

**EPS PROCESSING EQUIPMENT AND OUTPUT PRODUCTION
AND SUB-LEASE AGREEMENT**

THIS AGREEMENT is entered into by and between the following entities on the _____ day of _____ (Effective Date):

RecycleTech Corp. ("RecycleTech"), having a principal office at:

Address: 1010 Hoyt Ave.
Ridgefield, NJ 07657
Telephone: (201) 943-7142
Fax: (201) 943-6928

Leon Co. ("Operator"), having offices at:

Address: 301 South Monroe Street
Tallahassee, FL 32301
Telephone: 850-606-5300
Fax: 850-606-5301

Purpose of Agreement

RecycleTech has the lawful authority to place an EPS Extruding Machine ("Extruding Machine") that permits the melting of Expanded Polystyrene ("EPS"), through a method known as the Heated Extruding Process via a grant awarded by the State of Florida. Operator desires to obtain, via the grant and at the sole discretion of RecycleTech an Extruding Machine to densify all its EPS packaging materials waste byproducts of its operations.

RecycleTech requires that Operator sells, exclusively, to RecycleTech its entire production of Extruded EPS Material during the term of this Agreement. Operator is willing to sell to RecycleTech its entire production of Extruded EPS Material, provided RecycleTech pays Operator the agreed upon compensation and further provided RecycleTech agrees to buy all of Operator's production of Extruded EPS Material produced throughout the term of this Agreement.

In accordance with the terms and conditions of the grant, the machine must and always remain in the State of Florida. The terms and conditions of the original grant/lease with Polk County and the State of Florida remain in effect and are not superseded by this sub-lease agreement. Additionally, operator is responsible for submitting a monthly report to RecycleTech for submission to the state. The report format and instructions for submission will be provided prior to installation.

IN CONSIDERATION of the mutual promises herein, both parties intending to be legally bound, it is mutually agreed by and between the parties as follows:

- 1. Duration of Agreement.** This Agreement shall commence upon the 2nd day of September, 2008 and shall terminate on the 30th day of September 2011, unless sooner terminated by other provisions in this Agreement.
- 2. Equipment and Services.** RecycleTech shall provide, for the agreed upon compensation listed below, one complete EPS Extruding Machine capable of meeting Operator's needs to process its EPS packing material. This equipment shall carry a Serial Number, to be assigned. In addition hereto, RecycleTech shall deliver, install and

setup the equipment at Operator's premises and shall train Operator's personnel in the adequate operation of the equipment at the Operator's expense.

3. Delivery, Equipment and Services Price. RecycleTech shall deliver the unit on or before September 30, 2008 (or upon a mutually agreed upon date). Operator shall pay RecycleTech the total sum of \$1,000.00 for the delivery and installation, which are not covered by the grant, on the day of delivery/installation. FOB Lakeland, Florida. (This contract excludes sales or use tax. It is the responsibility of the purchaser to pay sales or use tax where applicable.)

4. Exclusivity. Throughout the term of this Agreement, Operator shall sell to RecycleTech and RecycleTech shall purchase from Operator all of Operator's production of Extruded EPS Material produced by Operator.

5. Extruded EPS Material Price and Other Obligations. RecycleTech shall pay Operator \$0.5 to .12 cents per pound for all Extruded EPS Material. Price depends upon the cleanliness of the material. The following services are included by the Operator in exchange for the agreed upon price per pound paid by RecycleTech :

- a. Processing
- b. Storage of Extruded EPS Material at Operator's premises
- c. Loading onto RecycleTech's supplied outgoing trucks at Operator's premises
- d. Weighing

It is the responsibility of the operator to accurately weigh the recycled EPS and mark each container or bag with its weight of recycled EPS and tare weight for the container or bag.

Bags in containers for shipment of EPS.

All EPS should be placed in bags or containers that hold 1100 – 1600lbs. The availability of bags varies, but a used bag, subject to availability, cost approximately \$4.00 used plus freight.

The foregoing \$0.5 to .12 cents per pound of Extruded EPS Material price is predicated on Operator producing clean EPS Material; however, if the EPS Material produced by Operator is contaminated with debris (i.e. cardboard, poly-ethylene, metals, general garbage, etc.), the price per pound shall be adjusted according to the quality of the EPS Material produced. RecycleTech's obligation to purchase the output EPS production shall not be affected by the quality of the EPS Material; only the price shall be affected. RecycleTech's obligation pursuant to the foregoing shall be limited to picking up full truck loads only. Less than full truckloads of containers may be delivered directly to RecycleTech by the Operator.

Payment due to Operator pursuant to this paragraph shall be made on a net 30 days basis from date of shipment. Any payments received by Operator after 30 days from date of shipment, shall bear interest at the highest lawful rate. All payments due to Operator shall be computed on the actual truck weight less tare and packaging. All Extruded EPS Material shall be FOB Operator's premises/ warehouse.

Although this Agreement requires Operator to sell to RecycleTech all of its Extruded EPS Material production, there shall be no obligation upon Operator to produce any minimum quantity of Extruded EPS Material.

6. Rights of First Refusal

RecycleTech is hereby granted the opportunity, following the termination of this Agreement, to continue to purchase the "Extruded EPS Material" at the same price and under the same terms and conditions as may be offered to any subsequent purchasers. This "Right of First Refusal" must be exercised by RecycleTech, if at all, within thirty (30) days following the termination of this Agreement and may be exercised only one (1) time and for one (1) year period of time unless extended by mutual written agreement between the parties.

7. Disclaimer

a. Operator disclaims any and all warranties, whether expressed or implied, fitness for use and/or merchantability, as to all Extruded EPS Material produced by and through RecycleTech's Extruding Machine.

b. Operator shall have no liability or responsibility for the shipped EPS material once the EPS material leaves Operator's premises

8. Representations by RecycleTech. RecycleTech represents and warrants to Operator as follows:

a. The Extruding Machine is capable of converting all of Operator's packing EPS material into Extruded EPS Material; and

b. The Extruding Machine satisfies all minimum safety and design requirements imposed by Government and Industry standards; and

c. During the term of this Agreement, the Extruding Machine shall be capable of performance for the intended use; and

d. Operation of the Extruding Machine does not violate patent rights, nor any federal, state, municipal, local or city ordinance(s) and/or statute(s); and

e. RecycleTech's personnel, involved in the training of the proper operation of the Extruding Machine, are qualified and knowledgeable to teach the proper and adequate operation of the Extruding Machine; and

f. RecycleTech shall promptly comply with all obligations of this Agreement.

g. RecycleTech is the lawful owner of the Extruding Machine provided via state grant to Operator, and the Extruding Machine is free from all encumbrances.

9. Exclusions from Warranty. Notwithstanding the foregoing, the following items are excluded from any warranty/service agreement by RecycleTech:

a. Bearings, v-belts, switches, buttons, belt replacement, machine greasing, clearing of material jams, and cleaning of machine.

b. Operational misuse shall not be covered by any warranties/service agreement. Any and all materials other than EPS that are put through this machine can potentially damage the unit or cause a foreign object to become lodged inside the extruder or damage the crusher and/or associated blades.

10. Further Obligations....

By Operator: Operator agrees to:

a. Pay for all utilities associated with the production of the Extruded EPS Material; and

b. Purchase any of the Extruding Machine wearable parts, including but not limited to, bearings, v-belts, switches and/or buttons required for the operation of the Extruding Machine; and

c. Provide general maintenance for the Extruding Machine, including but not limited to, Machine greasing on a monthly basis, belt replacement, as needed, clearing jammed material and general cleaning; and

By RecycleTech: RecycleTech agrees to:

a. Perform routine preventative maintenance and visually inspect the Extruding Machine every 6 months;

b. Provide advanced notice to Operator prior to any and all routine preventative maintenance; and

c. Provide competent personnel, at RecycleTech's expense to train Operator's personnel in the proper operation of the Extruding Machine; and

d. Assume responsibility and liability for the EPS material, once the EPS material leaves Operator's premises; and

e. Agrees to insure the EPS material cargo.

11. Indemnification.

a. Operator hereby agrees to be responsible for any and all damages caused by the activities or negligence of its employees or agents.

b. RecycleTech agrees to and does herewith indemnify and hold Operator harmless against all damages, debts, charges, claims, or liabilities (including attorneys' fees reasonably incurred by Operator) arising out of the breach of any representations and warranties made in this Agreement and/or default of any of the terms of this Agreement.

12. Miscellaneous.

a. This Agreement shall not be amended, modified, or supplemented unless by agreement in writing signed by both RecycleTech and Operator.

b. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida and venue for any litigation arising hereunder shall be Polk County, Florida.

c. This Agreement shall not be construed so as to create rights in persons or entities other than Operator or RecycleTech, as third party beneficiaries or otherwise.

d. The Recitals contained in the "Purpose of Agreement" are true and correct and are incorporated in this Agreement as part hereof.

IN WITNESS WHEREOF, this Agreement is executed on the date and year first noted above.
LEON COUNTY, FLORIDA

BY: _____ Date: _____
Jane G. Sauls, Chairman
Board of County Commissioners

ATTEST:
BOB INZER, CLERK OF THE COURT
LEON COUNTY, FLORIDA

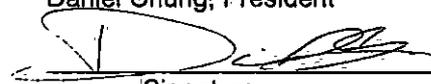
By: _____

APPROVED AS TO FORM:
LEON COUNTY ATTORNEY'S OFFICE

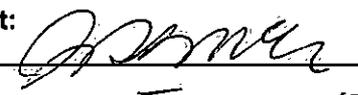
By: _____
Herbert W.A. Thiele, Esq.
County Attorney

RECYCLETECH TECH CORP., a New Jersey Corporation

RecycleTech, Inc.,
Daniel Chung, President



Signature

Attest:
By: 
Samie Pate