



OFFICE OF THE CORPORATION COUNSEL

VIA U.S. MAIL & E-MAIL

February 20, 2015

Clear Horizons Dane, LLC
ATTN: General Counsel
5070 North 35th Street
Milwaukee, WI 53209

*Re: Notices of Default –Ground and Equipment Leases
For the Anaerobic Digester Project*

Dear Sir or Madam:

This letter constitutes formal notice of default in reference to both the Ground Lease and Equipment Lease for the anaerobic digester project located in the Town of Vienna that were executed between Clear Horizons Dane, LLC and the County of Dane (“County”) on June 18, 2010. These notices are based upon Clear Horizons Dane, LLC’s failure to comply with the terms and conditions set forth in both leases.

Ground Lease

Section 25(c) of the Ground Lease requires that Clear Horizons Dane, LLC use the leased premises for the operation of an anaerobic digester in accordance with permits issued by the Wisconsin Department of Natural Resources (“DNR”). Likewise, Section 19 of the Ground Lease requires Clear Horizons Dane, LLC to comply with all state laws and regulations that pertain to the leased premises. Despite these material obligations, Clear Horizons Dane, LLC is currently facing multiple DNR violations for failing to comply with the air and water permits issued..

Equipment Lease

Section 4 of the Equipment Lease requires that Clear Horizons Dane, LLC use the County owned anaerobic digester equipment in conformance with all state laws and regulations that pertain to such equipment, and in conformance with the Grant Agreement between the County and the State of Wisconsin. As was referenced above, the DNR has found Clear Horizons Dane, LLC’s use of the equipment to be in violation of state law, and has issued multiple violations.

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Under Section 25 of the Ground Lease and Section 11 of the Equipment Lease, Clear Horizons Dane, LLC has thirty (30) days to cure the default by bringing the leased premises and equipment into compliance with state law. Failure to do so, will leave the County no choice but to consider that Clear Horizons Dane, LLC is in default of both leases. The County would then elect to invoke a number of the contractual remedies set forth in each lease, including but not limited to bringing an action to enforce the leases, recovering any damages caused by the default, and potentially taking possession of the County's equipment.

The nature of the violations that Clear Horizons Dane, LLC currently faces are serious, and demand immediate attention. The County expects that Clear Horizon Dane, LLC shall come into compliance with the various DNR violations within thirty (30) days of the postmark of this letter.

If you have any questions, please direct them to me at 608-266-1394. Thank you.

Sincerely,



Carlos A. Pabellón

Assistant Corporation Counsel

Dane County Corporation Counsel

cc: Norman Doll, Chief Operating Officer of Clear Horizons Dane, LLC (via email)
Jim Ditter, Chief Executive Officer of PPC Partners, Inc. (via email)
David Merritt, Director of Policy and Program Development (via email)
Kevin Connors, Director of the Land and Water Resources Department (via email)
Joshua Wescott, Chief of Staff for the Dane County Executive's Office (via email)