



January 31, 2006

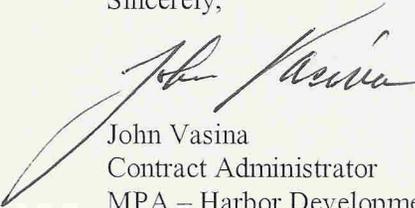
Ms. Heather Sites  
BWI Sparrows Point, LLC  
600 Shipyard Road  
Sparrows Point, MD 21219

Dear Ms. Sites:

Please note I have enclosed copy of a letter approving the extension of the Permit Agreement No. 305005 for disposal of 600,000 cubic yards of dredged material at the Maryland Port Administration's Hart Miller Island Containment Facility to January 31, 2007.

If you have any questions, please feel free to contact me at (410) 631-1102.

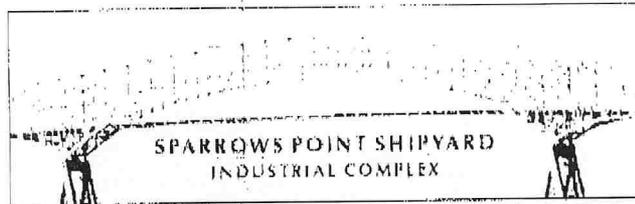
Sincerely,



John Vasina  
Contract Administrator  
MPA – Harbor Development

Cc: Frank Hamons  
David Bibo

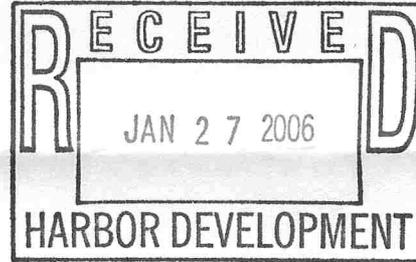
Governor Robert L. Ehrlich, Jr. ★ Lt. Governor Michael S. Steele ★ Transportation Secretary Robert L. Flanagan  
MPA Executive Director F. Brooks Royster, III ★ Maryland Port Commission: Wayne K. Curry,  
Brenda A. Dandy, E. Whitney Debevoise II, George C. Doub III, John G. Gary, Michael G. Martino



600 Shipyard Road, Sparrows Point, MD 21219

January 27, 2006

Maryland Port Administration  
Mr. John Vasina  
Maritime Center II  
2310 Broening Highway  
Baltimore, MD 21224-6621



Dear Mr. Vasina-

I am writing to follow-up on a phone conversation we had on January 23, 2006 regarding Permit Agreement No 305005 issued to BWI Sparrows Point, LLC. This permit expired as of December 31, 2005; however, we did not use any of the capacity afforded to us, as we have not yet started dredging operations.

This letter serves as a formal request to extend the permit expiration date for one year, to January 31, 2007. We will be finalizing the exact time period over the next few weeks, but the latest we would implement the dredging program would be fall of 2006. I will contact you as soon as we have set a start date.

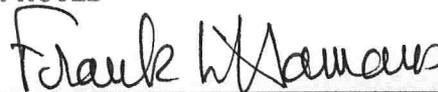
Please advise if there is any additional information I should provide.

Thank you.

BWI Sparrows Point, LLC

  
Heather Sites

APPROVED



DEPUTY DIRECTOR, HARBOR DEVELOPMENT

DATE

1/31/06

**HARBOR DEVELOPMENT INVOICE/CHANGE ORDER  
ROUTING SLIP**

*MHI Permit No. 30500*

Invoice \_\_\_\_\_

Change Order \_\_\_\_\_

Please indicate your concurrence for Frank to sign the attached document. Thank You.

	<u>Date Rec.</u>	<u>Date Fwd.</u>	<u>Initials</u>
<b>D. Bibo</b> I concur <input checked="" type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments _____ _____	<u>01 27 06</u>	<u>01 30 06</u>	<u>DB</u>
<b>N. Brown</b> I concur <input type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments _____ _____	_____	_____	_____
<b>K. Jones</b> I concur <input type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments _____ _____	_____	_____	_____
<b>B. Lear</b> I concur <input type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments _____ _____	_____	_____	_____
<b>P. Parker</b> I concur <input type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments _____	<b>First:</b> _____ <b>Final:</b> _____	_____	_____
<b>S. Storms</b> I concur <input type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments _____ _____	_____	_____	_____
<b>J. Vasina</b> I concur <input checked="" type="checkbox"/> .    I do not concur <input type="checkbox"/> . Comments <u>Permit extension to 01-31-2007</u> <u>600,000 cy</u>	<u>01-27-06</u>	<u>01-27-06</u>	<u>J.V.</u>

Permit No. 305005  
Effective Date: 10-13-04  
Expiration Date: 12-31-05

**PERMIT AGREEMENT  
FOR PLACEMENT AT  
HART-MILLER ISLAND CONTAINMENT SITE**

This Permit Agreement, made this 13<sup>th</sup> day of October, 2004, by and between the MARYLAND PORT ADMINISTRATION, an agency of the State of Maryland (hereinafter called "MPA"), as Permitter, and BWI Sparrows Point, LLC, a Corporation fully authorized to do business in Maryland, (hereinafter called "Permittee"), witnesseth:

WHEREAS, MPA is the owner of a tract of land in Baltimore County, Maryland, known as Hart-Miller Islands Containment Site, which said tract comprises 1,050 acres, more or less (the "Property"); and

WHEREAS, MPA is willing to make available portions of the Property, operated by the Maryland Environmental Service, an agency of the State of Maryland (hereinafter called the "Operator") to Permittee for placement of dredged material and

WHEREAS, Permittee is desirous of obtaining from MPA the permit, right and privilege of placing dredged material on certain approved portions of the Property.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto covenant and agree as follows:

1. Limited License To Enter. The MPA hereby gives and grants the Permittee and the Permittee hereby accepts, the permit, right and privilege, at its own risk and expense, to enter upon and have ingress and egress in respect of the Property for the singular and limited purpose of placing, at Permittee's sole expense, up to 600,000 cubic yards of dredged material to be dredged from areas known as BWI Sparrows Point, LLC, on the terms and conditions and in accordance with the rules and covenants and agreements hereinafter set forth, and in accordance with the Hart-Miller Islands Rules and Regulations (as reasonably amended from time-to-time), in accordance with Permittee's placement operations plan, and in accordance with applicable permits, laws, and rules and regulations. The dredged material shall be placed only on the unloading facilities, as designated on "Exhibit A" (hereinafter called "Facility").
2. Rights of Refusal/Rejection. The Permittee is responsible for inspecting all dredged material at the places of collection, and shall remove any and all dredged material that that does not satisfy the requirements of this Permit Agreement, or any applicable Federal, State, and local permits, laws, and rules or regulations. MPA has the right to refuse or reject any dredged material delivered to its Facility, if the MPA reasonably believes the Permittee has breached (or is breaching) its warranties or agreements hereunder, or any applicable Federal, State or local laws, regulations, rules

or orders, even if only a part of such dredged material is unacceptable. The MPA shall have the right to inspect all equipment of the entity delivering such dredged material, including its vessels, in order to determine whether the Waste is acceptable or unacceptable pursuant to this Agreement and all applicable Federal, State and local laws, rules and regulations. The MPA's exercise, or failure to exercise, its rights hereunder shall not operate to relieve the Permittee of its responsibilities of liability under this Agreement. The Permittee shall be responsible for, and bear all reasonable expenses and damages incurred by the MPA, as a result of the delivery of unacceptable dredged material and its removal from the Facility. The MPA, may also, in its sole discretion, require the Permittee to promptly remove the dredged material. By appropriate agreement, the Permittee shall require each of its subcontractors to be bound to the Permittee by the terms of this Agreement and to assume toward the Permittee all of the obligations and responsibilities which the Permittee by this Agreement assumes toward the MPA; provided however, that Permittee's agreement with its subcontractors shall not be construed to relieve Permittee in any respect from liability to MPA hereunder.

3. Non Interference. Permittee shall not interfere with, hinder or delay any activity being performed by the MPA or other authorized persons in the vicinity of or on the Property.
4. Notice of Scope and Timing of Delivery. Permittee shall notify the MPA and the Operator at least ten working days prior to commencing placement of dredged material at the Facility. Failure to make notification as specified is a breach of this Permit Agreement and, at the option of the MPA, may result in the immediate termination of the right of placing dredged material at the Facility. Permittee shall notify the MPA and Operator at least five working days prior to terminating placement of dredged material at the Facility. Permittee shall provide a survey to determine the "cut volume" of material deposited within the Facility. The type of survey is to be approved by the MPA.
5. Charges and Payment. Permittee shall pay the MPA two dollars (\$2.00) per cubic yard of material placed within the Facility ("user charges"). Such payments for user charges shall be payable monthly, by the Permittee. During each month a copy of the Permittee's dredger's estimate shall be forwarded for the previous month's work by the Permittee to the Comptroller, MPA. The MPA will forward an invoice for payment based on the dredger's estimate. All payments shall be directed to the attention of the Comptroller, MPA. Payments shall be due within thirty (30) calendar days of the first of each month for the duration of this Permit Agreement. Failure to provide the dredger's estimate and to make payment as specified is a breach of this Permit Agreement, and at the option of the MPA, may result in the immediate cancellation of the right, license, and privilege granted hereby. If Permittee designates a third party to pay user charges, the Permittee shall continue to be responsible for payment of user charges.
6. Right of Disposal. This Agreement does not grant any rights to dispose of dredged material other than in accordance herewith. The MPA reserves the right to immediately terminate access to the Facility by Permittee and Permittee's personnel or

representatives in the event of breach or violation by Permittee of any of the terms of this Agreement, the MPA's operating rules or payment policies or any applicable laws or regulations.

7. Completion of Disposal. Permittee shall have until December 31, 2005 to completely terminate its operations and activities on the Property, vacate and remove any and all of its equipment and other property therefrom, unless this Permit Agreement has been specifically altered or amended by a written instrument signed by the MPA and the Permittee.
  
8. Assignment. No assignment by Permittee in whole or in part of this Permit Agreement or of the license herein granted and no sublicense shall be made or granted by Permittee without the prior written consent of the MPA, which consent shall not be unreasonably withheld; provided, however, that nothing herein shall prevent Permittee from contracting with a third party or third parties to provide placement or other services at the Property as permitted or required by this Permit Agreement.
  
9. Indemnification. To the extent permitted by law, Permittee shall and does indemnify and hold the MPA and its contractors, including Operator, harmless, and agrees to defend them, from and against any and all claims, actions, causes of action, demands, rights, damages, and costs whatsoever arising from Permittee's use or occupation of the Property, or arising from any breach or default in the performance of any obligation on Permittee's part to be performed under the terms of this Permit Agreement, or arising from any negligence of Permittee or any of its agents, contractors or employees, and from and against all costs, attorney's fees, and expenses incurred in the defense of any such action or proceeding brought thereon. The Permittee shall incorporate by reference or otherwise include provisions in every subcontract issued pursuant to or under this Agreement indemnifying and holding harmless MPA and the Operator, and shall require that the same reference or inclusion be contained in every subcontract entered into by any of its subcontractors.
  
10. Insurance. Permittee shall obtain and keep in force, or shall cause its contractors to obtain and keep in force, during the term of this Permit Agreement the following insurance:
  - A. Workers' Compensation
    1. Worker's Compensation insurance as required by the laws for the State of Maryland, which shall include Employer's Liability coverage with a minimum limit of \$500,000.
    2. Such policy or policies of insurance mentioned above shall also include coverage for the benefits set forth under the U.S. Longshoremen and Harborworkers Compensations Act, the Jones Act and other Federal laws where applicable.
  - B. Liability Insurance – Commercial general liability insurance covering the full scope of this Permit Agreement with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for personal or bodily injuries and

\$1,000,000 per occurrence and aggregate for property damage. A combined single limit per occurrence of \$2,000,000 is acceptable. Such insurance shall include but shall not be limited to the following:

1. Comprehensive general liability insurance including a comprehensive broad form endorsement and covering: a) all premises-operations; b) completed operations; c) independent contractors d) liability assumed by oral or written contract or agreement, including this Permit Agreement; e) additional interests of employees; f) notice of occurrence; g) knowledge of occurrence by specified official; h) unintentional errors and omissions; i) incidental (contingent) medical malpractice; j) extended definition of bodily injury; k) personal injury coverage (hazards A and B) with no exclusions for liability assumed contractually or injury sustained by employees of Permittee; l) broad form coverage for damage to property of the MPA, as well as other third parties resulting from completion of the Permittee's services.
2. Comprehensive business automobile liability insurance covering use of any motor vehicle to be used in conjunction with this Permit Agreement, including hired automobiles and non-owned automobiles.

If any operations performed within the scope of this Permit Agreement by Permittee or its subcontractors require the use of any aircraft or watercraft (owned or non-owned), Permittee shall maintain liability insurance satisfactory to the MPA to cover such activities. Such coverage must be included as underlying insurance in any umbrella policies carried by the Permittee.

- C. Marine Protection and Indemnity with minimum limits of \$2,000,000 bodily injury and property damage for each occurrence, including master and crew. Coverage shall also extend to include ship collision.

All insurance policies required in this Permit Agreement shall provide that the insurance carrier will be responsible for giving immediate and positive notice to MPA in the event of cancellation or modification of the insurance policy by either the insurance carrier or Permittee at least thirty (30) days prior to any such cancellation or modification. If Permittee or its contractors shall fail to procure and maintain said insurance, the MPA may, at its discretion, procure and maintain the same, but at the expense of Permittee. Permittee shall deliver to the MPA, certificates evidencing the existence and amount of such insurance.

11. Failure to Perform. The MPA shall not be liable for its failure to perform hereunder due to circumstances not its fault and beyond its reasonable control, including but not to: strikes or other labor disputes, riots, protests, civil disturbance or sabotage, changes in the law, fires, floods, compliance with government requests, explosions, accidents, weather, lack of required natural resources, or acts of God. In the event of any of the circumstances provided for in the preceding sentence, including but not limited to whether any Federal, State or local court or governmental authority takes any action-which would: (1)close or restrict operations at the Facility; (2) limit the quantity or prohibit the disposal of dredged material at the Facility, or (3) limit the ability of or prohibit Permittee from delivering dredged material to the Facility, the MPA shall have

the right, at its option, to reduce, suspend or terminate the Permittee's access to the Facility immediately, without prior notice and without any additional notice between the parties.

12. Successors. This Permit Agreement, shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto, subject to Section 8 hereof, but except as in this Permit Agreement otherwise provided, no other party shall have or acquire any right hereunder.
13. Notices. All notices required to be given hereunder shall be in writing and shall be personally hand-delivered or mailed by certified mail, return receipt requested, to the following address or to such other address as either party may hereafter direct in writing:

If to MPA:

Maryland Port Administration  
Point Breeze Maritime Center II  
2310 Broening Highway  
Baltimore, Maryland 21224-6621  
ATTN: Frank L. Hamons, Deputy Director  
Harbor Development

If to Permittee:

BWI Sparrows Point, LLC  
40 Shawmut Road  
Suite 200  
Canton, MA 02021  
ATTN: Vincent Barletta, President

14. Property "As Is". The Permittee, for itself and others in its employ, assumes full responsibility and liability for entering on and working at the Property accepting said Property in an "as is – where is" condition understanding that the MPA does not warrant or promise anything about the safety and/or suitability of Property for the Permittee's entry or activity and/or work thereon.
15. Property Clean Up. The Permittee agrees to return the Property to the same condition as existed prior to entry except for what might change as a result of the Permittee's work thereon unless the MPA requires the Permittee to repair the changes to the Property before leaving and the Permittee will promptly comply with the MPA's repair requirement. (Not sure what the bolded area is trying to say)
16. Governing Law. The MPA and the Permittee agree this Agreement will be governed by Maryland Law. The Permittee hereby consents and submits to the exercise over it of jurisdiction by the courts of and in the State of Maryland, and also waives any objection it might have with respect to venue in Baltimore City of any court action arising in relation to this Permit Agreement.

17. Compliance With Law. Permittee warrants that it is in compliance with and will perform its obligations pursuant to all applicable laws and regulations and shall indemnify, defend and hold harmless MPA from any breach thereof. The Permittee agrees to use reasonable efforts to ensure for itself, and for those in its employ, that all activities at the Property shall be conducted in a safe and secure manner using reasonable precautions to protect and secure persons and property at and near the Property during the Permittee occupancy and use of the Property.

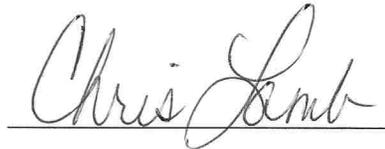
IN WITNESS WHEREOF, the parties hereto have caused this Permit Agreement to be executed in duplicate by their duly authorized officers as of the day and year first written above.

Approved as to Form and Legal Sufficiency



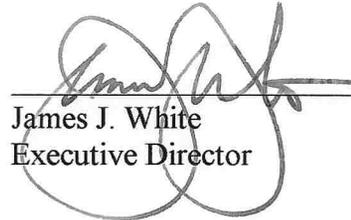
Robert Munroe  
Assistant Attorney General

WITNESS:



MARYLAND PORT ADMINISTRATION

By:



James J. White  
Executive Director

WITNESS:

*Jean H. Fransee*  
*Notary Public*  
*My Commission Expires 9/4/04*

PERMITTEE:

By:



Name: Vincent Barletta  
Title/Company: President,  
BWI Sparrows Point, LLC

MPA Review:



~~Richard L. Sheckells, Jr.~~  
~~Director of Planning & Environment~~

KATHY BROADWATER  
DEPUTY EXECUTIVE DIRECTOR



Frank L. Hamons  
Deputy Director, Harbor  
Development