

HOST MUNICIPALITY SERVICE AND FEE AGREEMENT

THIS AGREEMENT is entered into this 17<sup>th</sup> day of August, 1998 by and between Waste Management Disposal Services of Pennsylvania, Inc. a Pennsylvania corporation with offices at 4400 Mt. Pisgah Road, York, Pennsylvania 17402 (hereinafter "Waste") and Windsor Township, York County a body corporate and politic, with offices at 255 Bahn's Mill Road, Red Lion, Pennsylvania 17356 (hereinafter the "Township").

WHEREAS, Waste owns and operates a waste disposal facility located, in part, within the Township boundaries; and

WHEREAS, this facility consists of a municipal waste landfill and other activities associated with the collection and disposal of municipal waste and certain approved residual waste streams, as well as a water treatment system for the treatment and discharge of industrial wastes generated by the landfill or collected from groundwater in the area around the landfill and a gas to electricity plant; and

WHEREAS, on or about December 4, 1990, Waste obtained a permit modification from the Pennsylvania Department of Environmental Resources -- now the Pennsylvania Department of Environmental Protection (hereinafter "DEP") -- for a 17 acre expansion of the existing landfill to the North, herein after referred to as the "Northern Expansion"; and

WHEREAS, on or about May 27, 1993, Waste obtained a permit modification from DEP for a 67.5 acre expansion of the landfill to the Southwest, in the Township, herein after referred to as the "Southwestern Expansion"; and

WHEREAS, on or about April 15, 1996, Waste applied to DEP for a permit modification for a 67 acre expansion of the landfill to the northwest, in the Township, herein referred to as the "Northwest Expansion"; and

WHEREAS, the Permit Modification Application of April 15, 1996 ("Permit Modification Application") for the Northwest Expansion is presently pending before DEP; and

WHEREAS, The existing landfill, the Northern Expansion and the Southwestern Expansion will be termed the "Landfill"; and

WHEREAS, the Northwestern Expansion -- as designed in the Permit Modification Application submitted to DEP on April 15, 1996 -- will be termed the "Planned Landfill"; and

WHEREAS, Waste currently pays to the Township a host fee of \$.53 per ton under the Municipal Waste Planning, Recycling and Waste Reduction Act, 53 P.S. §4000.101, et seq ("Act 101"), herein referred to as the "Act 101 Fee"; and

WHEREAS, Waste also pays to the Township an extra amount of money for each ton of waste disposed of in Waste's Landfill which amount is herein referred to as the "Additional Host Fee"; and

WHEREAS, Waste also pays to the Township an Out of State Host Fee of \$.50 per ton of out-of-state waste disposed of in Waste's Landfill, herein referred to as the "Out of State Host Fee"; and

WHEREAS, the Parties desire to enter into this Agreement to provide for certain additional services, an increase to the "Additional Host Fee Per Ton", an increase to the "Out of State Host Fee Per Ton", certain restrictions against further expansion of landfill operations either at Waste's Landfill or Waste's Planned Landfill and a further extension of Waste's ability to dispose of out of state waste at either the Landfill or the Planned Landfill.

NOW THEREFORE, in consideration of the above premises and promises and obligations set forth herein, and with the intent to be legally bound, the Parties agree as follows:

1. The recitals above are incorporated herein as if fully set forth.

2. As used herein, the term "Waste" includes, without limitation, Waste Management Disposal Services of Pennsylvania, Inc. a Pennsylvania corporation with offices at 4400 Mt. Pisgah Road, York, Pennsylvania 17402, its parents, predecessors, affiliates, subsidiaries, successors -- whether by merger, de facto merger, asset purchase, stock purchase, continuity of enterprise, substantial continuity of enterprise or otherwise --

assigns, lessees, sublessees, lessors and any corporation, partnership association or entity with which it has any type of relation whatsoever.

3. As used herein, the term "Parties" includes Waste and the Township.

4. So long as Waste is accepting for disposal waste at either the Landfill or the Planned Landfill, Waste agrees to provide to the Township disposal capacity in the Landfill and Planned Landfill at no charge to the Township for roadside debris material picked up by the Township road crew, provided that such roadside debris material is a type of waste permitted by DEP to be deposited in the Landfill and Planned Landfill.

5. So long as Waste is accepting for disposal waste at either the Landfill or the Planned Landfill, Waste agrees to conduct annual Spring and Fall cleanups for the Township at no cost to the Township. This service will include curbside collection of permitted wastes by Waste or delivery of permitted recyclable wastes by verified residents of the Township to the Recycle America facility at the Landfill and Planned Landfill.

6. So long as Waste is accepting for disposal waste at either the Landfill or the Planned Landfill, Waste agrees to provide one Spring street sweeping as requested by the Township, plus street sweeping at reasonable intervals on an as-needed basis for road resurfacing work within the Township, or water line or

sewer construction within the Township. All such services shall be provided by Waste at no cost to the Township.

7. Waste agrees to pay the residential water surcharge amounts, at the rates existing as of December 12, 1991, for current residents of Windsor Township Water Districts I and II as of December 12, 1991, for a period of ten years from December 12, 1991. Waste also agrees to pay, at the rates existing as of December 12, 1991, for water surcharges for any New Residents of Windsor Township Water Districts I and II who are connected, after the date of this Agreement, to water mains which existed as of December 12, 1991. Waste shall not, however, be obligated to pay any amounts resulting from rate increases after December 12, 1991, nor pay any amounts for any New Residents within the Township or within the Districts who are not connected to water mains which existed as of December 12, 1991. The term New Residents means residents of the Township who became residents of the Township after December 12, 1991.

8. So long as Waste is accepting for disposal waste at either the Landfill or the Planned Landfill, Waste agrees to provide leaf composting for the Township at the Landfill and Planned Landfill at no cost to the Township. Waste shall not, however, have any obligation to collect leaves, nor shall the Township have any control over the operation of the composting site or over the compost or the leaves, once they are deposited at

the Landfill and Planned Landfill. Waste shall provide the Township with reasonable access to the composting site, at reasonable hours.

9. Waste agrees that it will not accept or dispose of, or apply for any new permit to treat, store or dispose of, any hazardous waste or any pathogenic, chemotherapeutic or other "red bag" waste at the Landfill or Planned Landfill or any other facility owned, leased or operated by Waste and located wholly or partially within the geographic boundaries of the Township. However, Waste may accept for disposal any other waste streams which DEP permits it to accept pursuant to its previously issued Permits or pursuant to the Permit Modification Applications or pursuant to any future waste stream application.

10. Waste agrees to respond orally within 24 hours and in writing within 72 hours to any complaint lodged by the Township, or its authorized representatives, concerning any environmental problem alleged or believed to be resulting from operations by Waste. The Township's "authorized representatives", as used herein, shall be limited to any of its three Supervisors, its Manager, its Host Municipal Inspector and the Township Solicitor.

11. Waste agrees to continue paying to the Township the Act 101 Fee as required by Act 101.

12. Waste agrees, as of the first date when Waste first disposes of waste into the Planned Landfill, to increase the "Additional Host Fee Per Ton" paid to the Township to \$.70 per ton for waste disposal at either the Landfill or Planned Landfill. This Additional Host Fee Per Ton shall not be subject to any proration with any other municipality or diminution of any kind. Waste further agrees that, for the duration of this Agreement, the Additional Host Fee Per Ton shall never drop below \$.70 per ton. Waste further agrees to adjust this Additional Host Fee Per Ton every April 1 based on the following formula: (1) Waste shall multiply its Average Tip Fee (defined as the average tipping rate charged by Waste to all third-party disposers of waste in the preceding 12 month period) by 2.2% to derive the Additional Host Fee Per Ton for the next 12 month period; and (2) during this 12 month period, Waste shall multiply this Additional Host Fee Per Ton by the amount of waste disposed of at either the Landfill or Planned Landfill to derive the Additional Host Payment due to the Township. Waste agrees to pay the Additional Host Payment to the Township quarterly. Waste further agrees not to undercharge, or manipulate the rates paid by, third-party disposers so to reduce the Township's Additional Host Payment or the Additional Host Fee Per Ton. Waste further agrees to allow the Township or its representatives to review and/or audit Waste's tipping rates.

13. One year after the first date on which Waste first begins disposing of waste in the Planned Landfill, Waste shall collect and deliver to the York County Resource Recovery Center all of the acceptable solid waste and recyclable materials that is subject to the agreement between the Township and Waste Management of Central PA dated July 1, 1997, in accordance with the terms and conditions of said agreement. Such collection and delivery service shall be at no cost to the Township and/or Township residents and will continue for as long as active landfilling is occurring either at the Landfill or the Planned Landfill pursuant to DEP Permit No. 100113. All tipping fees for Township waste at the York County Resource Recovery Center will continue to be paid by the Township.

14. Waste shall not seek, nor construct, any further expansion of the Landfill or the Planned Landfill beyond those described in this Agreement: (1) to contiguous properties in Windsor Township or Lower Windsor Township; (2) to noncontiguous properties in Windsor Township or Lower Windsor Township; (3) vertically or upward; or (4) otherwise.

15. Waste shall not submit any further permit application or permit modification application to DEP to site a new landfill anywhere in Windsor or Lower Windsor Townships.

16. Waste shall not submit any further permit application or permit modification application (beyond those



described in this Agreement) to DEP to expand either the Landfill or the Planned Landfill either: (1) to contiguous properties in Windsor Township or Lower Windsor Township; (2) to noncontiguous properties in Windsor Township or Lower Windsor Township; (3) vertically or upward; or (4) otherwise.

17. Waste shall not submit any further permit application or permit modification application to DEP to increase the daily maximum tonnage for either the Landfill or the Planned Landfill beyond the tonnage limits existing in the permits or applications described in this Agreement. Put another way, Waste agrees to dispose of no more than 5,000 tons per day of waste at the Landfill and Planned Landfill which is the daily maximum permitted for the Landfill and the Planned Landfill.

18. Waste shall not exhume waste from, mine waste from, or reclaim any portion of, the Landfill or Planned Landfill unless involuntarily required to do so by law, regulation or government agency.

19. Waste agrees that the Landfill and Planned Landfill will be closed in accordance with DEP regulations as in effect on the date of closure. Further, Waste agrees that the Landfill and the Planned Landfill shall accept no more waste for disposal when the Landfill and Planned Landfill have expended the available air space as listed in Waste's current Solid Waste Management Permit for the Landfill and Permit Modification

Application for the Planned Landfill. If Waste's current Solid Waste Management Permit for the Landfill and/or Permit Modification Application for the Planned Landfill contain no such amounts, then the Landfill and Planned Landfill shall accept no more waste for disposal when the Landfill's and Planned Landfill's height and slopes meet DEP regulations either at closure or as now written -- whichever is more restrictive. Waste further agrees that as of December 31, 2016, it shall only accept waste into the Landfill and Planned Landfill which is generated in: York County, Pennsylvania; Cumberland County, Pennsylvania; Adams County, Pennsylvania; Lancaster County, Pennsylvania; and Dauphin County, Pennsylvania. Waste also agrees that the current Solid Waste Management Permit for the Landfill and the Permit Modification for the Planned Landfill will not be amended or supplemented in any way as to increase the available air space for disposal of waste.

20. Upon the execution of this Agreement, the Township agrees to allow Waste to import acceptable out-of-state municipal or residual solid waste to either the Landfill or the Planned Landfill until December 31, 2016 unless the Parties, in writing, agree to extend the ability of Waste to import acceptable out-of-state municipal or residual solid waste to either the Landfill or the Planned Landfill. It is specifically agreed and understood by Waste and the Township, however, that Waste may not import hazardous waste of any kind to either the Landfill or the Planned

Landfill. The disposal of out-of-state municipal waste received at the Landfill or Planned Landfill shall not exceed an average of 2,500 tons per day. This average shall be calculated on an annual basis. The out-of-state municipal and residual solid waste shall conform in makeup and quality to that authorized under the permit for the Landfill or the Planned Landfill issued by DEP. In addition to the Act 101 Fee and in addition to the Additional Host Payment articulated above, beginning on the date Waste first disposes of waste in the Planned Landfill, Waste agrees to increase the fee paid to the Township to \$.60 per ton ("Out of State Fee Per Ton") for all acceptable out-of-state municipal and residual solid waste which is disposed at the Landfill or the Planned Landfill. Waste further agrees that, for the duration of this Agreement, the Out of State Fee Per Ton shall never drop below \$.60 per ton. Waste further agrees to adjust this Out of State Fee Per Ton every April 1 based on the following formula: (1) Waste shall multiply its Average Tip Fee (defined as the average tipping rate charged by Waste to all third-party disposers of waste in the preceding 12 month period) by 1.9% to derive the Out of State Fee Per Ton for the next 12 month period; and (2) during this 12 month period, Waste shall multiply this Out of State Fee Per Ton by the amount of Out of State Waste disposed of at either the Landfill or Planned Landfill to derive the Out of State Payment due to the Township. Waste agrees to pay the Out of

State Payment to the Township quarterly. Waste further agrees not to undercharge, or manipulate the rates paid by, third-party disposers so to reduce the Township's Out of State Payment. Waste further agrees to allow the Township or its representatives to review and/or audit Waste's tipping rates.

21. In the event that Waste defaults in the performance of any of the promises or obligations in this Agreement and fails to cure as hereinafter provided, Waste agrees that it shall not dispose of any out-of-state waste at the Landfill or the Planned Landfill. If the Township believes that Waste has defaulted in the performance of any of the promises or obligations in this Agreement, it shall so inform Waste in writing and Waste shall have 30 days in which to cure such defaults.

22. Waste also agrees that before it disposes of any waste in the Planned Landfill, it shall place restrictions, in a form and substance acceptable to the Township, on land it owns in Windsor and Lower Windsor Townships contiguous to the Landfill and the Planned Landfill which would prohibit any future owner of such land from developing the land as a landfill. These restrictions will be appropriately recorded and cannot be modified or revoked without the express written consent of the Township.

23. This Amendment represents the entire understanding of the Parties with respect to the matters contained herein and no other terms, representations, statements, covenants or conditions,

oral or otherwise of any kind whatsoever, other than those set forth in writing and in this Agreement, shall be binding upon or enforceable against the Parties hereto. This Amendment may not be further amended or modified except in writing signed by all Parties.

24. This Amendment shall be governed by the laws of the Commonwealth of Pennsylvania, and shall inure to the benefit of and be binding upon the Parties hereto and their respective parents, predecessors, affiliates, subsidiaries, successors -- whether by merger, de facto merger, asset purchase, stock purchase, continuity of enterprise, substantial continuity of enterprise or otherwise -- assigns, lessees, sublessees and lessors.

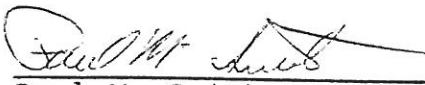
25. The Parties agree that, on the date which Waste first begins disposing of waste in the Planned Landfill, the Host Municipality Service and Fee Agreement dated December 12, 1991 will be revoked. It is expressly understood, however, that if Waste does not dispose of waste in the Planned Landfill by July 31, 2000 then the Host Municipality Service and Fee Agreement dated December 12, 1991 will remain in full force and effect. Finally, it is expressly understood and agreed that if Waste does not dispose of waste into the Planned Landfill by July 31, 2000, that the parties shall have 120 days from that date to renegotiate ¶20 of this Agreement during which time the Township shall

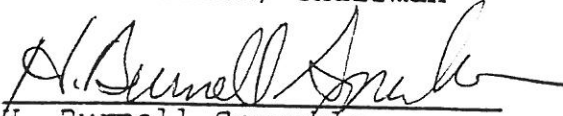
continue to receive all benefits provided for in ¶20 and, if no new agreement relating to out-of-state waste is reached within this 120 day period, that ¶20 shall become null and void.

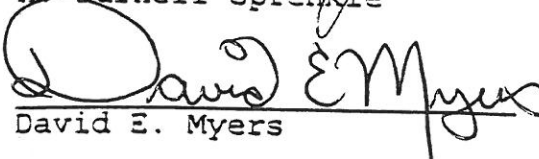
26. If Waste is unable to dispose of waste in the Planned Landfill as of July 31, 2000 for reasons beyond the control of Waste, then paragraphs 14 through 17 of this Agreement shall become null and void.

IN WITNESS WHEREOF, the Parties hereto, acting under the authority of their respective governing bodies and organizations, where applicable, and intending to be legally bound, have caused this Amendment to be duly executed in three counterparts, each of which constitutes an original, all as of the day and year first written above.


WINDSOR TOWNSHIP

By:   
Paul M. Smith, Chairman

By:   
H. Burnell Sprenkle

By:   
David E. Myers

ATTESTED

By:   
Marlene F. Workinger

WASTE MANAGEMENT DISPOSAL SERVICES OF PENNSYLVANIA, INC.

By:   
Title: Division Manager

ATTESTED

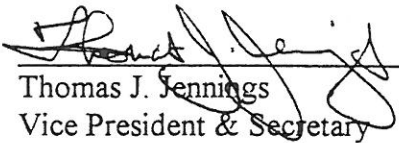
By: 

WASTE MANAGEMENT DISPOSAL SERVICES OF PENNSYLVANIA, INC.

CERTIFICATE OF THE SECRETARY

I, Thomas J. Jennings, am the duly elected Vice President and Secretary of Waste Management Disposal Services of Pennsylvania, Inc., a Pennsylvania Corporation (the "Corporation"), and hereby certify that Tim O'Donnell is the Division Manager, Modern Landfill for the Corporation and is the duly authorized representative for the Corporation for the purpose of negotiating, approving and executing host community agreements with the Townships of Windsor and Lower Windsor, and as such, is authorized, directed, and empowered to negotiate, review, verify, approve, execute and deliver any and all documents related to said host community agreements for, and on behalf of, the Corporation.

Dated this 13th day of March, 1998.

  
Thomas J. Jennings  
Vice President & Secretary