

DRAFT

**MUNICIPAL WASTE PROCESSING/DISPOSAL CAPACITY AND INTEGRATED WASTE
AND RECYCLABLES MANAGEMENT SERVICE AGREEMENT**

**COUNTIES OF COLUMBIA, LYCOMING, MONTOUR, SNYDER AND UNION,
PENNSYLVANIA**

THIS MUNICIPAL WASTE PROCESSING/DISPOSAL CAPACITY AND INTEGRATED WASTE AND RECYCLABLES MANAGEMENT SERVICE AGREEMENT (“Agreement”) is made this ____ day of _____, 201_, by and among the 5-COUNTY REGION, made up of Columbia, Lycoming, Montour, Snyder and Union Counties, Pennsylvania, counties organized and existing under the laws of the Commonwealth of Pennsylvania, with places of business at their respective county seats, hereinafter the “5-County Region,” and _____ (“Operator”).

BACKGROUND

The Municipal Waste Planning, Recycling and Waste Reduction Act (“Act 101”) requires Columbia, Lycoming, Montour, Snyder and Union Counties (“5-County Region”), as part of its Regional Municipal Waste Management Plan (“5-County Regional Plan”), to provide capacity assurance for the processing and/ or disposal of all municipal waste expected to be generated within the 5-County Region for a period of at least ten (10) years. Under an Intergovernmental Agreement, a Regional Steering Committee (RSC) is overseeing the development of the 5-County Regional Plan on behalf of the 5 Counties. On behalf of the RSC, a Consultant Team has issued a Solicitation of Interest (SOI) to solicit responses from interested parties to negotiate an agreement to provide capacity for processing/ disposal of all or a portion of municipal waste generated by the 5-County Region, as well as potentially supporting the enhancement and sustainability of integrated waste and recyclables management services for up to a ten (10) year period, beginning in 2013. The Operator responded to the Solicitation of Interest, met the qualification requirements, and the Operator’s proposal was accepted by the 5-County Region. This Agreement provides the terms and conditions under which the Operator will provide processing/ disposal capacity and other potential services and support for the benefit of the 5-County Region.

NOW, THEREFORE, in consideration of the mutual promises contained herein and with intent to be legally bound, the parties hereby agree as follows:

Article 1. General Definitions and Terms

1.1 Definitions

Unless the context clearly indicates otherwise, the following words and terms, as used in this Agreement, shall have the following meanings:

5-County Region. The five-County Region of Columbia, Lycoming, Montour, Snyder and Union Counties, Pennsylvania.

Acceptable Waste. Municipal waste and all other wastes the Operator’s Facility is permitted to accept under applicable laws and regulations.

Act 101. The Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act , Commonwealth Act of July 28, 1988, No. 101, as amended.

Agreement. The Municipal Waste Processing/ Disposal Capacity and Integrated Waste and Recyclables Management Service Agreement among the 5-County Region and the Operator's Facility, as amended, supplemented or extended.

Alternative Facility. Any duly licensed or permitted facility designated by the Operator to accept 5-County Region-generated acceptable wastes during temporary or protracted cessation of operation at the Operator's Facility.

Commercial Establishment. An establishment engaged in non-manufacturing or non-processing business, including, but not limited to, stores, markets, office buildings, restaurants, shopping centers and theaters.

Construction/ Demolition Waste or C&D Waste. Solid waste resulting from the construction or demolition of buildings and other structures, including, but not limited to, wood, plaster, metals, asphaltic substances, bricks, block and unsegregated concrete. The term does not include the following if they are separate from other waste and are used as clean fill: (i) uncontaminated soil, rock, stone, gravel, brick and block, concrete and used asphalt; and (ii) waste from land clearing, grubbing and excavation, including trees, brush, stumps and vegetative material.

Department or DEP. The Pennsylvania Department of Environmental Protection (DEP).

Facility. Processing and/ or disposal facilities, including but not limited to municipal waste, construction/demolition and residual waste landfills, and resource recovery facilities that are fully permitted and licensed for the processing/ disposition of municipal waste (as defined herein), and/ or residual waste.

Hazardous Waste. A waste or combination of wastes which, because of its quantity, concentration or physical, chemical or infectious characteristics may: (1) cause or significantly contribute to an increase in mortality or an increase in morbidity in either an individual or the total population; or (2) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported or disposed or otherwise managed; or (3) is otherwise defined as hazardous by any federal or state statute or regulation.

Industrial Establishment. An establishment engaged in manufacturing and industrial processes, including, but not limited to, those carried out in factories, foundries, mills, processing plants, refineries, mines and slaughterhouses.

Institutional Establishment. An establishment engaged in service, including, but not limited to, public buildings, hospitals (non-infectious waste only), nursing homes, orphanages, schools and universities.

Leaf and Yard Waste. Leaves, garden residues, shrubbery and tree trimmings, and similar material, including grass clippings.

Municipal Waste. Garbage, refuse, industrial lunchroom or office waste and other material, including solid, liquid, semi-solid or contained gaseous material, resulting from operation of residential, municipal, commercial or institutional establishments or from community activities; and any sludge not meeting the definition of residual or hazardous waste from a municipal, commercial or institutional water supply treatment plant, wastewater treatment plant or air pollution control facility.

Municipality. Any city, borough, incorporated town, township or county, or any municipal authority created by any of the foregoing.

Operator. _____, or any permitted successors, assigns, or affiliates.

Operator's Facility. The Operator's permitted facility that is offered to provide processing and/or disposal services under this Agreement, located in _____ (Township/Borough/City), _____ County, Pennsylvania, or in _____ (other state).

Parent. Any corporation, now or at any time or times hereafter, owning or controlling (alone or with any other person) at least a majority of the issued and outstanding capital stock of the Operator.

Permit. A permit issued by DEP, or a permit and/ or license issued by another state's regulatory agency, as required, to operate a municipal waste disposal or processing facility.

Person. Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

Plan. The 5-County Regional Municipal Solid Waste Management Plan being prepared by or on behalf of the 5-County Region, and approved or to be submitted for approval to DEP pursuant to Act 101.

Residual Waste. Any garbage, refuse, other discarded material or other waste, including solid, liquid, semi-solid or contained gaseous material resulting from industrial, mining and agricultural operations; and sludge from an industrial, mining or agricultural water supply treatment facility, wastewater treatment facility or air pollution control facility, if it is not hazardous.

Resource Recovery Facility. A facility that provides for the extraction and utilization of materials or energy from municipal waste that is generated off-site, including, but not limited to, a facility that mechanically extracts materials from municipal waste, a combustion facility that converts the organic fraction of municipal waste to usable energy and any chemical or biological process that converts municipal waste into a fuel product or other usable material. The term does not include methane gas extraction from a municipal waste landfill, nor any separation and collection center, drop-off point or collection center for recycling municipal waste, or any source separation or collection center for composting leaf and yard waste.

Tipping Fee. The schedule of fees established by the owner or operator of a facility for accepting various types of solid waste for processing or disposal.

Ton. Two thousand (2,000) pounds.

Transfer Station. A facility which receives and processes or temporarily stores municipal or residual waste at a location other than the generation site, and which facilitates the transportation or transfer of municipal or residual waste to a processing or disposal facility. The term includes a facility that uses a method or technology to convert part or all of the waste materials for offsite reuse. The term does not include a collecting or processing center that is only for source separated recyclable materials, including clear glass, colored glass, aluminum, steel and bimetallic cans, high grade office paper, newsprint, corrugated paper and plastics.

Unacceptable Waste. Any material that by reason of its composition, characteristics or quantity, is ineligible for disposal at the Operator's Facility pursuant to the provisions of the Resource Conservation and Recovery Act of 1976, 42 U.S.C., the Pennsylvania Solid Waste Management Act, 35 P.S. §6018.101 et seq., or other applicable federal, state or local law, or any other material that the Operator concludes would present an endangerment to the Operator's Facility, the public health or safety, or the environment.

Waste Hauler. Anyone engaged in the business of collecting and transporting solid waste and/or recyclables.

1.2 Other Words, Terms, Phrases

Except as otherwise defined in this Agreement, all words, terms and/or phrases used herein shall be defined by the applicable definition therefore, if any, in Act 101 or the Pennsylvania Solid Waste Management Act or the regulations promulgated thereunder.

Article 2. Representations

2.1 Representations of the 5-County Region

The 5-County Region represents and warrants that:

- (a) Columbia, Lycoming, Montour, Snyder and Union Counties are political subdivisions of the Commonwealth of Pennsylvania, acting by and through their duly authorized officials, and duly authorized under Act 101 to delegate their duties to carry on certain governmental functions as outlined in the Intergovernmental Agreement and operations contemplated by this Agreement in accordance with the 5-County Regional Plan and implementation thereof.
- (b) The five counties represented by the 5-County Region have the full power, authority and legal right to enter into and perform this Agreement and all other agreements or instruments which they may enter into under any provision of this Agreement.
- (c) This Agreement and each other agreement or instrument entered into by the 5-County Region pursuant to this Agreement, when entered into, will have been duly authorized, executed and delivered by the counties and will constitute a legal, valid and binding obligation of the counties.
- (d) There is no action or proceeding before any court or administrative agency pending or, to the knowledge of the 5-County Region, threatened against or adversely affecting the ability of the 5-County Region to perform its obligations hereunder.

2.2 Representations of Operator

The Operator represents and warrants to the 5-County Region that:

- (a) It is the owner and operator of the Operator's Facility and is permitted as such by DEP or the appropriate state regulatory agency.
- (b) It is a corporation duly organized and existing in good standing under the laws of _____ and has the corporate power and authority to enter into and perform its obligations under this Agreement and each other agreement or instrument entered into or to be entered into under any provision of this Agreement.
- (c) It has the full power and legal right to enter into and perform this Agreement and all other agreements or instruments which it may enter into under any provision of this Agreement.
- (d) This Agreement and each other agreement or instrument entered into pursuant to this Agreement, when entered into, will have been duly authorized, executed by and delivered by the Operator, and will constitute a legal, valid and binding obligation.
- (e) The execution, delivery and performance hereof by the Operator: (i) has the requisite approval of all governmental bodies; (ii) will not violate any judgment, order, law or regulation applicable to the Operator; and (iii) does not (a) conflict with, (b) constitute a default under, or (c) except as specifically created hereby, result in the creation of any lien, charge, encumbrance or security interest upon any assets of the Operator under any agreement or instrument to which the Operator is party or by which the Operator or its assets may be bound or affected.

- (f) This Agreement has been duly authorized, executed and delivered by the Operator, and constitutes a legal, valid and binding obligation of the Operator, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally, or by general equitable principles concerning remedies.
- (g) There is no litigation or proceeding pending or, to the knowledge of the Operator, threatened against or affecting the Operator: (i) challenging the validity of this Agreement; (ii) seeking to enjoin the performance by the Operator of its obligations under this Agreement; or (iii) which, if adversely determined, would materially adversely affect the ability of the Operator to perform its obligation under this Agreement.
- (h) Except as disclosed on the Submittal Form for Municipal Waste Processing/ Disposal Capacity and Integrated Waste and Recyclables Management Program Support services contained in the 5-County Region's Solicitation of Interest, attached hereto and incorporated herein by reference, the Operator is not a subsidiary of any parent.

2.3 Parent Guarantee

If and to the extent that the Operator is a subsidiary of a parent, the Operator agrees to cause such parent to execute and deliver to the 5-County Region a guarantee of the obligations of the Operator under this Agreement in form reasonably satisfactory to the 5-County Region.

2.4 Designation as Processing/Disposal Facility

In consideration of the Operator's Covenants and this Agreement, the 5-County Region hereby agrees to include the Operator's Facility in its Plan as a designated processing/ disposal facility for municipal waste generated in the 5-County Region. The Operator acknowledges that this Agreement is nonexclusive and the 5-County Region may enter into agreements with other facilities to perform the same work and services that the Operator is contracted to perform hereunder. Nothing contained in this Agreement is meant to imply or explicitly intend to create a "put or pay" (as that phrase has generally been understood in the solid waste disposal industry) or similarly obligatory relationship between the 5-County Region and the Operator and at no time during the term of this Agreement shall the 5-County Region be obligated to deliver and dispose of acceptable waste at the Operator's Facility.

Article 3. Delivery and Disposal of Acceptable Waste

3.1 Delivery and Disposal of Acceptable Waste

On and after the effective date of this Agreement and pursuant to the capacity reservations specified in the Submittal Form for Municipal Waste Processing/Disposal Capacity and Integrated Waste and Recyclables Management Program Support services:

- (a) The 5-County Region may, at its option, cause to be delivered to the Operator's Facility during the receiving times all, part or none of the Acceptable Waste generated in the 5-County Region.
- (b) The 5-County Region or any waste hauler shall notify the Operator that it intends to exercise its right to deliver Acceptable Waste to the Operator's Facility prior to commencing the delivery of such wastes.
- (c) The Operator shall provide processing and/or disposal capacity as may be needed by the 5-County Region for all acceptable waste generated within the geographic boundaries of the 5-County Region and that the 5-County Region or any waste hauler may cause to be

delivered to the Operator's Facility. This may include delivery of acceptable waste on an occasional basis by individual 5-County Region residents in small vehicles. The Operator and the 5-County Region shall from time to time agree upon reasonable regulations and charges for such disposal, which will include all applicable fees.

- (d) The Operator agrees that it is reasonable to expect that, on average, waste haulers will not be required to wait more than twenty (20) minutes at the Operator's Facility before being able to unload.
- (e) The Operator shall not give preference to vehicles owned or operated by the Operator or its affiliates or by any other person.

Article 4. Conditions for the Delivery and Disposal of Waste

4.1 Control Procedures/Weighing of Waste Deliveries

- (a) The Operator shall be required to maintain a scale that conforms to the Weights and Measurement Act of 1965, 73 P.S. §1651-1692, to weigh all incoming waste. Vehicles of 5-County Region's waste haulers and occasional 5-County Region individual residents delivering municipal waste from the 5-County Region sources to the Operator's Facility shall be weighed and their waste loads classified, and each vehicle shall receive an appropriate record indicating the classification, county of origin (including split counties of origin, as appropriate), and weight of all waste prior to disposal at the Operator's Facility.
- (b) If at any time testing of the weighing facilities indicates that the weights are inaccurate, any adjustments of waste delivery receipts shall revert to the date the last verified scale weights were recorded by the appropriate certification agency. The 5-County Region or waste haulers may at all times have access to the scale accuracy records of the Operator. If the scale is inoperable for any reason, the waste haulers may use another certified scale of their choice, or the Operator may direct vehicles to another certified scale closest to the Operator's Facility. If none are available, estimated weights based on historic data pertinent to the affected waste haulers shall take the place of actual weighing during the scale outage. The Operator shall make disposal invoices for the preceding month, on a monthly basis, available to the waste haulers, and the Operator shall use this information to invoice the waste haulers for disposal at the Operator's Facility.
- (c) Operator shall at all times have an approved radioactive materials screening and monitoring system in effect, and shall employ an approved Radiation Protection Action Plan (RPAP) approved by the Department or, of in another state, the requirements of that state. The identification and handling of radioactive materials identified by such system shall be handled in accordance with the RPAP and regulatory requirements.

4.2 Receiving Time/Hours of Operation

- (a) The Operator's Facility shall be available to receive waste during the receiving times specified in the Submittal Form for Municipal Waste Processing/ Disposal Capacity and Integrated Waste and Recyclables Management Support services, attached hereto and incorporated herein by reference.
- (b) If the 5-County Region or a waste hauler requests and the Operator agrees, a waste hauler may deliver waste at times in addition to the specified receiving times at a cost which may exceed the fees herein as mutually agreed upon by such waste hauler and the Operator.

- (c) Upon request by the 5-County Region, the Operator shall use reasonable efforts to accept deliveries of waste at times other than the receiving times upon seven (7) days prior written notice or, in the event of a natural disaster or other emergency condition, such shorter notice as may be practicable.

4.3 Right to Refuse Delivery

- (a) Except as noted in Article 4.2, the Operator may refuse waste delivered at hours other than the specified receiving times.
- (b) The Operator shall have the right and discretion to inspect any load entering the Operator's Facility and may refuse: (i) waste for which specific regulatory agency approval is required when approval has not been obtained prior to delivery; (ii) loads containing significant amounts of hazardous waste, provided that inadvertent deliveries of hazardous waste shall not constitute a breach by the 5-County Region of any of its obligations under this Agreement; or (iii) loads containing significant amounts of unacceptable waste. The Operator may refuse delivery of the entire load or only the portion that contains the unacceptable materials. The Operator shall notify waste haulers prior to initial waste delivery of the Operator's waste monitoring program and expected procedures and responsibilities under such program.
- (c) The Operator's Facility may not reject a load of Acceptable Waste from the 5-County Region for any reason except those listed in Article 4.3 (a) and (b). Reaching the average daily permitted capacity may not be used as a basis for rejecting 5-County Region-generated loads of Acceptable Waste.

4.4 Complaints

The Operator shall receive and respond to all complaints from waste haulers regarding the acceptance of waste materials at the Operator's Facility. Any complaints received by the counties represented by the 5-County Region will be directed to the Operator. In the event the Operator cannot satisfactorily resolve a complaint within five (5) working days after the complaint, the 5-County Region shall have the right to demand a written explanation or satisfactory resolution of the complaint pursuant to the breach of Agreement provisions herein.

4.5 Title to Municipal or Residual Waste

Except in the case where hazardous or unacceptable wastes are delivered to the Operator's Facility, title to the municipal or residual waste and any benefits of marketing materials or energy recovery shall pass to the Operator upon delivery to the Operator's Facility and acceptance of waste by the Operator.

4.6 Permits

The Operator shall be responsible for obtaining any and all permits necessary for the construction and operation of the Operator's Facility required to comply with the terms and conditions of this Agreement, and any and all costs or expenses of obtaining such permits. Failure to obtain and maintain permits shall constitute default on this Agreement.

Article 5. Recordkeeping and Reporting Requirements

The Operator shall establish and maintain a system to provide storage and ready retrieval of the Operator's Facility operating data pertinent to this Agreement, including, but not limited to, all information necessary to verify calculations made pursuant to its fee schedule.

5.1 Basic Reporting Requirements

- (a) The Operator shall provide the 5-County Region with quarterly reports of all types and origin of waste generated in the 5-County Region and delivered to the Operator's Facility by waste haulers and occasional individual 5-County Region residents, concurrent with remittance of any negotiated fees due to the 5-County Region by the Operator. These reports should include the totals by month for each type of waste. To the extent that reports required to be submitted to DEP or any other regulatory agency contain the information required by the 5-County Region, copies of said reports may be submitted to the 5-County Region to comply with the Operator's reporting requirements.
- (b) Along with quarterly reports, the Operator should provide: (i) names of waste haulers delivering loads of 5-County Region-generated wastes; and (ii) a statement that the Operator's permit for the Operator's Facility has not been revoked or suspended, and that the Operator is in substantial compliance with all the terms and conditions of its permit, the provisions of the Solid Waste Management Act, and all applicable federal, state, DEP and 5-County Region regulations, and the terms of this Agreement.

5.2 Special Reporting Requirements

The Operator shall provide written notification to the 5-County Region of any permit modification applications for the following types of permit changes at the time the application is first submitted to the state or local regulatory agency: (i) changes in permitted site volume or capacity; (ii) changes in permitted average and/ or maximum daily waste volume or loading rates; (iii) changes in the permitted acreage; (iv) changes in materials accepted, or; (v) changes in ownership.

5.3 Administrative Inspections

Upon reasonable notice and during regular business hours, the 5-County Region and its authorized representatives shall have access to the Operator's records pertaining to the quantities and sources of 5-County Region-generated municipal waste for the purpose of verifying compliance with the terms and conditions of this Agreement.

Article 6. Tipping Fees and Other Charges

6.1 Tipping Fees

- (a) The Operator shall not charge a tipping fee to any 5-County Region waste hauler or occasional individual 5-County Region resident that exceeds the maximum rates for a given calendar year established by this Agreement for each type of waste. Nothing in this Agreement shall prevent or preclude the Operator from negotiating alternate tipping fees with any waste hauler provided such fees do not exceed the maximum rates under this Agreement. All rates shall, however, include the following fees: (i) Act 101 host municipality fee plus any additional fee negotiated by the host municipality; (ii) other Act 101 mandated fees; (iii) any Growing Greener or other state fees, and; (iv) any negotiated 5-County Region fees.
- (b) The 5-County Region shall not be responsible for the direct payment of tipping fees to the Operator under the Agreement. All tipping fees shall be paid directly by the waste haulers that deliver the waste to the Operator's Facility. The Operator shall be responsible for the billing and collection of all tipping fees.

- (c) Unless the 5-County Region and the Operator mutually agree to an alternate date, all annual rate adjustments shall become effective on January 1st of each year of the Agreement.

6.2 Negotiated 5-County Region Fees

(to be completed if appropriate)

Article 7. Insurance

- (a) The Operator shall maintain, in full force and effect throughout the term of the Agreement and any renewal or extension thereof, insurance coverage consistent with all current DEP regulations. The 5-County Region and Operator hereby waive any and every claim for recovery from the other for any and all loss or damage to each other resulting from the performance of this Agreement; to the extent such loss or damage is recovered under insurance policies.
- (b) The counties represented by the 5-County Region shall be designated as additional insured under all required insurance policies and shall be provided with copies and certificates of said insurance policies. Each such insurance policy shall provide each of the five counties with a thirty (30) day notice of cancellation.

Article 8. Indemnification

8.1 Indemnification

The Operator or its successors and assigns shall protect, indemnify and hold harmless the counties represented by the 5-County Region, its officers, members, employees, agents, contractors and subcontractors (5-County Region indemnified parties) from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits or actions and attorneys' fees, and shall defend the 5-County Region indemnified parties in any suit, including appeals, for personal injury to or death of any persons or persons, or loss or damage to property arising out of:

- (a) the negligence or willful misconduct, tortuous activity, error or omission of Operator or its successors or assigns, or any of its officers, agents, employees, contractors or subcontractors in connection with Operator obligations or rights under this Agreement; and
- (b) the construction, operation, closure and post-closure care and maintenance of the Operator's Facility.

The Operator shall not be liable or required to indemnify or reimburse the 5-County Region or any 5-County Region indemnified party for any suits, actions, legal proceedings, claims, demands, damages, costs, expenses and other attorney fees arising out of the award of this Agreement or the willful or negligent act, tortuous activity, error or omission of the 5-County Region or 5-County Region indemnified parties.

8.2 Cooperation Regarding Claims

If either the counties represented by the 5-County Region or the Operator shall receive notice or have knowledge of any claim, demand, action, suit or proceeding that may result in a claim for indemnification by the 5-County Region against the Operator pursuant to Article 8.1, that party shall so notify the other party and provide pertinent information and documents. Failure to promptly give such notice or to provide such information and documents shall not relieve the

Operator of any obligation of indemnification it may have under Article 8.1 unless such failure shall materially diminish the ability of the Operator to respond to, or to defend the party failing to give such notice against such claim, demand, action, suit or proceeding. The 5-County Region and the Operator shall consult with each other and cooperate in respect of the response to and the defense of any such claim, demand, action, suit or proceeding and, in the case of a claim for indemnification pursuant to Article 8.1, the Operator shall, upon acknowledgment in writing of its obligation to indemnify the 5-County Region, be entitled to cooperate with the 5-County Region with respect to the defense. With the written consent of the 5-County Region, the Operator may assume the defense or represent the interests of the 5-County Region with respect to such claim, demand, action, suit or proceeding which shall include the right to select and direct legal counsel and other consultants, appear in proceedings on behalf of the 5-County Region and to propose, accept or reject offers of settlement.

Article 9. Disputes, Defaults and Remedies

9.1 Resolution of Disputes

In the event any claim, controversy or dispute arises between the 5-County Region and the Operator, or if any approvals, agreements or concurrences specified herein shall not have been timely given, the Operator and the 5-County Region shall undertake in good faith to resolve the dispute. If the 5-County Region and the Operator cannot resolve the dispute, either party shall be limited to the Court of Common Pleas of Lycoming County, Pennsylvania, in equity or to law to litigate such disputes.

9.2 Events of Default by 5-County Region

The persistent or repeated failure or refusal by the 5-County Region to perform under this Agreement in accordance with the terms hereof shall constitute an event of default by the 5-County Region hereunder, unless such failure or refusal shall be excused or justified by a default by the Operator, provided, however, that no such failure or refusal shall constitute an event of default unless and until:

- (a) The Operator shall have given written notice to the 5-County Region stating that in its opinion a particular default or defaults (to be described in reasonable detail in such notice) exists which will, unless corrected, constitute a material breach of this Agreement on the part of the 5-County Region; and
- (b) The 5-County Region shall have failed to cure such default within thirty (30) days from its receipt of the written notice given pursuant to Article 9.2 (a) above, provided that if the 5-County Region shall have commenced to take reasonable steps to correct such default within such thirty (30) day period, the 5-County Region's failure to complete its cure of the indicated default shall not constitute an event of default for as long as the 5-County Region is continuing to take reasonable steps to cure such default within the earliest practicable time.

9.3 Events of Default by Operator

The Operator shall be considered to be in default of this Agreement for failure to accept Acceptable Waste from the 5-County Region or its waste haulers or occasional individual 5-County Region residents delivered to the Operator's Facility under the terms of this Agreement, or failure to otherwise fulfill its material obligations under this Agreement.

9.4 Force Majeure

Neither the Operator nor the 5-County Region shall be liable for the failure to perform their duties and obligations under the Agreement or for any resultant damages, loss or expense, if such failure was the result of an act of God, riot, insurrection, war, catastrophe, natural disaster, labor strike or any other cause which was beyond reasonable control of the Operator or the 5-County Region and which the Operator or 5-County Region was unable to avoid by exercise of reasonable diligence. Documentation of the event that caused the Operator to be unable to meet its obligation hereunder must be submitted to the 5-County Region within ten (10) working days after the occurrence of the event.

9.5 Waivers

A waiver by either the 5-County Region or Operator of any default of any provisions of the Agreement shall not be taken or held to be a waiver of any succeeding default of such provisions or as a waiver of any provision itself. No payment or acceptance of compensation for any period subsequent to any default shall be deemed a waiver of any right or acceptance of defective performance. To be effective, a waiver must be in writing and signed by the party granting such waiver.

Article 10. Term and Termination

10.1 Effective Date

This Agreement shall become effective on January 1, 2013. The Operator shall begin to accept waste deliveries from 5-County Region sources under the terms and conditions of this Agreement on this date.

10.2 Term of Agreement

The term of this Agreement shall commence on the effective date, and the total length of the Agreement shall be for up to ten (10) years, unless further extended upon mutual agreement of all parties. The Agreement shall be separated into two equal terms. The initial term of the Agreement shall be for five (5) years, commencing on the effective date, with an option to renew the Agreement for an additional term of five (5) years. The Agreement shall expire at the end of the first term (five (5) years from the effective date), unless the 5-County Region has exercised its right to renew the Agreement or agreed to an alternate Agreement period. The 5-County Region shall have the sole discretion to exercise its right to renew the Agreement at the initial term's expiration date.

10.3 Effect of Termination

Upon the termination of this Agreement, the obligations of the 5-County Region and the Operator hereunder shall cease, provided that any obligation for the payment of money or otherwise arising from the conduct of the 5-County Region or Operator pursuant to this Agreement prior to such termination shall not be affected by such termination and shall survive and remain in full force and effect.

Article 11. Miscellaneous

11.1 Assignment

(a) This Agreement may not be assigned by either the 5-County Region or the Operator or its rights sold by Operator except with the written consent of the 5-County Region or Operator

or as further provided in this Article. The 5-County Region may, however, contract with a third party or parties for the collection, transportation, processing and disposal of waste, and such contracting will not be interpreted as an assignment of this Agreement. Further, any municipality within the political boundaries of the 5-County Region and/or any waste hauler may avail themselves of the rights of the 5-County Region under this Agreement without violating the assignment provision, provided, however, that such municipalities and waste haulers will be bound by the covenants of the 5-County Region in this Agreement. The Operator shall not assign this Agreement except to a licensed and permitted successor to the Operator capable of performing all covenants of this Agreement and with ninety (90) days prior written notice to the 5-County Region and the written consent of the 5-County Region.

- (b) In the event of any assignment or delegation of duties under this Agreement, the delegate shall assume full responsibility and liability, and shall be responsible for compliance with and performance of all terms and conditions of this Agreement, including but not limited to provisions for sureties and assurances of availability of capacity and services under this agreement. The assignment or delegation of any Agreement duties will not relieve the Operator or its surety of any liability and/or obligation to perform.

11.2 Notices

Except under emergency circumstances all notices, demands, requests and other communications under this Agreement shall be deemed sufficient and properly given if in writing and delivered in person or by recognized carrier service, or sent by certified or registered mail, postage prepaid, with return receipt requested, to the following addresses:

5-County Region: TBD

Operator: TBD

Either the 5-County Region or Operator may, as specified above, designate any further or different addresses to which subsequent notices shall be sent.

11.3 Entire Agreement/Modifications

The provisions of this Agreement, together with the Agreements and exhibits incorporated by reference, shall constitute the entire Municipal Waste Processing/ Disposal Capacity and Integrated Waste and Recyclables Management Services Agreement between the 5-County Region and the Operator, superseding all prior disposal capacity Agreements and negotiations, if any, and, except as otherwise provided in this Agreement, shall only be modified by written agreement duly executed by both parties to this Agreement. The 5-County Region and Operator agree that any existing municipal waste disposal contracts between them are hereby rendered null and void and superseded by this Agreement.

11.4 Severability

In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal, or unenforceable in any respect, the 5-County Region and Operator shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in

light of such determination, implement and give effect to the intentions of the 5-County Region and Operator as reflected herein. The other provisions of this Agreement shall, as so amended, modified, or supplemented, or otherwise affected by such action, remain in full force and effect.

11.5 Change of Ownership

In the event of any change of control or ownership of the Operator's Facility, the 5-County Region shall maintain the right to hold the original Owner solely liable. The 5-County Region may, however, at its option, determine that the new ownership can adequately and faithfully perform the duties and obligations of the Agreement for the remaining term of the Agreement, and elect to execute a novation, which will allow the new ownership to assume the rights and duties of the Agreement and release the former ownership of all obligations and liabilities. The new ownership would then be solely liable for the performance of the Agreement and any claims or liabilities under the Agreement.

11.6 Governing Law

This Agreement and any question concerning its validity, construction, or performance shall be governed by the domestic laws of the Commonwealth of Pennsylvania, irrespective of the place of execution or of the order in which the signatures of the 5-County Region and Operator are affixed or of the place or places of performance. The Operator shall conduct the services provided for in this Agreement in compliance with all applicable federal and state laws and regulations.

11.7 Joint and Severable Liability

If the Operator is comprised of more than one individual, corporation or other entity, each of the entities comprising the Operator shall be jointly and severally liable.

11.8 Counterparts

This Agreement may be executed in more than one (1) counterpart, each of which shall be deemed to be an original but all of which taken together shall be deemed a single instrument.

11.9 No Co-Partnership or Agency

It is understood and agreed that nothing contained in this Agreement is intended or shall be construed to in any respect create or establish the relationship of co-partners between the 5-County Region and the Operator, or as constituting the Operator the general representative or general agent of the 5-County Region for any purpose whatsoever.

11.10 Section Headings/References

The section headings and captions contained in this Agreement are included for convenience only and shall not be considered a part of this Agreement or affect in any manner the construction or interpretation of this Agreement. Except as otherwise indicated, all references in this Agreement refer to sections of this Agreement.

11.11 Conventions

In this Agreement:

- (a) the singular includes the plural and the plural the singular;
- (b) words importing any gender include the other gender;

- (c) references to statutes are construed as including all statutory provisions consolidating, amending or replacing the statute referred to;
- (d) references to writing include printing, typing, lithography and other means of reproducing words in a visible form;
- (e) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms
- (f) references to persons include their permitted successors and assigns; and
- (g) the term including shall mean including without limitation.

11.12 Nondiscrimination

Neither the Operator nor any subcontractor nor any person(s) acting on their behalf shall discriminate against any person because of race, sex, age, creed, color, religion or national origin, ancestry, disability, sexual orientation, or union membership.

Article 12. Integrated Waste and Recyclables Management Program Support

12.1 Minimum Processing/ Disposal Capacity Donation for Non-Profit Activities

(to be completed based on Operator's response in Submittal Form)

12.2 Negotiated Integrated Waste and Recyclables Management Program Support

(to be completed as appropriate based on Operator's response in Submittal Form and subsequent interviews and negotiations with 5-County Region representatives)

IN WITNESS WHEREOF, the counties represented by the 5-County Region and the Operator have caused this Municipal Waste Processing/Disposal Capacity and Integrated Waste and Recyclables Management Service Agreement to be executed as of the date and year first written.

5-COUNTY REGIONAL REPRESENTATIVES

For Columbia County:

Witness: _____ By: _____

Date: _____ Title: _____

For Lycoming County:

Witness: _____ By: _____

Date: _____ Title: _____

For Montour County:

Witness: _____ By: _____

Date: _____ Title: _____

For Snyder County:

Witness: _____ By: _____

Date: _____ Title: _____

For Union County:

Witness: _____ By: _____

Date: _____ Title: _____

OPERATOR

Witness: _____ By: _____

Date: _____ Title: _____