

Prepared By: Veolia ES Lancaster, LLC
2487 Cloverleaf Road
Elizabethtown, PA 17022
Return To: Morgan, Hallgren, Crosswell & Kane, P.C.
700 N. Duke St. P. O. Box 4686
Lancaster, PA 17604-4686
Parcel ID #: 460-98286-0-0000

**HOST MUNICIPALITY SERVICE FEE AGREEMENT
BETWEEN
THE TOWNSHIP OF MOUNT JOY, PENNSYLVANIA
AND
VEOLIA ES LANCASTER, LLC**

This Host Municipality Service Fee Agreement (the "Agreement") is entered into this ____ day of October, 2007 by and between the TOWNSHIP OF MOUNT JOY, Lancaster County, Pennsylvania ("Township"), a township of the second class organized under the laws of the Commonwealth of Pennsylvania, with offices at 159 Merts Drive, Elizabethtown, Pennsylvania, 17022 and VEOLIA ES LANCASTER, LLC (formerly Onyx Lancaster, LLC), a limited liability company organized and existing under the laws of Pennsylvania, with a mailing address of 2487 Cloverleaf Road, Elizabethtown, PA, 17022 ("Veolia").

WITNESSETH THAT:

WHEREAS, Veolia owns a certain parcel of real property containing approximately 136.1 acres located in Mount Joy Township, Lancaster County, Pennsylvania, as depicted on the attached Exhibit A ("Site") on which it is operating a construction and demolition landfill ("Landfill") pursuant to Solid Waste Permit No. 101559 ("Permit") issued by the Pennsylvania Department of Environmental Protection ("PaDEP"); and

WHEREAS, Veolia desires to continue the existing use of the Site for the Landfill and obtain a modification of its Permit from PaDEP to undertake the next phase of its landfill operations to expand disposal areas of the Landfill ("Permit Modification") in accordance with all applicable laws, statutes, and regulations of the PaDEP, the Lancaster County Solid Waste Management Authority ("LCSWMA"), and any other governmental agencies having jurisdiction over the Landfill; and

WHEREAS, the Township desires to allow Veolia's continued use of the Site as a PaDEP Landfill pursuant to its Permit while assuring the maintenance of certain standards of operation, testing, and use of the Landfill, the maintenance and restoration of Township and state roads to be used by traffic to and from the Site, and the priority disposal of locally generated or directed construction and demolition waste and tires at the Site; and

WHEREAS, it is the intention of the parties that the residents and taxpayers of the Township shall not bear any burdens, financial or otherwise, through the establishment, continuation or

operation of the Landfill use at the Site, and this Agreement shall be interpreted in furtherance of that intention; and

WHEREAS, the Mount Joy Township Zoning Hearing Board (the "Zoning Hearing Board" or "Board") after a number of hearings granted two special exceptions based on the then provisions of the Zoning Ordinance of Mount Joy Township to Veolia's predecessors in title to develop the Site for a landfill. The first special exception, dated December 10, 1988 authorized the use of the Site for a disposal of construction demolition waste and the second, dated November 13, 1991, authorized the use of the Site for additional types of waste, specifically residual waste and special handling waste (the "Special Exceptions"). Both Special Exceptions were accompanied by extensive agreements between the owner and the Township concerning the use and operation of the Landfill which were made conditions of the Special Exceptions; and

WHEREAS, the Board of Supervisors enacted a new Zoning Ordinance containing a revised Official Zoning Map on January 19, 1998, pursuant to which a portion of the Site was classified as Agricultural District; and

WHEREAS, by a written decision dated December 4, 2002, the Zoning Hearing Board granted approvals to enable the use of the entire Site for landfill purposes in accordance with the Special Exceptions previously issued and, with the consent of Veolia, subject to various conditions; and

WHEREAS, the parties have entered into an Agreement for Construction and Dedication of Sewer Line By and Among Onyx Lancaster, LLC and Mount Joy Township Authority and Mount Joy Township, dated as of June 28, 2005, and recorded July 6, 2005, at Document No. 5437661 in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania, as amended by Amendment to Agreement for Construction and Dedication of Sewer Line by and among Onyx Lancaster, LLC, now by change of name Veolia ES Lancaster, LLC, Mount Joy Township Authority, and Mount Joy Township dated as of September 18, 2006, and recorded October 11, 2006, at Document No. 5563406 in the Office of the Recorder of Deeds in and for Lancaster County, Pennsylvania (the "Sewer Line Agreement"); and

WHEREAS, the Board of Supervisors was provided with a copy of the PowerPoint presentation which Veolia made at the December 18, 2006 meeting of the Board of Supervisors which discusses preliminary plans for the Permit Modification as of such date, including proposed final grades, tree cover, lines of sight, the liner system, and the cap system (the "December 18, 2006 Presentation"); and

WHEREAS, Veolia intends to expand its existing facility disposal area and permit boundary and continue to operate the Landfill within the Township; and

WHEREAS, the operation of the Landfill will result in the use by Veolia of Township services; and

WHEREAS, the Township and Veolia have agreed to enter into this Agreement to reimburse the Township for its costs associated with the Landfill's use of Township services contingent upon the issuance of the Permit Modification by the PaDEP on or before the commencement date of this Agreement;

NOW, THEREFORE, the Township and Veolia in consideration of the above premises and the covenants set forth herein, the parties hereto, each expressing the intent to be legally bound hereby, do mutually covenant and agree as follows:

1. EXISTING AGREEMENT.

- a. The existing host municipality agreement dated December 13, 2002 (the "Existing Agreement") shall remain in full force and effect and shall specifically supersede this Agreement until the date on which the PaDEP issues the Permit Modification.
- b. Upon issuance of the Permit Modification, the Existing Agreement shall terminate and this Agreement shall take effect, with a term commencing on the date of issuance of the Permit Modification and continuing until the active life of the Landfill ceases, ~~and~~ the Landfill is no longer accepting waste, and Veolia has satisfied all obligations under this Agreement.

2. PERMITTED USE.

- a. Landfill operations and fees shall comply with the following requirements:
 - 1) Veolia shall be permitted to operate the Landfill for the purpose of disposal or recycling of all construction and demolition waste, residual wastes, special handling waste and tires in accordance with the Permit, the Permit Modification and the Tire Processing Facility Permit, Solid Waste Permit No. 301325 (collectively, "Waste") which shall not include pathogenic, infectious, chemotherapeutic, municipal or hazardous waste or discarded appliances. For purposes of this Agreement, the terms "residual waste", "special handling waste", "pathogenic waste", "infectious waste", and "chemotherapeutic waste" shall have the meanings assigned to those terms in the Permit and/or the Permit Modification and under the Pennsylvania Solid Waste Management Act and the regulations promulgated there under.

Veolia will fully comply with all requirements that PaDEP may impose in the Permit Modification or in any other PaDEP permits or approvals with respect to the operation of the Landfill.
 - 2) Veolia shall also be permitted to conduct all necessary or desirable activities auxiliary to the operation of the Landfill, including those set forth in the Permit and the Permit Modification and pursuant to applicable laws, statutes, and regulations of the PaDEP, including without limitation by way of

example, heavy equipment cleaning, fuel and lubricant storage, landfill equipment maintenance shop, leachate storage, leachate treatment or pretreatment plant, leachate pumping station, offices, office trailers, laboratory, gatehouse, scale, security maintenance trailer, security booth, equipment storage areas, tire storage and shredding facilities, equipment and general parking areas, and all other facilities as may be necessary to conduct safe and efficient operations at the Landfill.

- 3) Veolia shall be strictly limited to the disposition or recycling of Waste as herein defined, and no other materials at the Site. If Veolia desires to expand the activities at the Site to include the disposition of additional types of waste material, it shall be required, in addition to any other permits which may be needed, to reappear before the Zoning Hearing Board to receive that body's approval for the receipt of such additional types of waste. The parties agree that any such application to the Zoning Hearing Board shall be in the form of a request to amend Veolia's Use Variance and shall be adjudicated by the Zoning Hearing Board on the same grounds as any Use Variance request would then be adjudicated.
- 4) Veolia shall pay to the Township, on or before the 20th day of January, April, July and October of each year, and in satisfaction of all amounts otherwise payable by Veolia to the Township as a result of the disposal of Waste at the Landfill, an amount equal to one dollar and thirty cents (\$1.30) per ton of Waste deposited at the Landfill during the preceding calendar quarter, or such greater amount as may be required by state or federal law in the future. Veolia shall accompany payment with a copy of the scale back-up report for the preceding calendar quarter. If Veolia would fail to make payment on the date specified, a late fee shall be assessed in an amount equal to 6% per annum, compounded daily on such unpaid balance due.
- 5) Notwithstanding the foregoing, should the disposal of waste other than the Waste permitted to be deposited at the Landfill pursuant to this Agreement be permitted to be deposited at the Landfill at any point in the future, Veolia shall pay to the Township a tipping fee for the disposal of such waste in accordance with the then-applicable provisions of Pennsylvania law governing waste disposal, or such greater amount as may be required by state or federal law in the future.
- 6) The Township and Veolia understand and agree that if the Commonwealth of Pennsylvania and/or other Governmental bodies enact legislation to put in place a mandated host fee, the fees agreed upon in this Agreement shall be credited against any such mandated host fees.

- 7) The term of this Agreement shall continue until the Landfill's disposal area is filled and waste is no longer received at the Site. Notwithstanding the foregoing, this Agreement shall continue in full force and effect insofar as it relates to Veolia's obligations upon closure of the Landfill. The final payment date hereunder shall be the end of the calendar quarter in which the Landfill ceases waste receipt and disposal; and, further provided that the term of this Agreement may be extended with the consent of both parties upon terms and conditions agreed upon by the parties.
- 8) The Township and Veolia understand and agree that the Host Municipality Service Fee payable hereunder is being paid by Veolia in lieu of any tax or fee or other payment related to the operation of the Landfill (excluding real estate taxes) which might have been or could be imposed by the Township upon the Landfill. In consideration of the benefits of this Agreement, the Township therefore agrees that, during the term of this Agreement, it will not enact any ordinance or take other official action which would impose any tax, fee or other payment upon Veolia (excluding real estate taxes) in connection with the operation of the Landfill nor will it enact any ordinance restricting the operations and expansion of the facility.
- 9) The Township and Veolia understand and agree that this Agreement contains the entire agreement of the parties with respect to the matters covered by this Agreement. No other prior agreement, contract or promise made by any party, or agent of any party, related to service fees which is not contained in this Agreement shall be binding, valid or of any legal effect whatever.
- 10) The Township and Veolia understand and agree that if any provision of this Agreement shall be declared unconstitutional or unenforceable for any reason by final, unappealable order of a court of competent jurisdiction, all other provisions of this Service Fee Agreement shall remain in full force and effect and all fees paid to the Township hereunder up to the date of such declaration shall be retained by the Township.
- 11) For purposes of the payment of fees, Waste disposal shall not include the use of ground or processed tires used as a component in the liner system or for environmental protection as approved by PaDEP.
- 12) If Veolia shall fail to pay all tipping fees due and payable, or if Veolia shall fail to comply with any of the provisions of this Agreement, then upon Veolia's failure to cure after 30 days written notice, Veolia shall no longer have the right to dispose of any waste at the Landfill.
- 13) With the final closure of the Landfill, Veolia will develop and maintain a grass and woodland park area at the Site near and around the Gourd Pond

area of the Site and throughout other areas of the Site for the use of the general public in a manner consistent with the closure requirements for the Landfill pursuant to the Permit and/or Permit Modification. The park facilities will be constructed and maintained by the Landfill during the entire Post-Closure period required by the state. As part of the development of this park area, Veolia will plant the entire Landfill area with native grasses and other native flora.

- b. The Township agrees that it shall, to the extent it has the power, grant or cause to be granted all permits necessary or desirable in Veolia’s reasonable business judgment for the operation of the Site; upon submission by Veolia of all proper and complete applications for the same, so long as said proposed activities and applications comply with all then applicable zoning, subdivision, land development, environmental, and waste disposal ordinances and regulations in effect in the Township or in the County of Lancaster if the County has jurisdiction over the Township at the time of Veolia’s application.
- c. The conduct of the business at the Landfill shall be limited to the following days and hours of operation for disposal and processing of Waste and other activities, other than in response to an emergency or with pre-approval from the Township in the case of (1) equipment breakdowns or (2) certain construction operations:

Monday - Friday (Summer): 6:30 a.m. — 6:30 p.m.

Monday - Friday (Winter): 6:30 a.m. — 5:30 p.m.

Saturday: 7:00 a.m. — 1:00 p.m.

Sunday: Closed

For the purposes of this paragraph, “Summer” shall mean anytime that Daylight Savings Time is in effect in the area encompassing the Township; provided, however, that if Daylight Savings Time ceases to be implemented in such general area, or is limited to a shorter period of time than between at least April 15 through October 15 of a calendar year, the “Summer” shall be deemed to be that period from April 15 through October 15 of each calendar year. Landfilling, or auxiliary operations, will not be permitted on the Site, unless authorized pursuant to applicable permit(s) from the PaDEP or the U.S. Army Corps of Engineers (“Corps”), within 100 feet of any area designated, from time to time, as “Wetlands” under applicable Pennsylvania or Federal Environmental Protection Agency or Corps regulations, nor within 300 feet of any residential structures existing on properties adjoining the Site Property as of the effective date of this Agreement.

3. TIRES.

Veolia will fully comply with the requirements of the PaDEP requiring stockpiling, shredding, recycling and disposal of tires located at the Site.

4. PRIORITY DISPOSAL AND INTERMUNICIPAL WASTE DISPOSAL AGREEMENT.

- a. To the extent legally required, Veolia shall, prior to accepting Waste from any other source, accept and dispose of all Waste directed to the Site by the LCSWMA. Veolia may accept Waste from any other source to the extent that the Waste directed to the Site by the LCSWMA is less than the level permitted to be received by Veolia pursuant to its permits from the PaDEP or any other governmental or quasi-governmental agency having jurisdiction over the Landfill. To the extent that the amount of Waste directed to the Landfill by the LCSWMA is greater than that permitted pursuant to Veolia's permit, Veolia may accept only LCSWMA-directed Waste at the maximum permitted levels, and in such event Veolia may not accept Waste from any other source.
- b. Veolia recognizes that the Township through the Intermunicipal Agreement Governing Disposal of Solid Waste and Other Activities Relating to Management of Municipal Waste agreed to and did enact a Waste Flow Ordinance, Ordinance No. LXXXVI, which provides for the disposal of waste and the operation of landfills in accordance with the Lancaster County Waste Management Plan. Veolia agrees that, to the extent such Plan and Agreement are legally enforceable, its operations shall be in compliance with the Lancaster County Waste Management Plan, the Township Ordinance, and the Intermunicipal Agreement.

5. TESTING, INFORMATIONAL REQUIREMENTS, AND ENFORCEMENT.

- a. Veolia will retain, during both the permitting process and the operational period, a complete copy of all required governmental filings at the Site, and such filings shall be available for review by any authorized representative of the Township during normal operating hours of the Site, with reasonable advance notice. During the permit application process, Veolia shall deliver to the Township copies of all applications, data, information or studies submitted to PaDEP.
- b. Authorized representatives of the Township may enter the Site, with advance notice, during normal operating hours to perform any desired testing on the Site so long as Veolia has an opportunity to split samples and to run concurrent tests with the Township and compare the results of such tests with the results of any tests conducted by the Township.
- c. Authorized representatives of the Township may inspect the Site without notice so long as: (1) all such persons entering the Site comply with all safety regulations and

standards normally imposed by Veolia on all individuals entering the Site; and (2) the frequency of such inspections is not unreasonable. Because Veolia's failure to comply with the following provisions of this Agreement may result in injury to the Township that may be difficult to measure, the parties agree that the Township may assess liquidated damages against Veolia in the following amounts under the circumstances described. Such damages shall not be a substitute for specific performance by Veolia or for penalties that may be imposed by law or regulation, but shall be in addition to such performance and penalties:

- 1) Failure to have an employee walk Cloverleaf Road from the Landfill to Milton Grove Road once each day that the Landfill is open for operation in order to pick up Waste that has been blown from or fallen from trucks traveling to or from the Landfill: \$100.
- 2) Failure to water dirt roads in use by the Landfill once each day that the Landfill is open for operation unless there has been precipitation or freezing weather during such day: \$100.
- 3) Failure to notify the Township at least 48 hours prior to the collection of samples from ground water monitoring wells in accordance with PaDEP requirements for quarterly monitoring: \$500.
- 4) Failure to provide the Township with copies of permanent ground water monitoring well analytical test results as provided to PaDEP on PaDEP Form 21, Construction/Demolition Waste Landfills Quarterly Water Quality Analyses, or as may be provided on other forms as PaDEP may require, within one week after submittal to PaDEP: \$500.
- 5) Failure to provide the Township with a copy of any Landfill or Tire Processing Permit modification application submitted to PaDEP within one week after date of submittal to PaDEP: \$500.
- 6) Failure to prevent waste hauling vehicles from parking with engines running on the Landfill's paved access road between Cloverleaf Road and the Landfill's interior gates before 6:30 a.m. after written notice from the Township Code Enforcement Officer and 48 hours from the time of service of such notice to cure: \$100 per vehicle.
- 7) Acceptance of Waste at the scalehouse before or after the hours during which acceptance of Waste is authorized as set forth in Section 2(c): \$500.
- 8) Conduct of any activities other than (1) activities in response to an emergency or (2) activities which have received pre-approval from the Township in the case of equipment breakdowns or certain construction

operations before or after the hours of operation set forth in Section 2(c): \$500.

- 9) Failure to repair required fencing after written notice from the Township Code Enforcement Officer and 48 hours to cure: \$150 per day.
- 10) Failure to provide a copy of the radiation monitoring incident report within 48 hours after a written request from the Township Code Enforcement Officer: \$150 per day.

The Township Code Enforcement Officer shall be specifically empowered to monitor, inspect and enforce compliance with the foregoing subparagraphs (1)-(10) of this Section 5(~~de~~). Any monitoring or inspection with respect to which enforcement action is taken shall be performed in person by the Township Code Enforcement Officer and otherwise in accordance with this Agreement. The Township Code Enforcement Officer shall provide Veolia with written notice of any enforcement action taken under Section 5(c) and the imposition of penalties thereunder. The notice shall include (a) a description of the incident giving rise to the violation, (b) the date thereof, (c) a description of any monitoring or inspection performed by the Township Code Enforcement Officer in connection with the incident, and (d) the paragraph of Section 5(c) alleged to have been violated. Veolia shall pay any penalties imposed by the Township Code Enforcement Officer in accordance with Section 5(c) within 30 days after receipt of a notice thereof, unless Veolia has filed an appeal from the imposition of the penalty to the Board of Supervisors. All appeals to the Board of Supervisors shall be in writing, shall specify the penalty from which the appeal is filed, shall be verified, and shall state all of the grounds for the appeal. The Board of Supervisors will consider such appeals in accordance with the requirements of the Local Agency Law, 2 Pa. C.S. §551 et seq.

- e. Veolia agrees to maintain a radiation detection device at the Landfill as long as the Landfill is accepting waste.

6. ROUTE DESIGNATION. IMPROVEMENT. USE AND MAINTENANCE.

- a. Veolia and the Township have agreed on a primary route to the Site ("Designated Route"), as shown on Exhibit B. Veolia shall disseminate maps of the Designated Route to all haulers to use for access to and from the Site during the time that the Site is operational. Veolia shall use all reasonable efforts to assure that haulers using the Site will follow only the Designated Route, including but not limited to the preparation of a brochure for distribution to haulers outlining the designated Route and the posting of signs along the Designated Route, if so authorized by the Pennsylvania Department of Transportation or the Township. Veolia shall use all

reasonable efforts to obtain the authorization of the Department, if necessary, for the posting of such signs. In the event that Veolia receives notice from the Township that a specific truck has not followed the Designated Route, that truck will be prohibited from delivering that load to the Site. Veolia will keep a list of the individual drivers and the hauling companies who have not followed the Designated Route. If the same individual driver does not follow the Designated Route three (3) times in any six (6) month period, Veolia shall notify the driver's employer that such driver will no longer be permitted to deliver to the Site. If trucks of the same hauling company do not follow the Designated Route six (6) times in any six (6) month period, Veolia shall notify that hauling company that its offending trucks will not be permitted to deliver to the Site for a period of one (1) year. The Township acknowledges, however, that Veolia has no legal authority to compel the use or disuse of any specific roadway and agrees that Veolia has no obligation to enforce the Designated Route except as set forth above.

- b. Veolia shall use all reasonable efforts to cooperate with the Township to assure that haulers using the Site will operate vehicles in accordance with the weight limits set forth in the Pennsylvania Vehicle Code, 75 Pa. C.S. §101 et seq., and the applicable regulations of the Pennsylvania Department of Transportation. Veolia shall retain, for a reasonable time, all weight records for trucks arriving at the Site and shall make such records available to the Township at the Township's request.
- c. If at any time after commencement of operations at the Site and prior to closure or cessation of waste disposal activities at the Landfill the Commonwealth shall return to the Township any of the State roads along the Designated Route for ownership and maintenance, the Township Engineer and representatives of Veolia will ascertain the condition of such roads. In the event of a dispute as to the condition of the roads, the reasonable determination of the Township Engineer shall be final. Veolia shall at all times during the term hereof maintain such former State roads along the Designated Route to that condition.
- d. If at any time the Township determines that the condition of any Township road along the Designated Route (currently limited to Cloverleaf Road) has not been properly maintained by Veolia, the Township shall give Veolia written notice of this determination. Veolia shall restore such road to the required condition as set forth above within forty-five (45) days, or the Township shall have the authority to undertake the necessary work and invoice Veolia; provided, however, that if a more expeditious repair is required for safety reasons, Veolia shall undertake temporary repairs as quickly as reasonably possible in light of surrounding circumstances.
- e. Veolia shall employ appropriate controls to limit dust and dirt at the Landfill and shall employ appropriate controls to minimize the tracking of mud from the Landfill onto Township roads.

- f. In order to ensure that Cloverleaf Road shall be properly maintained, Veolia shall provide the Township with an irrevocable letter of credit or a bond acceptable to the Township Solicitor in an amount not to exceed \$500,000 or such lesser amount as the Township engineer deems appropriate. Such bond or letter of credit shall contain a requirement that the Township be provided with written notification a minimum of sixty (60) days prior to the annual renewal date if the banking institution or bonding company intends to cancel or terminate the assurance. If the Township receives such notification, Veolia shall have 30 days to provide the Township with a suitable substitute form of assurance in a form and content acceptable to the Township Solicitor. Failure to provide a suitable replacement form of assurance shall be considered a default under this Agreement and shall entitle the Township to make a demand for payment under the bond or letter of credit. Upon closure of the Landfill, Veolia shall either (1) contribute to the Township 80% of the contract cost of milling and resurfacing the entire width of Cloverleaf Road with 1.5 inches of wearing course from Mount Pleasant Road to the Landfill entrance determined by bids received for the Township for such work or (2) mill and resurface the entire width of Cloverleaf Road with 1.5 inches of wearing course from Mount Pleasant Road to the Landfill entrance. If Veolia elects to make payment to the Township, the Township shall obtain bids within one year after the Landfill closes and shall release Veolia's bond upon receipt of the contribution from Veolia. If Veolia elects to complete the work, the Township shall reimburse Veolia for 20% of the documents costs incurred by Veolia and shall release Veolia's bond within 60 days after receipt of an invoice from Veolia. This work shall be performed in accordance with Pennsylvania Department of Transportation Publication 408.
- g. During the operation of the Landfill, on an annual basis, the Township engineer and a representative of Veolia shall inspect the Township roads along the Designated Route and shall redetermine the amount of financial assurance required to ensure proper maintenance of the roads. If a dispute as to the condition of the roads or the required financial assurance arises, the reasonable determination of the Township Engineer shall be final.

7. SECURITY AND SCREENING.

Veolia shall at all times:

- a. Maintain chain link fencing of a minimum of six (6) feet in height and topped with barbed wire along Quarry Road and where indicated on attached Exhibit A, and "highway" fencing of a minimum of three feet in height around the remaining perimeter of the Site.
- b. Maintain gates across all vehicular accesses to the Site, which shall be kept locked except when in use during Veolia's normal business hours as prescribed herein.

- c. Maintain to the extent practicable, and replace if necessary, all berming and organic materials presently located within the buffer area on the Site as shown on Exhibit A serving to screen the Site from all immediately adjacent parcels.

8. POLICING OF SURROUNDING AREA.

During the time period that Veolia accepts Waste for disposal at the Site, Veolia agrees to clean all Waste, if any, which has fallen from vehicles destined for the Site from any Township or State road comprising a portion of the Designated Route as identified on Exhibit B.

Once each day that the Landfill is open for operation, Veolia shall have an employee walk Cloverleaf Road from the Landfill entrance to Milton Grove Road. Such employee shall pick up all Waste which has been blown from or fallen from trucks traveling to or from the Landfill, and the Landfill will remove all mud on Cloverleaf Road, from the Landfill entrance to Milton Grove Road, that has fallen from trucks traveling to or from the Landfill.

9. MANAGEMENT OF TRUCK TRAFFIC AND PARKING AT SITE.

Veolia shall manage truck traffic and parking at or in the vicinity of the Site in such a way as to not to unreasonably disrupt neighbors. Veolia shall to the greatest extent possible cause haulers and other trucks using the Site to park or wait on the Site rather than on any streets, roads or other public rights-of-way abutting the Site.

10. ZONING HEARING BOARD CONDITIONS.

The 2002 Zoning Hearing Board Conditions are attached hereto, marked Exhibit C, and made a part hereof.

11. INSURANCE AND INDEMNITY.

- a. Veolia agrees to defend, indemnify and hold harmless the Township and its agents, servants and employees from and against all liability, claims, damages, losses and costs of investigation, arising from or resulting from (a) the approval of any plan or the issuance of any zoning approval or permit; (b) the operation of the Landfill; (c) environmental damages to property, including but not limited to groundwater contamination, air pollution and noise pollution, and runoff or storm drainage from the Landfill; and (d) injury to third persons resulting from damage to Township roads caused by traffic of vehicles to and from the Landfill. Veolia agrees to defend any and all claims against the Township covered by this Section 11(a) and further agrees to pay any and all attorneys' fees and costs associated with the defense of such claims. The Township agrees to fully cooperate in the defense of any such claims. Veolia further agrees that if suit is brought by the Township against Veolia, and the

Township prevails in its litigation, all reasonable costs and expenses of the suit, including reasonable attorneys' fees, to enforce this Agreement shall be reimbursed by Veolia.

- b. Veolia shall secure and maintain public liability insurance with limits of \$1 million per claim and \$5 million in the aggregate per occurrence and name the Township as an additional insured in order to fulfill the obligation undertaken in Section 11(a) of this Agreement. Veolia shall provide certificates of such insurance to the Township which specifically identify the Township as an additional insured. The insurance policy may not be cancelled or terminated until 30 days after written notice to the Township. Veolia shall also maintain environmental impairment insurance or other evidence of financial responsibility as required by PaDEP. The PaDEP closure bond shall serve as sufficient security for the closure of the Site.
- c. The parties agree that Veolia or its affiliates have demonstrated compliance with the following preconditions to the Township's entering into this Agreement (hereinafter "Preconditions"):
 - 1) experience in the operation of a waste management facility;
 - 2) a compliance record acceptable to the PaDEP;
 - 3) sufficient capitalization or access to other financial resources to assure compliance with applicable environmental laws and to provide protection against personal injury and property damage to third parties arising from operation of the waste facility; and
 - 4) the ability to implement and pay for all repairs, replacements, improvements and other costs which may be necessary from time to time to properly operate the Landfill. Any transfer or assignment of this Agreement to another operator shall be conditioned upon the succeeding operator demonstrating, to the satisfaction of the Township, that it has satisfied all of these Preconditions.

12. FORCE MAJEURE.

Veolia shall be relieved of its legal obligations and duty to perform the commitments contained herein if such performance is prevented or adversely affected, directly or indirectly, by any cause, act, condition or thing beyond the reasonable control of Veolia. Such acts, events, conditions or things shall include but shall not be limited to the following:

- a. an act of God, lightning, earthquake, fire, severe weather conditions, epidemic, landslide, drought, hurricane, tornado, storm, explosion, partial or entire failure of

utilities, flood, nuclear radiation, act of public enemy, war, blockade, insurrection riot or civil disturbance, labor dispute, strike or labor interruption, extortion, sabotage or similar occurrence;

- b. any exercise of the power of eminent domain, condemnation or any other taking by the action of any governmental body on behalf of any public, quasi-public or private entity;
- c. any enactment of any governmental legislation or regulation which has a material adverse effect on Veolia's operations at the Site or which imposes a moratorium on construction and/or operation of landfills or solid waste handling operations at the Site; or
- d. any order, judgment, action or determination of any federal, state or local court, administrative agency or governmental body which adversely affects the development, construction or operations of Veolia facilities at the Site or the right or ability of Veolia to accept Waste for permanent disposal at its facilities within the Township.

3. BINDING AGREEMENT AND TRANSFER OR ASSIGNMENT.

This Agreement shall be binding upon and inure to the benefit of Veolia and its affiliates and the Township together with their respective receivers, successors and assigns. Veolia agrees, however, that it shall not convey, assign, set over or otherwise transfer its interest in the Site to a successor operator prior to such time as the proposed successor has:

- a. demonstrated to the Township, to a reasonable degree of certainty, that such proposed successor has the financial strength to fulfill Veolia's obligations under this Agreement as set forth in Section 11 hereof, and
- b. provided the Township with a fully executed agreement pursuant to which the proposed successor assumes all of Veolia's obligations under this Agreement, and
- c. provided to the Township evidence that such proposed successor is acceptable to PaDEP.

14. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania. This Agreement shall be enforced in the Lancaster County Court of Common Pleas.

15. INTEGRATION AND AMENDMENT.

of material permanently disposed of at the Landfill. Veolia shall allow the Township access to all such records at all reasonable times during normal business hours upon prior written notice and shall provide reasonable verification of same.

19. CONFIDENTIALITY.

Any information gained by the Township, their agents, or any other official or agent of the Township pursuant to this Agreement shall be confidential and shall not be disclosed except for official purposes or in accordance with a proper judicial order or for purposes expressly authorized by this Agreement or as required by the Pennsylvania Right-to-Know Law or any statute successor thereto.

20. EFFECTIVE DATE.

This Agreement shall take effect upon Veolia's receipt of the Permit Modification from the PaDEP. Veolia will advise the Township within five business days of the date that the Agreement has become effective.

21. COUNTERPARTS AND RECORDING.

This Agreement may be executed in any number of counterparts. Each counterpart shall be deemed to be an original instrument, and all such counterparts shall constitute one instrument. This Agreement shall be recorded in the Office of the Recorder of Deeds of Lancaster County, Pennsylvania, at the expense of Veolia.

22. HEADINGS.

Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

23. MISCELLANEOUS.

- a. The Sewer Line Agreement is hereby incorporated by reference into this Agreement and Veolia agrees to comply with the terms of the Sewer Line Agreement in all material respects.
- b. The December 18, 2006 Presentation is hereby incorporated by reference into this Agreement and Veolia agrees to comply with and implement the representations contained in the Presentation in a timely manner; provided that, to the extent such representations were necessarily preliminary in nature, compliance and implementation shall be subject to the final plans as approved by the PaDEP.
- c. The WHEREAS clauses set forth at the beginning of this Agreement are hereby

incorporated by reference into this Agreement.

IN WITNESS WHEREOF, the Township and Veolia have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

TOWNSHIP OF MOUNT JOY

Attest: _____
Secretary

By: _____
Chairman,
Board of Supervisors

VEOLIA ES LANCASTER, LLC, a
Pennsylvania limited liability company by its
sole member Veolia Waste Services, Inc.

Attest: _____
Secretary

By: _____
Its:

