section 4.2 PROJECT SCHEDULE; EARLY COMPLETION; EXTENSIONS.

A. Project Schedule. The Grantee shall complete the Project in accordance with the Project Schedule set forth below. The "**Beginning Date**" is the date Grantee may begin to incur costs against this Agreement. The "**Project Commencement Date**" is the date on which (i) all approvals necessary to perform the Project have been obtained; (ii) all equipment/material necessary to perform the Project has been acquired, installed, implemented or distributed; (iii) any contracts or other agreements necessary to perform the Project have been executed and (iv) the Grantee has commenced the performance of all Project tasks described in Part III. The "**Project Completion Date**" is the date on which all tasks specified in Part III are complete and all deliverables specified in Part III have been delivered to the Department. **The Grantee is required to submit the Project Commencement and Project Completion Certification Forms attached to Part III hereof.**

Project Schedule

Beginning Date:	June 15, 2002
Project Commencement Date:	October 1, 2002
Project Completion Date:	October 31, 2003
Grant Expiration Date:	January 31, 2004

The reporting provisions of Part III, if applicable, survive the Grant Expiration Date set forth in the Notice of Grant Award for the period(s) stated therein.

B. Early Completion. In the event that the Project Commencement Date occurs **prior** to the deadline established herein, the Grantee may request that the Department adjust the Project Completion Date accordingly, provided however, that the Grantee is obligated to perform the Project for a minimum of 12 months.

C. **Delays/Extensions.** Extensions of the Project Commencement Date and the Project Completion Date will be granted only for good cause. Grantees requiring an extension should submit a written request to the Project Manager named in Section 4.12 herein, stating the reason for the extension, 30 days prior to the deadline established in Section 4.2A above. The Grant Expiration Date will be extended **only** under extenuating circumstances and at the sole discretion of the Department.

Grantee's failure to adhere to this schedule may be grounds for suspension or termination of this Agreement pursuant to Section 5.5 herein.

Section 4.3 **PAYMENT.**

Payment of the grant amount specified in the Notice of Grant Award shall be made to the Grantee as specified herein. All required documentation should be submitted to the Project Manager named in Section 4.12 hereof.

A. **Initial Payment.** An initial payment of \$112,500.00 will be authorized after the Department has executed this Agreement and upon receipt of the following submittals from the Grantee:

- (i) Executed Payment Request/Certification Form provided by the Department for the initial payment;
- (ii) Documentation evidencing that any third-party agreements required to perform the Project described in Part III have been executed; and
- (iii) Purchase orders, invoices or other documentation evidencing that the equipment or materials specified in the Project Budget set forth in Part I hereof have been ordered or purchased by the Grantee subsequent to the Beginning Date set forth in the Notice of Grant Award.

B. **Final Payment.** The final payment of \$37,500.00 will be authorized upon verification by the Department that the Project is complete, its acceptance of all required deliverables and receipt of the following submittals from the Grantee:

- (i) Executed Payment Request/Certification Form provided by the Department for the final payment; and
- (ii) Project Completion Certification Form.

C. **Refusal to Authorize Payment.** The Department may refuse to authorize any payment specified herein in the following events:

- (i) Grantee has failed to submit the required documentation described in Sections 4.3A or B, or the documentation submitted is deficient; or

- (ii) Grantee has failed to complete the Project in accordance with Part III, and its failure to comply with the reporting requirements set forth in Section 4.6 below.

D. **Right to Refund.** The Department may require a refund from the Grantee in the following events:

- (i) The amount of eligible Project expenditures is less than the total grant amount;
- (ii) Grantee has not made the required Applicant Investment to the Project as specified in Part I; or
- (iii) Grant funds have not been expended in accordance with the Project Budget without the Department's approval as required in Section 4.4 below.

Section 4.4 **BUDGET MODIFICATIONS.**

A. **Revisions to Budget Line Items.** Grantee shall expend the grant funds in accordance with the approved budget set forth in Part I hereof. If the Grantee determines that its expenditures for the grant term will vary from the amounts listed in the approved Project Budget, but will not exceed the total grant amount, it shall submit a written request for approval from the Department prior to incurring the revised costs. Said request shall give the reasons for and amounts of the revisions. If the Department approves the revised expenditures, it will provide the Grantee with a revised Project Budget incorporating the revisions. Grantee's failure to obtain written approval for anticipated budget revisions shall be deemed sufficient reason for the Department to disallow any costs not included in the original Project Budget and require a refund from the Grantee.

Revisions that would increase the amount of the grant or change Project tasks or objectives may only be effected through a formal grant modification in accordance with Section 5.7C hereof.

B. **Revisions to Grantee's Applicant Investment.** Revisions to the allocation of Grantee's Applicant Investment among budget line items may be made without the Department's prior written approval, provided that any such revision does not result in reducing the Applicant Investment below the level required by the applicable program guidelines or in changing Project tasks or objectives. Grantee is required to provide written notification of all such revisions to the Department.

Section 4.5 **INTEREST ON GRANT FUNDS.**

All interest earned on grant funds held by the Grantee shall become part of the grant principal when earned and may only be spent on purposes authorized by this Agreement. Interest earned and not spent or legally obligated by the end of the grant term shall be returned to the Department within 45 days following the expiration or termination of this Agreement.

Section 4.6 REPORTS.

Grantee shall comply with the following provisions relative to the preparation and submittal of all reports required under this Agreement. The form and substance of the reports is described in Part III.

- (i) All reports must be submitted on or before the due date(s) set forth in Part III. Requests for extensions must be written, state the reason for the requested extension and be postmarked before the subject due date.
- (ii) The Department reserves the right to modify the reporting schedule set forth in Part III. The Department shall notify the Grantee in writing of the revised reporting schedule and shall provide the Grantee with revised due dates for the submittal of reports, which shall supersede the due dates established herein.
- (iii) The Grantee shall prepare additional or supplemental progress reports if requested by the Department.

Section 4.7 OWNERSHIP, USE AND MAINTENANCE OF PROPERTY.

A. **Ownership.** Subject to the provisions of this Section 4.7, and the remedies available to the Department as set forth in Section 4.11 below, equipment and material authorized to be purchased with grant funds shall become the property of Grantee. Grantee shall maintain an inventory or property control record for all equipment and material purchased with grant funds.

B. **Use; Maintenance; Insurance.** For a period of three years following the Project Commencement Date certified by the Grantee, the Grantee shall:

- (i) Use equipment and materials acquired with grant funds only for the approved Project purposes set forth in Part III; and
- (ii) Provide sufficient maintenance on the equipment and materials to permit achievement of the approved Project purposes and maintain, at its own expense, insurance coverage on all equipment and material purchased with grant funds, for its full insurable value, against loss, damage and other risks ordinarily insured against by owners or users of similar equipment and material in similar businesses.

C. **Prohibition Against Disposition/Encumbrance.** The Grantee is prohibited from, and shall not sell, transfer, encumber or otherwise dispose of said equipment or material without prior written approval of the Department during the three-year period specified herein.

D. **Rolling Stock Requirements.** The following provisions are applicable if grant funds provided by the Department are used to acquire Rolling Stock, as that term is defined in the Request for Applications issued by the Department:

- (i) Grantee shall comply with the provisions set forth in this Section 4.7 for a period of three (3) years following the Project Commencement Date;
- (ii) Grantee shall submit an annual certification to the Department for the three-year period referenced herein certifying that the Rolling Stock is being used in accordance with the provisions of this Agreement; and
- (iii) If required by the Department, Grantee shall execute a Security Agreement, which gives the Department a Purchase Money Security Interest in the Rolling Stock purchased with grant funds.

The provisions of Section 4.7, including Section 4.7D, if applicable, survive the Grant Expiration Date set forth in the Notice of Grant Award for the period(s) stated herein.

Section 4.8 SUBCONTRACTOR DISCLOSURE.

As of the effective date of this Agreement, no subcontractors are expected to perform consultant services pursuant to this Agreement and to be paid with grant funds provided hereunder. If during the term of this Agreement, the Grantee retains subcontractors to be paid with grant funds, the Grantee shall notify the Department of the name and address of such subcontractor(s) and the anticipated amount of payment and the parties shall execute an appropriate amendment for filing with the State Comptroller's Office.

Section 4.9 ACCESS TO WORK PRODUCTS; PUBLIC INFORMATION REQUIREMENTS.

All documents, including reports, studies and other materials developed, produced or generated by the Grantee as part of the performance required under this Agreement are referred to herein as the "Grant Documents." Grantee and the Department shall have the mutual right to publish, distribute, use and assign for use by others all Grant Documents without permission of or payment to the other Party. In the event that Grantee obtains a patent, copyright or otherwise restricts access to any of the Grant Documents, the Department shall have a royalty-free license to use such Grant Documents. The Grantee will not publish or permit any other person to publish any Grant Documents without advance notice to the Department. The Grantee shall acknowledge the Department's participation in the Project in any such publication, or, shall accede to any request by the Department that appropriate disclaimer language be incorporated into the publication.

Deliverables specified to be produced or performed under this Agreement shall become the property of the Department.

Grantee shall comply with any Public Information Requirements set forth in Part III.

Section 4.10 SUPPORT.

Grantee will provide all equipment, supplies, services and other items of support, which are necessary for the effective performance of the Project, except for those items of support that are specified in this Agreement as being provided by the Department.

Section 4.11 DEPARTMENT REMEDIES.

The Department may elect any of the following remedies in the event this Agreement is terminated pursuant to Section 5.5 herein. Grantee shall comply with the Department's direction within 45 days following written notice or demand from the Department:

- (i) The Department may direct the Grantee to refund all grant moneys disbursed to it under this Agreement;
- (ii) The Department may direct the Grantee to remit an amount equivalent to the "Net Salvage Value" of all equipment or materials purchased with grant funds provided under this Agreement. For purposes of this Agreement, "Net Salvage Value" is defined as the amount realized, or that the Parties agree is likely to be realized from the sale of equipment or materials purchased with grant funds provided under this Agreement at its current fair market value, less selling expenses; or
- (iii) The Department may direct the Grantee to transfer ownership of equipment or material purchased with grant funds provided under this Agreement to the Department or its designee.

Section 4.12 GRANT PROJECT MANAGEMENT.

All necessary and ordinary communications, submittals, approvals, requests and notices related to the Project shall be submitted to:

Angie Adkins-Embrey
Illinois Department of Commerce and Community Affairs
Bureau of Energy and Recycling
620 E. Adams Street
Springfield, IL 62701
217/785-2808

Grantee agrees to give prompt notice to the Department of any event that may materially affect the performance required under this Agreement. Any notice or approval relating to Section 5.5 (Termination), Section 5.7C (Discretionary Modifications), Section 5.10A (Waivers), and Section 5.10B (Assignment) must be executed by the director of the Department or his/her authorized designee.

PART V
GENERAL PROVISIONS

5.1 GRANTEE AUTHORITY; INDEPENDENCE OF GRANTEE PERSONNEL;
GRANTOR AUTHORITY; GOVERNING LAW.

A. Grantee Authority. The Grantee warrants that it is the real party in interest to this Agreement, that it is not acting for or on behalf of an undisclosed party, and that it possesses legal authority to apply for this grant and to execute the proposed program or project described in Part III hereof. Grantee's execution of this Agreement shall serve as its attestation that Grantee has read, understands and agrees to all provisions of this Agreement and to be bound thereby. Grantee further acknowledges that the individual executing this Agreement is authorized to do so on Grantee's behalf.

B. Independence of Grantee Personnel. All technical, clerical, and other personnel necessary for the performance required by this Agreement shall be employed by, or contracted with, Grantee, and shall in all respects be subject to the rules and regulations of Grantee governing its employees. Neither Grantee nor its personnel shall be considered to be the agents or employees of the Department.

C. Grantor Authority. The Department and its payroll employees, when acting pursuant to this Agreement, are acting as State officials in their official capacity and not personally or as the agents of others.

D. Governing Law. This Grant is awarded in the State of Illinois for execution within the State of Illinois. This Agreement shall be governed by and construed according to Illinois law as that law would be interpreted by an Illinois Court. Where there is no Illinois law on a particular subject or issue, then the applicable law will be applied as it would be interpreted and applied by an Illinois Court.

5.2 SCOPE OF WORK.

In consideration for the grant funds to be provided by the Department, the Grantee agrees to perform the project described in Part III hereof and to prepare and submit to the Department the reports and other deliverables described in this Agreement.

5.3 FISCAL RESPONSIBILITIES.

A. Non Appropriation Clause. Payments pursuant to this Agreement are subject to the availability of applicable Federal and State funding from the Department and their appropriation and authorized expenditure under state law. Obligations of the State will cease immediately without penalty or liability or further payment being required if in any fiscal year that this Agreement is in effect, the Illinois General Assembly or Federal funding source fails to appropriate or otherwise make available sufficient funds for this grant.

The Grantee is hereby given actual knowledge of the fact that pursuant to the State Finance Act, 30 ILCS 105/30, payments under this grant are contingent upon the existence of a valid appropriation therefor and that no officer shall contract any indebtedness on behalf of the State, or assume to bind the State in an amount in excess of the money appropriated, unless expressly authorized by law. If this is a multi-year grant, it is void by operation of law if the Department fails to obtain the requisite appropriation to pay the grant in any year in which this Agreement is in effect.

B. Total Amount of Grant Limited. The Grantee expressly understands and agrees that the total financial obligation of the Department under this Agreement shall not exceed the total grant amount set forth on the Notice of Grant Award and the Grantee expressly agrees to fully complete the Scope of Work specified in this Agreement and all other obligations under this Agreement within the stated total consideration.

C. Delivery of Grantee Payments. Payment to the Grantee under this Agreement shall be made payable in the name of the Grantee and sent to the person and place specified in the Notice of Grant Award. The Grantee may change the person to whom payments are sent, or the place to which payments are sent by written notice to the Department signed by the Grantee. No such change or payment notice shall be binding upon the Department until ten (10) business days after actual receipt.

5.4 RECORDS RETENTION AND ACCESS TO RECORDS; PROJECT CLOSEOUT; ACCOUNTING; AND AUDIT REQUIREMENTS.

A. Records Retention. The Grantee is accountable for all funds received under this Agreement and shall maintain, for a minimum of three (3) years following the later of the expiration or termination of this Agreement, adequate books, records, and supporting documents to verify the amount, recipients and uses of all disbursements of funds passing in conjunction with this Agreement. This Agreement and all books, records and supporting documents related hereto shall be available for inspection and audit by the Department, the Auditor General of the State of Illinois, or any of their duly authorized representatives, and the Grantee agrees to cooperate fully with any audit conducted by the Auditor General or the Department. Grantee agrees to provide full access to all relevant materials and to provide copies of same upon request. Failure to maintain books, records and supporting documents required by this Section 5.4 shall establish a presumption in favor of the Department for the recovery of any funds paid by the Department under this Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursements.

If any of the services to be performed under this Agreement are subcontracted and/or if subgrants are issued for the expenditure of funds provided under this Agreement, the Grantee shall include in all such subcontracts and subgrants, a provision that the Department and the Auditor General of the State of Illinois, or any of their duly authorized representatives, will have full access to and the right to examine any pertinent books, documents, papers and records of any such subcontractor or subgrantee involving transactions related to this Agreement for a period of three (3) years from the later of the expiration or termination of this Agreement.

B. **Grant Closeout.** In addition to any other reporting requirements specified in this Agreement, the Grantee shall complete and submit a final Grant Closeout Report on forms provided by the Department, within time limits established by the Department, after the expiration or termination of this Agreement. The Grantee must report on the expenditure of grant funds provided by the State, and if applicable, the Grantee's required matching funds. The Grantee is responsible for taking the necessary steps to correct any deficiencies disclosed by such Grant Closeout Report, including such action as the Department, based on its review of the Grant Closeout Report, may direct.

In accordance with the Illinois Grant Funds Recovery Act, 30 ILCS 705/1, et seq., the Grantee must, within 45 days of the expiration or termination of this Agreement, refund to the Department, any balance of funds, which is unobligated at the end of the Grant term specified in the Notice of Grant Award. For purposes of preparation of grant closeout forms, the determination of allowable expenditures and excess grant funds shall be based on the premise that the total Grantee compensation under this Agreement shall not exceed the amount specified in the Notice of Grant Award.

C. **Audit Requirements.** If required by Part II of this Grant Agreement, the Grantee shall be required to have an audit conducted in accordance with the following terms:

1. **Federally Funded Grants.**

a. **Applicable Federal Requirements.** If the Grantee is required to have an audit conducted pursuant to the Single Audit Act of 1984, as amended in 1996 ("Single Audit Act") and by the Office of Management and Budget Circular A-133 ("OMB Circular A-133"), then the audit shall be performed in accordance with these provisions.

b. **Grantee Shall Furnish Department with Copy of Audit.** When the Grantee has an audit conducted pursuant to the requirements of the Single Audit Act and OMB Circular A-133, and an audit report is produced pursuant to such federal requirements, the Grantee shall provide the Department with a copy of such audit report, except in cases where the Grantee is not required by the Single Audit Act or OMB Circular A-133 to distribute a copy of such audit report to the Department.

c. **Grantee To Send Department Copy of Audit Report or Reporting Package within a Specified Time Period.** The Grantee shall send a copy of the audit report, the data collection form and the appropriate reporting package, as provided for in the Single Audit Act and OMB Circular A-133, to the Department within 30 days of the Grantee's receipt of such audit report, but in no event later than nine (9) months following the end of the period for which the audit was performed. The Grantee shall send the audit report to the Department at the following address:

Illinois Department of Commerce and Community Affairs
Division of Audits
620 East Adams Street
Springfield, IL 62701

2. State Funded Grants.

a. State Audit Requirements:

(i) The audit shall be conducted by a certified public accountant who is licensed by the State of Illinois to conduct an audit in accordance with Generally Accepted Auditing Standards.

(ii) Grant funds shall be included in the Grantee's annual audit, unless the Department authorizes the Grantee to have a grant-specific audit conducted.

(iii) Upon completion of an audit, an audit report shall be issued and the Grantee shall provide the Department with a copy of such audit report.

(iv) The Grantee shall provide the Department with a copy of an audit report within 30 days of the Grantee's receipt of such audit report, but in no event later than nine (9) months following the end of the period for which the audit was performed. The Grantee shall send the audit report to the Department at the following address:

Illinois Department of Commerce and Community Affairs
Division of Audits
620 East Adams Street
Springfield, IL 62701

D. Worker's Compensation Insurance, Social Security, Retirement and Health Insurance Benefits, and Taxes. The Grantee shall provide Worker's Compensation insurance where the same is required and shall accept full responsibility for the payment of unemployment insurance, premiums for Workers' Compensation, Social Security and retirement and health insurance benefits, as well as all income tax deduction and any other taxes or payroll deductions required by law for its employees who are performing services specified by this Agreement.

5.5 TERMINATION; SUSPENSION.

A. This Agreement may be terminated as follows:

1. Due to Loss of Funding. Obligations of the State will cease immediately without penalty or further payment being required if in any fiscal year the Illinois General Assembly or Federal funding source fails to appropriate or otherwise make available sufficient funds for this

Agreement. In the event the Department suffers such a loss of funding in full or in part, the Department shall give the Grantee written notice, which shall set forth the effective date of full or partial termination, or if a change in funding is required, setting forth the change in funding and the changes in the approved budget.

2. **For Cause.** If the Department determines that the Grantee has failed to comply with any of the terms, conditions or provisions of this Agreement, or any other Agreement executed by the Department and the Grantee, including any applicable rules or regulations, the Department may terminate this Agreement in whole or in part at any time before the expiration date of this Agreement. The Department shall notify the Grantee in writing of the reasons for the termination and the effective date of the termination. Grantee shall not incur any costs after the effective date of the termination. Payments made to the Grantee or recovery by the Department shall be in accord with the legal rights and liabilities of the parties.

In the event of termination for cause, Grantee shall also be subject to any other applicable provisions specified elsewhere in this Agreement.

Termination for cause may render the Grantee ineligible for consideration for future grants from the Department.

3. **For Convenience.** The Department may terminate this Agreement in whole or in part in the event that the Department determines that continuation of the program objectives would not produce beneficial results commensurate with the further expenditure of funds. In such event, the Department and the Grantee shall agree upon termination conditions including the effective date and, in the case of partial termination, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall allow full credit to the Grantee for the Department's share of the noncancelable obligations, if properly incurred by the Grantee prior to termination.

B. **Suspension.** If the Grantee fails to comply with the specific conditions and/or general terms and conditions of this Agreement, the Department may, upon written notice to the Grantee, suspend this Agreement, withhold further payments and prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate this Agreement. Department may determine to allow such necessary and proper costs, which the Grantee could not reasonably avoid during the period of suspension provided that the Department agrees that such costs were necessary and reasonable and incurred in accordance with the provisions of this Agreement.

Section 5.6 **INDEMNIFICATION.**

A. **Non-governmental entities.** The Grantee agrees to assume all risk of loss and to indemnify and hold the State, its officers, agents and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments including costs, attorneys' and witnesses' fees, and expenses incident thereto, relating to bodily

injuries to persons (including death) and for loss of, damage to, or destruction of real and/or tangible personal property (including property of the State) resulting from the negligence or misconduct of Grantee, its employees, agents, or subcontractors or subgrantees in the performance of this Agreement. Grantee shall do nothing to prejudice the State's right to recover against third parties for any loss, destruction or damage to State property and shall, at the State's request and expense, furnish to the State reasonable assistance and cooperation including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the State in obtaining recovery.

The Grantee shall, at its expense, defend the State against all claims asserted by any person that anything provided by Grantee infringes a patent, copyright, trade secret or other intellectual property right and shall, without limitation, pay the costs, damages and attorneys' fees awarded against the State in any such action, or pay any settlement of such action or claim. Each party agrees to notify the other promptly of any matters to which this provision may apply and to cooperate with each other in connection with such defense or settlement.

B. Governmental Entities. In the event that the Grantee is a Governmental Entity, it will indemnify and hold harmless the Department as set out herein to the extent authorized by Federal and/or State constitutions(s) and/or laws.

C. Notice. In the event that any demand or claim relating to the transactions or activities pursuant to this Agreement is made known to either party, the Department and/or the Grantee will notify the other party to this Agreement in writing in an expedient manner.

5.7 MODIFICATION BY OPERATION OF LAW; DISCRETIONARY MODIFICATIONS; BUDGET MODIFICATIONS.

A. Modifications by Operation of Law. This Agreement is subject to such modifications as the Department determines may be required by changes in Federal or State law or regulations applicable to this Agreement. Any such required modification shall be incorporated into and become part of this Agreement as if fully set forth herein. The Department shall timely notify the Grantee of any pending implementation of or proposed amendment to such regulations of which it has notice.

B. Budget Modifications. Budget modifications shall be made in accordance with any applicable provisions as specified elsewhere in this Agreement.

C. Discretionary Modifications. If either the Department or the Grantee wishes to modify the terms of this Agreement other than as set forth in Sections A and B above, written notice of the proposed modification must be given to the other party. No modification will take effect until it is agreed to in writing by both the Department and the Grantee, except that if the Department notifies the Grantee in writing of a proposed modification without the prior written approval of the Grantee, failure of the Grantee to object in writing, specifying the reasons for the objections, within thirty (30) calendar days from the date of the Department's notice to the Grantee of such proposed modification, the modification will be deemed to be approved by the

Grantee. The Department's notice to the Grantee shall contain the Grantee name, Grant number, modification number, purpose of the revision and signature of the Department's director.

D. Unilateral Modifications. The parties agree that the Department may unilaterally modify this Agreement without prior approval of the Grantee when the modification is initiated by the Department for the sole purpose of increasing the Grantee's funding allocation as additional funds become available for the grant during the program year covered by the term of this Agreement. The parties further agree that the 30-day period for objection described in Section 5.7C above, does not apply to the unilateral modification ability described in this Section 5.7D.

5.8 CONFLICT OF INTEREST; INTEREST OF PUBLIC OFFICIALS/
EMPLOYEES; BONUS/COMMISSION PROHIBITED; HIRING OF STATE
EMPLOYEES PROHIBITED.

A. Conflict of Interest. The Grantee shall establish safeguards to prohibit officers, directors, agents, employees and family members from using positions of employment for a purpose that is, or gives the appearance of, being motivated by a desire for a private gain for themselves or others, particularly those with whom they have family business or other ties. Safeguards, evidenced by rules or bylaws, shall be established to prohibit persons from engaging in actions, which create or which appear to create a conflict of interest as described herein.

B. Interest of Public Officials/Employees.

(i) Governmental Entity. If the Grantee is a governmental entity, the Grantee certifies that no officer or employee of the Grantee and no member of its governing body and no other public official of the locality in which the program objectives will be carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such objectives shall participate in any decision relating to any contract negotiated under a program grant, which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or has any financial interest, direct or indirect, in such contract or in the work to be performed under such contract.

(ii) Nongovernmental Entity. If the Grantee is a nongovernmental entity, such a financial interest is permissible provided full disclosure of said interest is made to the Department in advance of any decisions relative to the award of a contract giving rise to such interest and further provided that the officer, employee, or member of the governing body so affected shall remove himself or herself from the room during any discussion, deliberation and voting in connection with the awarding of such a contract and provided further that the Department determines, in writing, that the best interest of the State outweighs the conflict of interest issue.

Violations of this Section 5.8 may result in suspension or termination of this Agreement, and recovery of grant funds provided hereunder. Violators may also be criminally liable under other applicable State laws and subject to actions up to and including felony prosecution.

C. Bonus or Commission Prohibited. The Grantee shall not pay any bonus or commission for the purpose of obtaining the grant awarded under this Agreement.

D. Hiring State Employees Prohibited. No State officer or employee may be hired to perform services under this Agreement, or be paid with funds derived directly or indirectly through this grant without the written approval of the Department.

5.9 APPLICABLE STATUTES.

A. Grantee Responsibility. All applicable Federal, State and local laws, rules and regulations governing the performance required by Grantee shall apply to this Agreement and will be deemed to be included in this Agreement the same as though written herein in full. Grantee is responsible for ensuring compliance with all applicable laws, rules and regulations, including, but not limited to those specifically referenced herein. Except where expressly required by applicable laws and regulations, the Department shall not be responsible for monitoring Grantee's compliance.

B. Land Trust/Beneficial Disclosure Act (765 ILCS 405/2.1). No grant award funds shall be paid to any trustee of a land trust, or any beneficiary or beneficiaries of a land trust, for any purpose relating to the land, which is the subject of such trust, any interest in such land, improvements to such land or use of such land unless an affidavit is first filed with the Department identifying each beneficiary of the land trust by name and address and defining such interest therein.

C. Historic Preservation Act (20 ILCS 3420/1, et seq.). The Grantee will not expend funds under this Agreement, which result in the destruction, alteration, renovation, transfer or sale, or utilization of a historic property, structure or structures, or in the introduction of visual, audible or atmospheric elements to a historic property, structure or structures, which will result in the change in the character or use of any historic property, except as approved by the Illinois Historic Preservation Agency.

D. State of Illinois Discrimination Laws (775 ILCS 5/1-101, et seq.). In carrying out the performance required under this Agreement, the Grantee shall comply with all applicable provisions of the Illinois Human Rights Act, and rules and regulations promulgated by the Illinois Department of Human Rights, prohibiting unlawful discrimination in employment. Grantee's failure to comply with all applicable provisions of the Illinois Human Rights Act, or applicable rules and regulations promulgated thereunder, may result in a determination that Grantee is ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.

E. Drugfree Workplace Act (30 ILCS 580/1, et seq.). Grantee will make the certification required in this Agreement and will comply with all of the provisions of the Drugfree Workplace Act that are applicable to the Grantee. False certification or violation of the requirements of the

Drugfree Workplace Act may result in sanctions including, but not limited to, suspension of grant payments, termination of this Agreement and debarment of contracting or grant opportunities with the State for at least one (1) year but not more than five (5) years.

F. Freedom of Information Act (5 ILCS 140/1, et seq.). Applications, programmatic reports and other information obtained by the Department under this Agreement shall be administered pursuant to the Freedom of Information Act. The Department shall give Grantee timely notice in the event it receives a request for information submitted by Grantee relative to this Agreement.

5.10 MISCELLANEOUS PROVISIONS.

A. Waivers. A waiver of any condition of this Agreement must be requested in writing. No waiver of any condition of this Agreement may be effective unless in writing from the Director of the Department.

B. Assignment. The benefits of this Agreement and the rights, duties and responsibilities of the Grantee under this Agreement may not be assigned (in whole or in part) except with the express written approval of the Department acting through its Director. Any assignment by the Grantee in violation of this provision renders this Agreement voidable by the Department.

C. Severability Clause. If any provision under this Agreement or its application to any person or circumstances is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or its application of this Agreement, which can be given effect without the invalid provision or application.

D. Integration Clause. This Agreement, with attachments, as written, is the full and complete agreement between the parties and there are no oral agreements or understandings between the parties other than what has been reduced to writing herein.

E. Comptroller Filing Notice. The Grantee expressly understands that whenever applicable, a copy of this Agreement and any modification, cancellation or renewal is required to be filed by the Department with the State Comptroller.

F. Subcontract and Grants. The Grantee's services, duties and responsibilities specified herein shall not be subcontracted or subgranted by the Grantee without prior written approval of the Department, unless such subcontracts or subgrants are provided for elsewhere in this Agreement. Any subcontracts or subgrants shall be subject to, and conform with, all applicable State and Federal laws, and shall specifically provide that subcontractors or subgrantees are subject to all of the terms and conditions of this Agreement.

PART VI
STATE OF ILLINOIS REQUIRED
CERTIFICATIONS

The Grantee makes the following certifications as a condition of this Agreement. These certifications are required by State statute and are in addition to any certifications required by any Federal funding source as set forth in this Agreement. Grantee's execution of this Agreement shall serve as its attestation that the certifications made herein are true and correct.

6.1 COMPLIANCE WITH APPLICABLE LAW. The Grantee certifies that it shall comply with all applicable provisions of Federal, State and local law in the performance of its obligations pursuant to this Agreement.

6.2 CONFLICT OF INTEREST. The Grantee certifies that it has no public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest that does or may conflict in any manner with the performance of Grantee's services and obligations under this Agreement.

6.3 BID-RIGGING/BID-ROTATING. The Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33 E-3 and 5/33 E-4).

6.4 DEFAULT ON EDUCATIONAL LOAN. The Grantee certifies that this Agreement is not in violation of the Educational Loan Default Act (5 ILCS 385/3) prohibiting certain contracts to individuals who are in default on an educational loan.

6.5 AMERICANS WITH DISABILITIES ACT. Americans with Disabilities Act (ADA) (42 U.S.C. 12101, et seq.) and the regulations thereunder (28 CFR 35.130) prohibit discrimination against persons with disabilities by the State, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving this grant, the Grantee certifies that services, programs and activities provided under this Agreement are, and will continue to be, in compliance with the ADA.

6.6 DRUGFREE WORKPLACE ACT. The Grantee certifies that:

- A. It is a Corporation, Partnership, or other entity (other than an individual) with 24 or fewer employees at the time of execution of this Agreement.
- B. That the purpose of this grant is to fund solid waste reduction.
- C. It is a Corporation, Partnership, or other entity (other than an individual) with 25 or more employees at the time of execution of this Agreement, or
- D. That it is an individual.

e. Imposing a sanction on, or requiring the satisfactory participation in, a drug abuse assistance or rehabilitation program by any employee who is so convicted, as required by Section 5 of the Drugfree Workplace Act, 30 ILCS 580/5.

f. Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation are required and indicating that a trained referral team is in place.

g. Making a good faith effort to continue to maintain a drugfree workplace through implementation of the Drugfree Workplace Act, 30 ILCS 580/5.

If Grantee is an individual, it certifies that it will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of this Agreement.

6.7 ANTI-BRIBERY. The Grantee certifies that neither it nor its employees have been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois, nor has Grantee or any of its employees made an admission of guilt of such conduct that is a matter of record as defined in the Illinois Procurement Code (30 ILCS 500/50-5).

6.8 DISCRIMINATION/ILLINOIS HUMAN RIGHTS ACT. The Grantee certifies (i) that it will not commit unlawful discrimination in employment in Illinois as that term is defined in Article 2 of said Act; (ii) that it will comply with the provisions of Article 5 of the Act regarding equal employment opportunities and affirmative action; and, (iii) that it will comply with policies and procedures established by the Department of Human Rights under Article 7 of the Act regarding equal employment opportunities and affirmative action.

The Grantee further certifies that, if applicable, it will comply with "An Act to prohibit discrimination and intimidation on account of race, creed, color, sex, religion, physical or mental handicap unrelated to ability or national origin in employment under contracts for public buildings or public works." (775 ILCS 10/0.01, et seq.)

6.9 SEXUAL HARASSMENT. The Grantee certifies that it has written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the Grantee's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the Department and Commission; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act (775 ILCS 5/2-105 (B)(5)). A copy of the policies shall be provided to the Department upon request.

6.10 INTERNATIONAL ANTI-BOYCOTT CERTIFICATION. The Grantee hereby certifies that neither the Grantee nor any substantially owned affiliate company of the Grantee is participating or will participate in an international boycott, as defined by the provisions of the

If Option "A" or "B" is checked, this Agreement is not subject to the requirements of the Act.

If Option "C" or "D" is checked and the amount of this grant is five thousand dollars (\$5,000.00) or more, the Grantee is notified that the Drugfree Workplace Act (30 ILCS 580/1, et seq.) is applicable to this Agreement, and the Grantee must comply with the terms of said Act, as set forth below:

Grantee will provide a drugfree workplace by:

- a. Publishing a statement:
 - (i) Notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the Grantee's workplace.
 - (ii) Specifying the actions that will be taken against employees for violations of such prohibition.
 - (iii) Notifying the employee that, as a condition of employment on such grant, the employee will:
 - A. Abide by the terms of the statement.
 - B. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- b. Establishing a drug free awareness program to inform employees about:
 - (i) The dangers of drug abuse in the workplace.
 - (ii) The Grantee's policy of maintaining a drug free workplace.
 - (iii) Any available drug counseling, rehabilitation and employee assistance programs.
 - (iv) The penalties that may be imposed upon an employee for drug violations.
- c. Providing a copy of the statement required by subparagraph (a) to each employee engaged in the performance of the grant and to post the statement in a prominent place in the workplace.
- d. Notifying the granting agency within ten (10) days after receiving notice, under part (B) of paragraph (iii) of subsection (a) above, from an employee or otherwise receiving actual notice of such conviction.

U.S. Export Administration Act of 1979, or as defined by the regulations of the U.S. Department of Commerce, promulgated pursuant to that Act (30 USC 582/1, et seq.).



CITY OF WOODSTOCK

Department of Community Development

121 W. Calhoun Street - Woodstock, Illinois 60098 - 815/338-4305 - Fax 815/334-2269
www.woodstock-il.com commdevdept@woodstock-il.com

February 27, 2003

Don Powles
Jo'Lyn Corp.
P. O. Box 638
Harvard, IL 60033

ROSE FARM ROAD SITE, 20.02 ACRES -- PIN 07-25-300-007

Dear Mr. Powles,

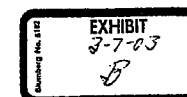
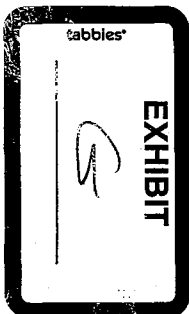
Please be advised that the above referenced property, located in the City of Woodstock and generally situated on the east side of Rose Farm Road and south of the Union Pacific Railroad tracks, is zoned "M-1 limited manufacturing and research district" in accordance with the Woodstock Zoning Ordinance.

The manufacture, fabrication, compounding, treatment, or processing of building and construction materials and similar activity are allowed within the M-1 zoning district. Activities proposed by Jo'Lyn Corporation and specifically involving the processing of granulated bituminous shingle material (GBSM) and the production of the "Eclipse Dust Control" product are allowed within the M-1 zoning district.

If you have any questions, please feel free to call me.

Sincerely,

James E. Kastner
Community Development Director





McHenry County College
www.mchenry.edu

McHenry County College 8900 U.S. Highway 14, Crystal Lake, IL 60012-2761 • (815) 455-3700

March 10, 2004

Jo'Lyn Corp.
Kathryn Powles
P.O. Box 638
Harvard, IL 60033

Dear Ms. Powles,

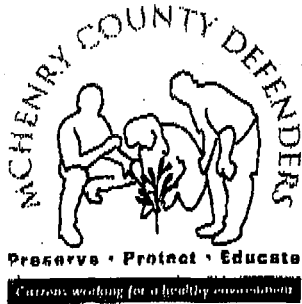
The Lou Marchi Total Recycling Institute at McHenry County College supports your recycling efforts and finds recycling asphalt roofing shingles into "Eclipse Dust Control" to be a valuable asset not only to the consumers purchasing your product but to the protection of our earth's natural resources. The production and application of "Eclipse Dust Control" not only keeps our air clean but saves the natural resources that would otherwise be used in similar pavement applications. It also saves our limited landfill space in Illinois.

The Lou Marchi Total Recycling Institute applauds your efforts in obtaining permission from the Illinois Pollution Control Board to manufacture "Eclipse Dust Control" as a regular business. The Institute recognizes it as a superior business and product because of its earth friendly attributes. We believe you should be able to move forward without having your recycled commodity be considered a waste. It is clear to the Institute that asphalt roofing shingles recycled into "Eclipse Dust Control" is not a waste.

Sincerely,

A handwritten signature in black ink that reads 'Pat Dieckhoff'.

Pat Dieckhoff, Waste Reduction Assistant
Lou Marchi Total Recycling Institute



March 18, 2004

124 Cass Street
Woodstock, IL 60098
(815) 338-0393
www.mcdef.org
email: mcdef@owc.net
fax: (815) 338-0394

To Whom It May Concern,

The McHenry County Defenders is a citizen organization dedicated to the preservation and improvement of the environment. The group has existed in this county for over 30 years and has long advocated the practices of recycling as well as waste reduction and reuse. The Defenders recognize and applaud individuals and groups that exhibit solid environmental practices by rescuing new materials from the waste stream. With land fill space rapidly being used up and the recycling rate stagnating at 30% nationally the Defenders feel that these new efforts are important to explore.

A large variety of materials can be removed from the waste stream and safely processed to become useful products. The McHenry County Defenders encourage the Illinois Pollution Control Board to allow the recycling of scrap material left over during the manufacturing of asphalt roofing shingles. A market may exist for products made after environmentally sound processing of these scraps. According to Sec. 3.380 of 415 ILCS (Recycling, reclamation or reuse.) "“Recycling, reclamation or reuses” means a method, technique, or process designed to remove any contaminant from waste so as to render such waste reusable, or any process by which materials that would otherwise be disposed of or discarded are collected, separated or processed and returned to the economic mainstream in the form of raw materials or products.” The scraps of asphalt roofing remaining after the manufacturing of shingles should not be classified as “waste” (Sec. 3.535 of 415 ILCS). They should be kept out of the waste stream and safely put to another life, in some form.

The Defenders believe that any material that can be recovered from the waste stream should be recovered. It has been proven time and again that less energy is expended during the recycling process than is expended in obtaining new raw materials. Naturally the Defenders are also concerned with the environmentally safe processing of recycled materials. Their application and use should be demonstrated to be safe. An entrepreneur willing to keep these materials out of the waste stream should be encouraged to do so, without having to apply for transfer station status.

Sincerely,

Dwight Dalton, Board President
McHenry County Defenders.



P.O. Box 844
Lisle, IL 60532
630/548-4510
FAX 630-4511
www.odrecycling.org

March 2004

Kathryn Powles
Falcon Waste & Recycling
P.O. Box 638
Harvard, IL 60033

Dear Kathryn:

It was a pleasure to talk with you recently about the recycling of asphalt shingles. This recyclable material presents several exciting opportunities, both on the environmental and business front. Environmentally, recycling asphalt shingles allows us to save on the earth's resources of oil and natural gravel, reducing the need for more drilling and mining. It also diverts this material from landfills, making it no longer a waste material but a commodity. Indeed, given the proper market infrastructure (which people such as you are doing with Eclipse Dust Control), asphalt shingles should not be allowed into landfills. Because of the high recycling potential, they certainly should not be considered a waste now.

Businesswise, recycling this material will provide jobs and tax dollars in an environmentally friendly business. It also should be a profitable venture that will be a success story and blueprint for future environmental businesses in the area that the first is established. It has been proven in several places around the country the rewards that recycling asphalt shingles can bring to the local community.

If anyone would like more information about recycling asphalt shingles, we suggest he or she should check out our website, www.shinglerecycling.org, a website the U.S. EPA funded.

Sincerely,

A handwritten signature in black ink, appearing to read "William Turley", written in a cursive style.

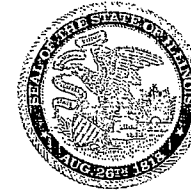
William Turley
Executive Director, Construction Materials Recycling Association
Assoc. Publisher, Construction & Demolition Recycling magazine

SPRINGFIELD OFFICE:

124 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
217/782-8000
217/782-4079 (FAX)

DISTRICT OFFICE:

3 W. CRYSTAL LAKE AVENUE
CRYSTAL LAKE ILLINOIS 60014
815/455-6330
815/455-8284 (FAX)



COMMITTEES
CHAIRMAN:
EXECUTIVE
MEMBER:
LOCAL GOVERNMENT
& ELECTIONS
TRANSPORTATION
COMMISSIONS
CO-CHAIRMAN:
LEGISLATIVE
PRINTING UNIT

DICK KLEMM
SENATOR - 32ND DISTRICT

December 7, 2001

Ms. Kathryn Powles, President
Falcon Waste & Recycling Inc.
2 Kennedy Drive
Harvard, Illinois 60033

Dear Ms. Powles;

Thank you for your recent letter. I appreciate the information concerning your recycling project for asphalt roofing shingles.

After reading over your description of this project I would certainly be interested in supporting your efforts. Please consider this letter my support of your grant application to the Illinois Department of Commerce and Community Affairs.

It is my understanding that you will be submitting the application in the near future. If there is anything further I can do to support your application process please do not hesitate to contact my District Office.

Sincerely,

Dick
Dick Klem

DK/g

180 South Eastwood Drive
Woodstock, Illinois 60098
(615) 334-0063
(815) 334-9147 fax

4104 West Elm Street
McHenry, Illinois 60050
(815) 344-6363
(815) 344-5987 fax

2108-N Stratton Building
Springfield, Illinois 62706
(217) 782-1717
(217) 557-7203 fax



JACK D. FRANKS
STATE REPRESENTATIVE - 63RD DISTRICT

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES

Committees:

- Aging-Vice Chairperson
- Appropriations-Public Safety
- State Government Administration
- Counties & Townships

E-Mail:
jack@jackfranks.org
WWW:
www.jackfranks.org

Wednesday, December 12, 2001

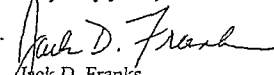
Project Manager
IL Dept. of Cmrcce & Community Affairs
Angie Adkins-Embrey
620 E. Adams Street
Springfield, IL 62701

Dear Angie:

I write this letter in support of Kathryn Powles, President of Falcon Waste & Recycling, Inc. She is applying for the Illinois Recycling Grants Program. Her company's goal is to receive the necessary funds to recycle asphalt roofing shingles to help reduce the amount of waste that end up in landfills. Of the over 650 thousand tons of asphalt roofing shingles waste per year, her company will focus on the state's three manufacturing facilities, which generate 25 thousand tons annually. This waste is a clean and consistent product and is more easily recycled. 100% of this waste is recycled with no residuals. I am greatly encouraged that Kathryn Powles is concerned about our environment and has decided to pursue this, as Illinois does not currently have an asphalt recycling program. Approximately eighteen states use the recycled material, with Minnesota and Ohio having their Transportation Departments approved specifications.

I ask that you give her grant application great consideration. Her efforts will save natural resources and reduce the amount of landfill waste. In addition, this could reduce the cost of Hotmix asphalt and in turn lower costs to build roads. I wholeheartedly support her application for this grant and thank you for your consideration.

Very truly yours,


Jack D. Franks
State Representative
63rd District



McHENRY COUNTY BOARD

MICHAEL W. TRYON

CHAIRMAN

McHENRY COUNTY GOVERNMENT CENTER

2200 N. SEMINARY AVENUE

WOODSTOCK, IL 60098

(815) 334-4221

Fax (815) 338 3991

December 12, 2001

Kathryn Powles
Falcon Waste & Recycling, Inc.
P.O. Box 638
Harvard, IL 60033

Dear Ms. Powles:

Thank you for your letter and thank you for your concern about the depleting landfill capacities. Here in McHenry County we pride ourselves when it comes to protecting the environment in many diverse ways. Your proposed recycling project corresponds with our goals to protect the environment and to reduce the amount of waste ending up in landfills.

The McHenry County Solid Waste Management Plan recognizes that to make recycling work most efficiently, there must be markets for the recyclable materials. It appears that your proposed recycling project not only offers an alternative disposal method for the raw recyclable materials, but you have also identified final markets for the processed recycled materials.

Since what you are proposing complies with the goals of the Solid Waste Management Plan, McHenry County strongly supports your endeavor. Should you need any other assistance from the County, please feel free to contact us.

Sincerely,

Michael W. Tryon
McHenry County Board Chairman



CITY OF HARVARD
OFFICE OF THE MAYOR

Municipal Building • 201 West Front Street
P.O. Box 310 • Harvard, Illinois 60033
815-943-6468 • Fax 815-943-4556
e-mail: mayor@cityofharvard.org

Ralph Henning
Mayor

December 17, 2001

Project Manger
Illinois Dept. of Commerce & Community Affairs
Angie Adkins-Embrey
620 E. Adams St.
Springfield, IL 62701

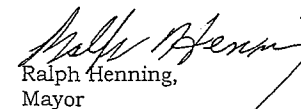
Dear Angie:

I am writing this letter in support of Kathryn Powles, President of Falcon Waste & Recycling, Inc. who has submitted a grant application for the Illinois Recycling Grants Program. Falcon Waste and Recycling intends to utilize the grant funds to recycle asphalt roofing shingles. The State of Illinois currently does not have an asphalt recycling program, so their proposal would greatly enhance the recycling capabilities throughout the entire state and reduce the amount of landfill waste.

On behalf of the City of Harvard, I wholeheartedly endorse Kathryn Powles' project and ask that you favorably consider her grant application.

If you have any questions, please do not hesitate to give me a call.

Sincerely,
CITY OF HARVARD


Ralph Henning,
Mayor



Illinois Department of Transportation

Division of Highways / Bureau of Materials and Physical Research
126 East Ash Street / Springfield, Illinois / 62704-4766

May 1, 2000

Ms. Kathy Powles
Falcon Waste & Recycling
4604 Wilson Road
Harvard, Illinois 60033

Subject: Waste Roofing Shingles in Asphalt Pavements

Dear Ms. Powles:

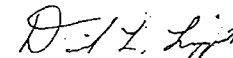
The Illinois Department of Transportation (IDOT) appreciates your interest in making a positive impact on the environment by reducing the amount of manufacturer's waste shingle scraps disposed as landfill waste. We fully support your new focus on the use of manufacturer's waste shingle scraps instead of tear-off shingles, due to the asbestos contamination issue.

The Department has reviewed your request for aid to incorporate this material into asphalt pavements. Unfortunately, the Department does not have a mechanism in place to assist businesses in product development. Our resources are limited to evaluating the final process or product. We strongly recommend that a complete process within the private sector be first developed and implemented for us to evaluate.

Development of a complete process will require collaborating with a bituminous concrete paving contractor to create mix designs, construction specifications, and construction procedures. Small-scale success of several non-government projects may lead to acceptance and allowance of this waste material, as an alternative, on State projects. In addition, an independent asbestos-free monitoring system that addresses the cross-contamination issue within a common yard will be needed. A thorough review and explanation of the engineering characteristic of roofing shingles would also be required.

The Department anticipates only small accumulated volumes of this material now and in the future. As such, we believe the potential market may be use in non-government projects.

Sincerely,



David L. Lippert, P.E.
Engineer of Physical Research

CTG:blc



McHenry County College

8900 U.S. Highway 14 • Crystal Lake, Illinois 60012
<http://www.mchenry.cc.il.us>

Administrative Services

Phone: (815) 455-8585
Fax: (815) 455-9871

December 18, 2001

Ms. Kathryn Powles
Falcon Waste & Recycling, Inc.
P.O. Box 638
Harvard, IL 60033

Dear Ms. Powles:

Your letter regarding asphalt roofing shingles and the non-biodegradable waste they create was forwarded to me for response. It opened my eyes to a need that I previously was unaware of.

Your recycling solution appears to be a benefit to both the manufacturers of the shingles as a way to dispose of product waste and a productive way of dealing with the overuse of landfills. As an added benefit a product that can be used by the pavement construction industry is a result.

I applaud your efforts to provide us all with a cleaner environment and wish you well on your quest to obtain a grant to assist in your worthwhile endeavor.

Sincerely,

A handwritten signature in black ink that reads "Ronally".

Ronald N. Ally
Vice President for Administrative Services/Treasurer



7705 Industrial Drive, Suite A • Spring Grove, IL 60081-8698
Phone 815.675.6183 • Fax 815.675.6185

December 11, 2001

Kathy Powles
Falcon Waste & Recycling, Inc.
P O Box 638
Harvard, IL 60033

Dear Kathy,

After reviewing your information regarding the use of recycled roof shingles in Hot Asphalt Mix, we are impressed by the many benefits it has to offer. The cost savings are attractive as are the durability of the surface.

We also feel that this product will greatly reduce the waste stream, as the shingles will no longer be going into our already over-burdened landfills. We also think that using a recycled product versus new petroleum products is environmentally responsible.

Count us in as a user of your product when it becomes available.

Sincerely,


Tom Lawniczak
Project Manager



DEKALB OFFICE / PLANT:

2220 County Farm Road ▪ DeKalb, IL 60115 ▪ 815.758.8113 ▪ Fax 815.758.0929

17 December 2001

Kathy Powles
Falcon Waste and Recycling
Harvard IL 60033

R.E. : Asphalt Shingles in HMA

Dear Kathy,

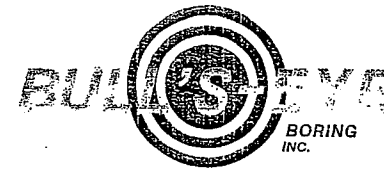
Curran Contracting is currently looking into the possibility of incorporating factory waste shingles into our bituminous mix. Our preliminary laboratory results indicate that this may be a good way to, not only save money on virgin asphalt but also, help our environment by keeping this material out of our landfills. We will need to gain more knowledge on the best way to handle, store, and blend this material but, we are excited by the challenge. Hopefully we can work together to achieve a cheap and durable product that our customers will like.

Sincerely,

A handwritten signature in black ink, appearing to read "John S. Lavalley".

John S. Lavalley, P.E.
Curran Contracting Quality Control Manager

2012 Horizon Court
Zion, IL 60099



Phone (847) 263-7100
FAX (847) 263-7199

YOUR HOLE IS OUR GOAL

December 11, 2001

To Falcon Waste,

We have heard of a possible new form of dust control for parking lots using shingle tabs. That is something we would really be interested in. We have a 2acre lot that is mostly dirt. On days that are windy it is very hard to see, if we asphalt the whole yard, it would be very costly. If you could please contact us with more information we greatly appreciate it.

Yours Truly,

A handwritten signature in cursive script, appearing to read "Al Hagemann".

Al Hagemann
Shop Supervisor





Construction Materials Recycling Association
P.O. Box 644 - Lisle, IL 60532

May 25, 2000

Kathryn Powles
Falcon Waste & Recycling
P.O. Box 638
Harvard, IL 60033

Dear Kathryn:

It was a pleasure today to discuss with you your company's plans to enter the asphalt shingle recycling market. As you know because you have been studying the issue for some time now, recycling shingles is a difficult business for two reasons: because of artificial market barriers and because the material is abrasive and tough on processing equipment. But asphalt shingles contain a lot of excellent recoverable components, specifically the petroleum-based asphalt emulsion and the high-quality aggregate. It just makes too much sense to divert shingles from landfills and reuse the material in another use. Falcon is to be congratulated for taking this plunge.

Also to be congratulated is Illinois DCCA for their consideration of Falcon as a grant recipient. DCCA has proven to be supportive of recycling activities in Illinois, and has become very active in the C&D industry. If they support your efforts on R&D for the recycled shingles in order to show the suitability of the product for use in hot-mix asphalt and other applications, it would be a boon to the entire C&D recycling industry in Illinois. In addition, it would help out asphalt shingle recyclers nationwide.

Please feel free to contact me at any time.

Sincerely,

William Turley
Executive Director



LAKE COUNTY CONTRACTORS ASSOCIATION

1312 Washington Street • Waukegan, IL 60085-5382 • Ph: 847/623-2345 • Fax: 847/623-2349

GARY L. DOWTY
Executive Vice President

August 24, 2000

Ms. Kathy Powles
Falcon Waste & Recycling
2 Kennedy Drive
Harvard, IL 60033

Dear Kathy:

I read the material you provided on your proposed shingle recycling process and think this is a very exciting prospect. With the landfill problem that this area and others have, anything that will remove potential landfill materials and put them to a constructive use is long overdue. And it is good to see the construction industry looking for solutions.

The proposed applications for the recycled material holds great promise for every homeowner plagued by dust and noise from nearby trucking operations. This is a very creative solution to an age-old problem. And unlike water and other dust suppression methods, this is permanent.

In addition, I am sure the asphalt paving industry will benefit from a low cost additive to stretch the paving dollar. The taxpayers should benefit from this application!

All together, this sounds like a great idea and I am very happy a member of Lake County Contractors Association is at the forefront in seeking environmentally sound solutions to everyday problems. Best of luck and if there is anything I can do to help, just let me know.

Sincerely,

Gary L. Dowty
Executive Vice President

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APR 21 2004

STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)
)
PETITION OF JO'LYN CORPORATION)
and FALCON WASTE AND RECYCLING) AS 04- 02
for an ADJUSTED STANDARD from) (Adjusted Standard – Land)
35 ILL.ADM.CODE PART 807 or,)
in the alternative, A FINDING OF)
INAPPLICABILITY.)

MOTION FOR EXPEDITED CONSIDERATION

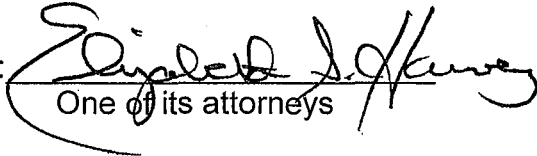
Petitioners Jo'Lyn Corporation and Falcon Waste and Recycling, by their attorneys Swanson, Martin & Bell, hereby move the Board for expedited consideration of their petition for adjusted standard or, in the alternative, for a finding of inapplicability:

1. Petitioners have filed their petition for adjusted standard from Part 807 or, in the alternative, a finding of inapplicability.
2. Petitioners operate a facility which uses granulated bituminous shingle material (GBSM) to produce a paving product called "Eclipse Dust Control." Application of the paving product to the surface requires compaction and the heat of the summer sun.
3. Petitioners' business is, by its nature, a seasonal business. For optimal results, the process needs the heat of the summer sun to set the paving. Petitioners are small businesses which need to operate in order to survive.
4. Petitioners respectfully request that the Board reach a determination on this matter by August 15, 2004, to allow petitioners to operate yet this season. Petitioners have waived hearing on this petition.

WHEREFORE, petitioners respectfully ask this Board to act upon its petition as soon as possible.

Respectfully submitted,

JO'LYN CORPORATION and
FALCON WASTE AND RECYCLING

By: 
One of its attorneys

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