Execution Version

WASTE DISPOSAL AND SERVICE AGREEMENT

AMONG

CITY OF ALEXANDRIA, VIRGINIA,

COUNTY OF ARLINGTON, VIRGINIA

AND

COVANTA ALEXANDRIA/ARLINGTON, INC.

DATED January 24, 2012

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Execution Version

WASTE DISPOSAL AND SERVICE AGREEMENT

THIS WASTE DISPOSAL AND SERVICE AGREEMENT (this "Agreement") is entered into as of January 24, 2012 (the "Execution Date"), by and among **COVANTA ALEXANDRIA/ARLINGTON, INC.**, a Virginia corporation having its principal place of business at 445 South Street, Morristown, New Jersey 07960 (the "Company"), the **CITY OF ALEXANDRIA, VIRGINIA** (the "City"), and the **COUNTY OF ARLINGTON, VIRGINIA** (the "County"). The City and the County may each be referred to herein as a "Jurisdiction", or collectively as the "Jurisdictions". The City, the County and the Company may each be referred to herein as the "Party", or collectively as the "Parties", as the usage of such term may require.

W I T N E S S E T H:

WHEREAS, except for certain improvements owned by the Jurisdictions and leased to the Company pursuant to the Operating Lease (as defined below), the Company owns and operates the energy-from-waste facility located at 5301 Eisenhower Avenue, Alexandria, Virginia 22304 (the "Facility");

WHEREAS, the Jurisdictions and the Company (among other parties) entered into (a) an Amended and Restated Facility Construction and Operation Agreement dated as of October 1, 1985, as amended (the "Operation Agreement"), for the construction and operation of the Facility, which Operation Agreement expires on January 1, 2013; (b) an Amended and Restated Site Lease dated as of October 1, 1985, as amended (the "Site Lease"), for lease of the Facility Site (as defined herein) to the Company, which Site Lease expires on October 1, 2025; and (c) an Operating Lease Agreement dated as of November 1, 1998 (the "Operating Lease") for certain environmental improvements to the Facility owned by the Jurisdictions and leased to the Company, which Operating Lease expires on October 1, 2025;

WHEREAS, the Jurisdictions and the Company desire to enter into this Agreement pursuant to which, commencing on the Effective Date (as defined herein), the Company will continue to accept, Process and dispose of, and the Jurisdictions will deliver (or caused to be delivered) and pay for the disposal and Processing of Acceptable Waste, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Company and the Jurisdictions hereby agree as follows:

ARTICLE 1. Definitions.

Section 1.1 Definitions. The following words and phrases shall have the following meanings when used in this Agreement:

"***Acceptable Waste***" means

(a) household garbage, trash, rubbish and refuse of the kinds normally generated by residential housing units located in the Jurisdictions, including, without limitation,

(i) large household items such as beds, mattresses, sofas, refrigerators, washing machines, automobile parts, furnaces, and roofing materials of the types and in proportionate amounts that are generally collected by the Jurisdictions and /or their contract haulers from residential housing units located in the City and the County; and

(ii) leaves, twigs, grass, brush and plant cuttings; and

(b) the types of commercial and light industrial waste that are normally generated by governmental, commercial and light industrial and manufacturing establishments located in the City and the County.

In no event shall Acceptable Waste include any materials that are Unacceptable Waste. At any time, the Jurisdictions and the Company mutually may agree that any materials initially defined as Unacceptable Waste shall be reclassified as Acceptable Waste.

"***Acceptance Fee***" means the amounts calculated in accordance with Section 4.2 payable to the Company by the Jurisdictions.

"***Adjustment Factor***" shall have the meaning set forth on Schedule 2 attached hereto.

"***Affiliate***" means an entity which is directly or indirectly controlled by, or under common control of, Covanta Energy Corporation, a Delaware corporation, or any successor thereto.

"***Aggregate Monthly Shortfall Tonnages***" means the sum of the Monthly Shortfall Tonnages during the pertinent Contract Year.

"***Aggregate Residue Change in Law Cost***" has the meaning given in Section 4.5(b).

"***Alternate Facility***" has the meaning given in Section 10.1(a).

"***Alternate Facility Costs***" shall mean (i) increased cost of transportation, fuel and the cost to contract for additional trucks (including labor), including additional charges of contractor(s) of the Jurisdiction(s), required as a result of the use of the Alternate Facility; (ii) the tipping fee at the Alternate Facility, if paid by the Jurisdiction(s); and (iii) the cost, plus ten percent (10%), of additional overtime incurred only by Jurisdiction employees as a result of the use of the Alternate Facility.

"***Annual Capital Cost***" means an amount determined by dividing (a) the total capital cost of the capital alteration or capital project (as such terms are either defined or used under GAAP) to the Facility necessitated by a Change in Law, plus Markup, but exclusive of any other markup, profit and overhead, subject to Cost Substantiation, by (b) a straight-line depreciation basis (not accelerated) using the asset depreciable period for the applicable capital item as set forth in Section 168 of the Internal Revenue Code.

"***Annual Facility Capacity***" means 350,000 Tons per Contract Year.

"***Annual Shortfall Calculation***" has the meaning given in Section 4.6(b)(i).

"***Annual Shortfall Fee***" has the meaning given in Section 4.6(c)(ii).

"***Annual Shortfall Rebate***" has the meaning given in Section 4.6(c)(ii).

"***Annual Shortfall Tonnage***" has the meaning given in Section 4.6(b)(i).

"***Applicable Law(s)***" means every applicable federal, Virginia, County, City or local law, code, rule, mandate, statute, regulation, ordinance, municipal charter provision, order, decree, Permit, license, judgment, or other governmental requirement or resolution, the common law arising from final, nonappealable decisions of Governmental Authorities in the United States, and any interpretation or administration of any of the foregoing by any Governmental Authority, which applies to the services or obligations, or both, of any Party under this Agreement, whether now or hereafter in effect.

"***Base Tipping Fee***" means the per Ton tipping fee in effect for the Contract Year as set forth on Schedule 2, and as reduced to zero dollars ($0) in accordance with Section 4.3(b) during the Extended Term.

"***Billing Month***" means each calendar month in each Contract Year, except that (a) the first Billing Month shall begin on the Effective Date and end at the end of the last day of the month in which such Effective Date occurs and (b) the last Billing Month shall end concurrently with the end of the Term, or, as applicable, the date of termination of this Agreement.

"***Business Day***" means each Monday, Tuesday, Wednesday, Thursday and Friday, which is not a legal holiday in the Commonwealth of Virginia.

"***Capital Project***" has the meaning given in Section 4.10.

"***Change in Law***" means either (a) the enactment, adoption, promulgation, modification, written interpretation or reinterpretation, written guideline or repeal, subsequent to the Effective Date, of any law, ordinance, code, rule, regulation or similar legislation by any Federal, Virginia, County or other governmental body, or (b) the modification of or the imposition of any conditions on the issuance, modification or renewal of any official permit, license or approval subsequent to the Effective Date, which in the case of either (a) or (b), establishes requirements affecting the operation of the Facility which are more burdensome than and adversely

inconsistent with the most stringent requirements which are applicable to the Facility or the Company, as the case may be, and which are contained in any applicable laws with respect to the Facility in effect as of the Effective Date.

Any change after the Execution Date in any Applicable Laws in existence and established as of the Execution Date regarding duties, fees, charges, levies, assessments, rates or similar impositions of Governmental Authorities, but not including taxes (for purposes of this and the immediately succeeding sentence), which change increases or decreases such duties, fees, charges, levies, assessments, rates or similar impositions of Governmental Authorities shall not be considered a Change in Law or any other Event of Force Majeure under this Agreement; provided that a material structural change in such Applicable Law (exclusive of tax law and utilities charges and fees) affecting the operation of the Facility shall constitute a Change in Law, but only to the extent such change increases the incremental cost of such Applicable Law. The enactment into law after the Execution Date of any federal, Virginia or local tax law shall not be considered a Change in Law or any other Event of Force Majeure under this Agreement. In no event, shall any change in tax law, federal, Virginia, local or otherwise, be considered a Change in Law. For purposes of clarity, the Discriminatory Tax provision in Section 4.8 shall nevertheless be applicable pursuant to the terms of such provision.

"***Change in Law Charge***" has the meaning given in Section 4.5(c).

"***Change in Law Credit***" has the meaning given in Section 4.5(d).

"***City***" has the meaning ascribed to it in the opening paragraph of this Agreement.

"***Company***" has the meaning ascribed to it in the opening paragraph of this Agreement.

"***Company Change in Law Notice***" has the meaning given in Section 4.5(f).

"***Company Indemnified Parties***" has the meaning given in Section 7.2.

"***Confidentiality Agreement***" means the form of Confidentiality Agreement, in form and substance, attached hereto as Exhibit E.

"***Contract Year***" means a Fiscal Year comprised of twelve (12) months, except that (a) the first Contract Year shall commence on the Effective Date and end at the end of the Fiscal Year in which the Effective Date occurred and (b) the last Contract Year shall end concurrently with the end of the Term, or as applicable, the date of termination of this Agreement.

"***Cost Substantiation***" means, with respect to any cost or expense incurred by any Party, a certificate signed by the Party with respect to the Party's asserted increase and incremental Direct Costs incurred by the Party, stating (a) the reason for incurring such Direct Cost, (b) the amount of such Direct Cost, (c) the act, event, condition or Section under this Agreement giving rise to the Party's right to incur such Direct Cost, and (d) that such Direct Cost is at a fair market value price for the service provided or materials supplied (it being understood that such services or materials may be provided or supplied by an Affiliate). Any certification provided by any

Party to the other Parties shall include copies of all invoices or charges, together with any additional reasonable documentation of such costs or expenses incurred which the other Party deems reasonably necessary to verify the amount of such costs and expenses and to demonstrate the basis for the amount claimed.

"***County***" has the meaning ascribed to it in the opening paragraph of this Agreement.

"***Cure***", "***Cured***" or "***Curing***" means any repair, replacement, change, modification, reconstruction, cure, remedy or correction to or on the Facility.

"***Direct Cost(s)***" means, in connection with any cost or expense incurred by any Party, the sum of:

(a) the costs of the Party's payroll directly related to the performance of any obligation of the Party pursuant to the terms of this Agreement, consisting of compensation and fringe benefits, including vacation, sick leave, holidays, retirement, worker's compensation insurance and employer's liability insurance and in the case of the Company, not otherwise provided by the Company pursuant to the provisions of Section 7.3, federal and Virginia unemployment taxes and all medical and health insurance benefits plus Markup but exclusive of any other markup, profit and overhead, excluding retirees medical and health benefits, plus

(b) the sum of (1) payments of reasonable costs to subcontractors necessary to and in connection with the performance of the Party's obligations, plus (2) the costs of equipment, materials, direct rental costs and supplies purchased by such Party (equipment manufactured or furnished by, and services, materials and supplies furnished by, the Party or its Affiliates shall be considered purchased materials at their actual invoice cost, provided such cost is an arm's length fair market value cost), plus (3) interest and transaction costs of financing items described in the foregoing clauses (1) and (2), plus

(c) subject to Applicable Law, the reasonable costs of travel and subsistence incurred by any employee of the Party.

This definition shall be applicable whenever this term is identified in this Agreement unless the Parties shall otherwise agree in writing.

"***Discriminatory Tax***" has the meaning given in Section 4.8.

"***Diverted Waste***" means Acceptable Waste that the Company is required to accept at the Facility for Processing under this Agreement but (a) which is not accepted by the Company because of an Event of Force Majeure or (b) which is wrongfully refused by the Company.

"***Effective Date***" means January 1, 2013 at 12:01 a.m., or such other date and time mutually agreed in writing by the Parties.

"***Event of Default***" means any of the events of default set forth in Sections 10.3 or 10.4.

"***Event of Force Majeure***" means the following acts, events or conditions or any combination thereof that has had or may reasonably be expected to have a direct, material, adverse effect on the rights or obligations of a Party to this Agreement; provided, however, that such act, event or condition shall be beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under the terms of this Agreement:

(a) An act of God such as severe natural conditions such as landslide, lightning, earthquake, flood, hurricane, blizzard, tornado or other severe weather conditions, severe sea conditions (affecting delivery of materials) or similar cataclysmic occurrence, nuclear catastrophe, an act of public enemy, war, blockade, insurrection, sabotage, vandalism, theft, riot, general arrest or general restraint of government and people;

(b) A Change in Law;

(c) The loss of any utility services necessary for the operation of the Facility for reasons other than, as applicable, Company Fault or Jurisdiction Fault;

(d) The presence of any subsurface or latent physical condition (including the presence of Hazardous Waste or other contamination or pollution, but excluding such materials brought to the Facility Site by or generated by the Company or its subcontractors) at or on the Facility which shall prevent or materially adversely affect the Company's obligations hereunder; provided that the condition was unknown to the Company on, and could not have been discovered with reasonable diligence by the Company on or before the Execution Date;

(e) The condemnation, taking, seizure, involuntary conversion or acquisition of title to or use of the Facility or any material portion or part thereof, or the alternate disposal facility then being used by the Company to carry out its obligations hereunder by the action of any federal, state or local government or governmental agency or authority; and

(f) The unavailability of any and all Landfills (other than the Lorton Landfill) in Delaware, Maryland, North Carolina, Pennsylvania, Virginia and West Virginia.

"***Excess Annual Tonnage Threshold***" means the Tons of Acceptable Waste during a Contract Year as set forth in Schedule 1, as the same may be modified or amended from time to time by the Jurisdictions pursuant to Section 2.2(b) or, in the case of the Extended Term, pursuant to Section 2.2(c).

"***Excess Monthly Tonnage***" means the Tons of Acceptable Waste during a Billing Month as set forth in Schedule 1, as the same may be modified or amended from time to time by the Jurisdictions pursuant to Section 2.2(b).

"***Excess Tonnage Fee***" has the meaning given in Section 4.7.

"***Excess Tonnage Tip Fee***" means the per Ton fee in effect for the Contract Year as set forth in Schedule 2 for acceptance and Processing by the Company at the Facility of Acceptable Waste delivered by or on behalf of the Jurisdictions in excess of the Excess Annual Tonnage Threshold in effect for the subject Contract Year.

"***Extended Term***" has the meaning given in Section 2.3(c).

"***Extension Option***" has the meaning given in Section 2.3(c).

"***Facility***" has the meaning ascribed in the recitals to this Agreement.

"***Facility Site***" means the real property, easements and rights of way on which the Facility is located as defined and depicted on Exhibit A to the Site Lease.

"***Fiscal Year***" means the fiscal year commencing on July 1 and ending on the immediately succeeding June 30.

"***Forced Outage***" has the meaning given in Section 10.1(a).

"***GAAP***" means generally accepted accounting principles in the United States in effect from time to time.

"***Good Engineering Practice***" means those practices, methods, techniques, specifications and standards of safety, maintenance, housekeeping, repair or replacement, as the same may change from time to time, as are commonly observed in the United States and commonly performed by competent, qualified operators performing management, operation, maintenance, repair or replacement services for waste-to-energy facilities, which in the exercise of reasonable judgment and in light of the facts known at the time the decision was made, are considered good, safe and prudent practice in connection with such services.

"***Governmental Authority(ies)***" means any federal, Virginia, regional, City, County, or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, board, agency, commission, administration, bureau or court having jurisdiction over, as applicable, (a) the Facility, (b) the Facility Site, (c) the transactions relative to the Facility, (d) the performance of the Work, (e) the obligations or the rights, or both, of the Parties under this Agreement, (f) leases or property rights relative to the Facility Site, or (g) the sale, purchase or other disposition of commodities consumed, produced or generated by the Facility.

"***Guarantor***" has the meaning given in Section 12.1(a)(ii).

"***Guaranty***" has the meaning given in Section 12.1(a)(ii).

"***Hauler Rules and Regulations***" has the meaning given in Section 3.3.

"***Hazardous Waste***" means waste which is harmful, toxic or dangerous or is now or hereafter defined as hazardous waste in either the Solid Waste Disposal Act, 42 U.S.C. 6901 et seq., or the regulations thereunder, or under other applicable statutes, or the regulations thereunder, or any other material that cannot be accepted for disposal pursuant to the Facility's applicable permits.

"***Holidays***" means New Year's Day and Christmas Day.

"***Initial Term***" has the meaning given in Section 2.3(a).

"***Jurisdiction Fault***" means the negligence or willful misconduct of the Jurisdictions, or any agent, officer, commissioner, employee, contractor, subcontractor of any tier or independent contractor of or to the Jurisdictions which (a) prevents or, individually or collectively, materially interferes with or materially delays the City or the County's performance of its obligations; (b) deprives the Company of any of its rights; or (c) materially increases the Company's costs of performing its obligations hereunder or materially reduces it revenues, in any case, under this Agreement.

"***Jurisdictions***" has the meaning ascribed to them in the opening paragraph of this Agreement.

"***Jurisdictions Indemnified Parties***" has the meaning given in Section 7.4.

"***Landfill***" means the landfill or landfills the Company may lease, own, operate, contract with or designate during the Term; provided that the Company's landfill or other landfill(s) shall always be permitted in accordance with all Applicable Laws and shall be permitted to accept the particular Residue, Unacceptable Waste or Acceptable Waste, as applicable, delivered to it in accordance with all Applicable Laws.

"***Lorton Agreement***" means (a) the Memorandum of Understanding I-95 Resource Recovery, Land Reclamation and Recreation Complex dated July 22, 1981 by and between the County of Fairfax, Virginia, the District of Columbia and the Metropolitan Washington Waste Management Agency; (b) the Supplemental Agreement to the Memorandum of Understanding I-95 Resource Recovery, Land Reclamation and Recreation Complex, dated as of April 21, 1982 by and between the County of Fairfax, Virginia and the District of Columbia, and the City and the County; (c) the supplemental correspondence between the City and the County and the County of Fairfax, Virginia dated November 22, 1983; January 23, 1984; and March 27, 1984; and (d) any amendments, modifications or supplements thereto.

"***Lorton Landfill***" means the landfill site located in Lorton, Virginia, operated by Fairfax County, Virginia under the Lorton Agreement.

"***Losses***" has the meaning given in Section 7.4.

"***Markup***" means wherever such term is used, overhead and profit equal to ten percent (10%) of the Company's actual internal direct labor costs (i.e., Company or Affiliate employee

wages or prorated salaries), including fringe benefits, directly attributable for the specific Work that is the subject of or basis for the Markup relative to the Change in Law. The term "Markup" includes no overhead and profit on any other service or obligation, equipment, tools, materials, supplies and Work other than that specifically recognized in the first sentence of this definition.

"***Maximum Change in Law Cost***" has the meaning given in Section 10.6(a).

"***Maximum Unamortized Capital Cost***" has the meaning given in Section 10.6(b).

"***MFN Agreement***" has the meaning given in Section 4.9(a).

"***MFN Tipping Fee***" has the meaning given in Section 4.9(a).

"***MFN Tons***" has the meaning given in Section 4.9(b).

*"**Minimum Annual Tonnage**"* means the Tons of Acceptable Waste during a Contract Year as set forth in Schedule 1, as the same may be modified or amended from time to time by the Jurisdictions pursuant to Section 2.2(b).

*"**Minimum Monthly Tonnage**"* means the Tons of Acceptable Waste during a Billing Month Year as set forth in Schedule 1, as the same may be modified or amended from time to time by the Jurisdictions pursuant to Section 2.2(b).

"***Monthly Disposal Fee***" has the meaning given in Section 4.3(a).

"***Monthly Report(s)***" means those monthly reporting requirements specified in Schedule 6.

"***Monthly Shortfall Fee***" has the meaning given in Section 4.6(a).

"***Monthly Shortfall Tonnage***" has the meaning given in Section 4.6(a).

"***Objection Notice***" has the meaning given in Section 4.5(f).

"***Operating Lease***" has the meaning ascribed in the recitals to this Agreement.

"***Operation Agreement***" has the meaning ascribed in the recitals to this Agreement.

"***Party***" or "***Parties***" has the meaning ascribed to such terms in the opening paragraph of this Agreement.

"***Permit(s)***" means all actions, reviews, approvals, leases, property rights, consents, waivers, exemptions, variances, franchises, orders, permits, authorizations, rights, licenses, filings, zoning changes or variances, and entitlements, of whatever kind and however described, which are required under Applicable Law or by any Governmental Authority to be obtained or maintained by the Company to operate the Facility or perform the Work.

"***Person***" means a municipality, locality, corporation, partnership, business trust, trust, joint venture, company, firm or individual.

"***Potential Residue Disposal Credit***" means the Residue Disposal Credit or Residue Disposal Rebate, as applicable, the Jurisdictions would have been entitled to receive from the Company had the Company continued to dispose of Residue at the Lorton Landfill; provided, however, at the time of determination, the Lorton Landfill must be available to accept the disposal of Residue generated at the Facility.

"***Power Purchase Agreement***" means the Power Purchase and Operating Agreement dated as of October 22, 1985, as amended, among Alexandria/Arlington Resource Recovery Corporation, the City, the Alexandria Sanitation Authority, the County, Arlington Solid Waste Authority and the Virginia Electric and Power Company.

"***Process***," "***Processed***" or "***Processing***" means the combustion of Acceptable Waste through the Facility.

"***Public Works Officials***" mean the Persons who serve as the Director of the Department of Transportation and Environmental Services for the City and the Director of the Department of Environmental Services for the County.

"***Receiving Time***" means the period of operation of the Facility during which the Facility shall be open and available for the receipt and delivery of Acceptable Waste by or on behalf of the Jurisdictions which shall be open (a) Monday through Friday from 5:00 a.m. to 6 p.m. (Eastern Time), other than Holidays; (b) Saturday from 6:00 a.m. to noon (Eastern Time), other than Holidays; (c) on holidays (other than Holidays) from 6:00 a.m. to 3:00 p.m. (Eastern Time), (d) such other day(s) and time(s) in accordance with Section 3.1(c); and (e) during such other times that the Company and the Jurisdictions may mutually agree in writing.

"***Renewal Term***" has the meaning given in Section 2.3(b).

"***Resident Area Rules and Regulations***" has the meaning given in Section 3.6.

"***Residue***" means the material remaining after Acceptable Waste (including any Supplemental Waste) delivered by or on behalf of any Persons to the Facility is Processed, including fly ash, bottom ash, spent reagent and other materials which may or may not be recovered.

"***Residue Change in Law***" has the meaning given in Section 4.5(b).

"***Residue Disposal Credit***" has the meaning given in Section 4.4(a).

"***Residue Disposal Rebate***" has the meaning given in Section 4.4(b).

"***Residue Unit Change in Law Cost***" has the meaning given in Section 4.5(b).

"***Site Lease***" has the meaning ascribed in the recitals to this Agreement.

"***Site Lease Term***" means the term of the Site Lease.

"***Solid Waste***" shall have the meaning ascribed to such term pursuant to Applicable Law in the Commonwealth of Virginia.

"***Term***" means the Initial Term and, if applicable in accordance with Section 2.3, the Renewal Term and the Extended Term.

"***Ton***" means 2,000 pounds.

"***Unacceptable Waste***" means (a) Hazardous Waste and (b) the items set forth in Schedule 4 hereto.

"***Unacceptable Waste Costs***" has the meaning given in Section 5.1(b).

"***Unamortized Capital Cost***" has the meaning given in Section 4.10(c).

"***Unit Change in Law Cost***" has the meaning given in Section 4.5(a).

"***Weighted Average Unit Change in Law Cost***" means the sum of, for every Billing Month in which there is a Monthly Shortfall Tonnage during the pertinent Contract Year, the product of, for each such Billing Month, (a) the quotient resulting by dividing (i) the Monthly Shortfall Tonnage for such Billing Month, by (ii) the Aggregate Monthly Shortfall Tonnages during the pertinent Contract Year, multiplied by (b) the Unit Change in Law Cost for such Billing Month used in (a)(i) of this definition.

"***Work***" means all the obligations, duties, responsibilities, services and activities the Company is responsible for performing or causing to be performed pursuant to the requirements of this Agreement.

Section 1.2 Interpretation. In this Agreement, unless the context otherwise requires:

(a) The terms "hereby", "hereof", "herein", "hereunder", and any similar terms as used in this Agreement refer to this Agreement, and the term "heretofore" shall mean before, and the term "hereafter" shall mean after the Execution Date.

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders and words importing the similar number shall mean and include the plural number and vice versa.

ARTICLE 2. General Provisions.

Section 2.1 Delivery of Acceptable Waste to the Facility.

(a) Delivery of Acceptable Waste; No Delivery Guarantee. Subject to this Section 2.1(a), during the Term, the Jurisdictions shall use all reasonable efforts to deliver, or cause to be delivered, to the Facility Acceptable Waste generated in the Jurisdictions which is collected, or caused to be collected, by the Jurisdictions. Subject to Section 4.6, nothing in this Agreement shall obligate the Jurisdictions to deliver any amount of Acceptable Waste in any Contract Year to the Facility and the failure of the Jurisdictions to deliver the Minimum Annual Tonnage in any Contract Year to the Facility shall not give rise to an Event of Default on the part of the Jurisdictions under this Agreement. Notwithstanding anything to the contrary in this Agreement, nothing shall limit the Jurisdictions' waste reduction, recycling programs or collection programs, or any one or more of the foregoing, which are in effect and as are modified or amended from time to time, subject to the Jurisdictions' payment (if any) of the Monthly Shortfall Fee as required by Section 4.6(a) and, if applicable, the Annual Shortfall Fee. The Jurisdictions shall not contract or subcontract, either directly or indirectly, with another Governmental Authority (other than arrangements or contracts (whether oral or written) with governmental agencies or units in effect as of the Execution Date) in order to meet their delivery obligations hereunder.

(b) Payment of Acceptance Fee. The Jurisdictions shall pay, or caused to be paid, the Acceptance Fee due to the Company by the Jurisdictions at such times and in such amounts as specified in Articles 4 and 6 as calculated with respect to the Jurisdictions, taking into account, in each case, any set-offs, credits or other deductions or adjustments recognized in Article 4 or other provisions of this Agreement. The payment obligations of the City and the County under this Agreement shall be joint and several.

(c) Delivery Vehicles. Except for resident deliveries pursuant to Section 3.6, Acceptable Waste shall be delivered by or on behalf of the Jurisdictions, at their expense, to the Facility in accordance with this Agreement and Exhibit C hereto, and shall comply with the Company's reasonable identification procedures pursuant to Section 3.4 and Applicable Law.

Section 2.2 Minimum Monthly and Annual Tonnage Amounts; Adjustments.

(a) Initial Minimum and Excess Annual Tonnage Threshold and Minimum Monthly Tonnage and Excess Monthly Tonnage. The initial Minimum Annual Tonnage shall be 50,000 Tons per Contract Year and the initial Excess Annual Tonnage Threshold shall be 70,000 Tons per Contract Year as shown in Schedule 1. The initial Minimum Monthly Tonnage and Excess Monthly Tonnage for the Jurisdictions are shown on Schedule 1. The Jurisdictions may, from time to time in their sole discretion, amend the Minimum Annual Tonnage, the Excess Annual Tonnage Threshold, the Excess Monthly Tonnage, and the Minimum Monthly Tonnage in accordance with Section 2.2(b).

(b) Adjustment to Tonnage Amounts. Prior to the Effective Date and during each Contract Year thereafter during the Initial Term and, if applicable, the Renewal Term, the

Jurisdictions shall have the right, in their sole discretion, to amend Schedule 1 to increase or decrease the Minimum Annual Tonnage or the Excess Annual Tonnage Threshold, or both, by no more than 5,000 Tons each Contract Year by delivering written notice to the Company at least ninety (90) days prior to the Effective Date or the first day of the pertinent Contract Year, as applicable, in which the adjustment is to be effective. If there is an amendment in either the Minimum Annual Tonnage or the Excess Annual Tonnage Threshold, or both, the difference between such amounts shall always be 20,000 Tons. If there is an increase or decrease in the Minimum Annual Tonnage or the Excess Annual Tonnage Threshold, the Minimum Monthly Tonnage amount and Excess Monthly Tonnage shall be adjusted proportionally based on the percentage increase or decrease, as the case may be, in the Minimum Annual Tonnage or Excess Annual Tonnage Threshold, and the aggregate of (x) the twelve (12) Minimum Monthly Tonnages for the Contract Year shall equal the Minimum Annual Tonnage for the pertinent Contract Year and (y) the twelve (12) Excess Monthly Tonnage amounts for the Contract Year shall equal the Excess Annual Tonnage Threshold for the pertinent Contract Year.

(c) Excess Annual Tonnage Threshold during Extended Term. If the Extension Option is exercised in accordance with Section 2.3(c), then the Excess Annual Tonnage Threshold beginning on October 1, 2025 and for each Contract Year thereafter until June 30, 2030 (as prorated for the partial Contract Year beginning on October 1, 2025 and ending on June 30, 2026), shall be the average of the aggregate Tons of Acceptable Waste delivered or caused to be delivered to the Facility and all Alternate Facility(ies) by or on behalf of the Jurisdictions plus all Diverted Waste during the immediately preceding two (2) full Contract Years; provided, however, in no event shall the Excess Annual Tonnage Threshold be less than 65,000 Tons nor greater than 80,000 Tons in any Contract Year during the Extended Term. The calculation of the Excess Annual Tonnage Threshold in the first sentence of this Section 2.2(c) shall be recalculated and adjusted on July 1, 2030 and July 1, 2035, to be effective for each Contract Year from July 1, 2030 until July 1, 2035, and from July 1, 2035 until expiration of the Extended Term, respectively, based on the average of the aggregate Tons of Acceptable Waste delivered or caused to be delivered to the Facility and all Alternate Facility(ies) by or on behalf of the Jurisdictions plus all Diverted Waste during the immediately preceding two (2) Contract Years prior to each of July 1, 2030 and July 1, 2035, respectively; provided, however, in no event shall the Excess Annual Tonnage Threshold be less than 65,000 Tons nor greater than 80,000 Tons in any Contract Year during the Extended Term.

Section 2.3 Term.

(a) Initial Term. This Agreement shall begin on the Effective Date and, unless sooner terminated in accordance with the terms of this Agreement, shall expire on June 30, 2019 (the "Initial Term").

(b) Renewal Term. Unless any Party delivers written notice to the other Parties after June 30, 2018 but before December 31, 2018 that it does not want the Term to be extended, this Agreement shall automatically extend for an additional period beginning July 1, 2019 and expiring on September 30, 2025 (the "Renewal Term"); provided, however, no Party shall have the option to elect out of the Renewal Term pursuant to this Section 2.3(b) if the

Jurisdictions exercise their Extension Option before a Party has opted out of the Renewal Term during the Initial Term in accordance with Section 2.3(c).

(c) Extended Term. Notwithstanding any other provision of this Agreement, at any time prior to December 31, 2024, the Jurisdictions may, in their sole discretion, jointly elect to extend this Agreement to December 31, 2038 by delivering written notice to the Company (the "Extension Option"). If the Jurisdictions exercise the Extension Option during the Initial Term, this Agreement shall automatically be extended for the Renewal Term and, unless otherwise terminated in accordance with this Agreement, continue in effect beginning on October 1, 2025 and continuing until December 31, 2038 (the "Extended Term") on the terms and conditions for such periods as provided for herein.

Section 2.4 Residue Disposal; Lorton Landfill. The Company shall be solely responsible for (a) all costs and expenses of the hauling, loading, transporting and disposal of Residue, regardless of place of disposal, and (b) the sale or other disposition of materials recovered from Residue. To the extent the Jurisdictions are entitled to permit the Company's disposal of Residue at the Lorton Landfill, beginning on the Effective Date and continuing until the earlier of (i) the expiration or earlier termination of this Agreement, or (ii) the expiration or earlier termination of the Lorton Agreement, the Company shall be permitted to dispose Residue at the Lorton Landfill pursuant to the terms of the Lorton Agreement, and the Jurisdictions shall take any actions reasonably requested by the Company to allow the Company to dispose of Residue at the Lorton Landfill. Notwithstanding the foregoing sentence, the Jurisdictions are under no obligation to pay any money, incur any obligation, commence any legal proceeding, vote in any manner, or offer or grant any accommodation (financial or otherwise) in connection with such assurances to take such actions reasonably requested by the Company to dispose of Residue at the Lorton Landfill. The Company hereby assumes all liabilities of the Jurisdictions under the Lorton Agreement relating to the fees for disposal of Residue at the Lorton Landfill and shall pay all disposal fees in such amounts and at such time or times in accordance with the Lorton Agreement and any amounts which the Company is obligated to pay because the Company has breached Applicable Law. The Company shall comply with all terms and provisions of the Lorton Agreement, including but not limited to, all rules and regulations announced by the manager or operator of the Lorton Landfill. The Company shall not be obligated to deliver Residue to the Lorton Landfill and may elect to deliver Residue to any properly permitted landfill or arrange for beneficial re-use of such Residue in full compliance with all Applicable Law. The unavailability or closure of the Lorton Landfill for disposal of Residue from the Facility shall not, in any way, constitute an Event of Default or Event of Force Majeure under this Agreement.

ARTICLE 3 Delivery and Processing of Acceptable Waste; Rejection Rights; Residue Disposal; Weighing and Related Matters; Emergency and Other Deliveries.

Section 3.1 Acceptance of Solid Waste by the Company at the Facility; Receiving Time.

(a) Throughout the Term, the Company shall accept and Process Acceptable Waste at the Facility delivered by or on behalf of the Jurisdictions in accordance with the terms of this Agreement.

(b) The Company shall keep the Facility open for receiving Acceptable Waste delivered by or on behalf of the Jurisdictions during the Receiving Time.

(c) Due to a natural disaster or other emergency condition, any Jurisdiction may request the Company to accept and dispose of more Acceptable Waste than the Company is obligated to accept under Sections 3.2(a) at hours other than the Receiving Time. The Company shall use reasonable efforts to accommodate such requests; however, the Company's determination of its ability to do so shall be final. Additional charges for deliveries under this Section 3.1(c) outside of the Receiving Time shall be set forth in a schedule prepared by the Company and delivered to the Jurisdictions in accordance with this Section 3.1(c). These charges shall be paid by the Jurisdiction that requests the additional hours. At least thirty (30) days prior to the Effective Date, the Company shall give the Jurisdictions a schedule of charges for deliveries of Acceptable Waste outside of the Receiving Time pursuant to this Section 3.1(c). On or before September 30 of each Contract Year, the Company shall provide each Jurisdiction with the proposed schedule of charges for such deliveries for the following Contract Year; the Company may revise the proposed schedule of charges until the March 1 preceding the Contract Year for which the charges are effective. The charges shall be equal to 110% of the Company's estimate of its reasonable Direct Costs (excluding Markup) for labor, maintenance and other operating costs attributable to out-of-hours deliveries. The Company shall furnish the Jurisdictions on request information justifying such charges. Any amounts payable by the Jurisdictions for deliveries outside of the Receiving Time may be included in the monthly invoice delivered to the Jurisdictions under Section 6.1 or separately invoiced to the Jurisdiction(s) requesting such additional hours from time to time, as the Company may elect. If the Company elects to send a separate invoice to the Jurisdiction requesting such additional hours, then such invoice shall be payable to the Company no earlier than sixty (60) days following receipt by such Jurisdiction.

Section 3.2 Rejection of Deliveries; Diverted Waste.

(a) Except as expressly provided in this Agreement, the Company may reject at the Facility tenders delivered by or on behalf of the Jurisdictions of the following:

(i) Acceptable Waste which the Facility is prevented from accepting that is directly the result of (A) an Event of Force Majeure, or (B) Jurisdiction Fault;

(ii) Acceptable Waste that is not delivered in accordance with Sections 3.3 and 3.4 of this Agreement;

(iii) subject to Section 3.1(c), Acceptable Waste that is delivered other than during Receiving Time; or

(iv) Acceptable Waste in excess of 150% of the applicable Excess Monthly Tonnage set forth on Schedule 1 (which may be amended by the Jurisdictions under Section 2.2(b)), which the Company is unable, using its best efforts, to accept and Process at the Facility.

(b) If the Company is unable to receive tenders of Acceptable Waste at the Facility as a result of Sections 3.2(a), the Company shall immediately notify the Public Works Officials by telephone, and notify the Jurisdictions promptly in writing. Acceptable Waste tendered by the Jurisdictions that the Company does not accept, except as provided for in Sections 3.2(a)(i), (ii) or (iii), shall constitute Diverted Waste for all purposes of this Agreement. If, in any Billing Month, the Company refuses or is unable to accept Acceptable Waste delivered by or on behalf of the Jurisdictions in accordance with this Agreement for any reason whatsoever other than Jurisdiction Fault, the number of Tons which the Company refuses or is unable to accept shall be credited to the Minimum Annual Tonnage for such Contract Year. In no event, including, but not limited to, during an Event of Force Majeure or Forced Outage, shall the Company have the right to reject deliveries of Acceptable Waste by or on behalf of the Jurisdictions in favor of Acceptable Waste delivered by any other Person (other than the Jurisdictions).

Section 3.3 Delivery Procedures. The delivery of Solid Waste to the Facility shall be regulated by the hauler rules and regulations set forth on Exhibit C-1 hereto and which are applicable to all customers utilizing the Facility (the "Hauler Rules and Regulations"). Subject to the Jurisdictions' prior written approval, which shall not be unreasonably withheld, the Company may amend the Hauler Rules and Regulations from time to time by delivering written notice to the Jurisdictions not less than sixty (60) days prior to the effectiveness of such amendment; provided, however, any amendment to the Hauler Rules and Regulations which is not applicable to all customers utilizing the Facility shall not be applicable to or enforceable against the Jurisdictions or its designated haulers. The Hauler Rules and Regulations shall have reasonable terms and conditions consistent with the then-current operation of the Facility as of the Execution Date. The Parties agree that in the event of a conflict between the terms of this Agreement and the Hauler Rules and Regulations, this Agreement controls.

Section 3.4 Vehicle Identification. The current vehicle identification procedures for vehicles delivering Solid Waste to the Facility are set forth on Exhibit C-2 hereto. Subject to the Jurisdictions' prior written approval, which shall not be unreasonably withheld, the Company may provide for a reasonable system for the identification of delivery vehicles delivering Solid Waste by or on behalf of the Jurisdictions to the Facility. The Company shall be under no obligation to accept Acceptable Waste from Persons or vehicles not complying with such reasonable identification system or reasonable delivery procedures established by the Company and as approved by the Jurisdictions. No rules, regulations or identification procedures shall be

applicable to or enforceable against the Jurisdictions or their designated haulers unless approved in writing by the Jurisdictions, which approval shall not be unreasonably withheld, and the Company shall not deny or otherwise impede the delivery of Acceptable Waste by or on behalf of the Jurisdictions to the Facility for Processing.

Section 3.5 Weighing; Company Delivery of Data and Information.

(a) Weighing. The Company shall operate and maintain, at its sole cost and expense, the scale house and scales at the Facility for the purpose of facilitating the determination of the total Tons of Acceptable Waste delivered to the Facility by or on behalf of each Jurisdiction and each other party delivering Acceptable Waste for Processing by the Company (whether or not the Company accepts the waste so delivered), and the Tons of Diverted Waste, Residue and Unacceptable Waste (by individual type and category) which leave the Facility. The weight record shall contain gross weight, tare weight, date and time and vehicle identification in accordance with Section 3.4. The Company shall give each vehicle operator delivering Solid Waste by or on behalf of the City or the County, or both, written confirmation in the form of a scale receipt of such information at the time the vehicle is weighed. The Company or any Jurisdiction, or both, may require from time to time the revalidation of the tare weight of any Jurisdiction or hauler vehicle or the reweighing of such unloaded vehicles or container.

(b) Company Delivery of Data and Information. The Company shall provide the Jurisdictions relative to the scale house and scales the following data and information no later than the tenth (10th) Day of each Billing Month: (i) the total quantity of Acceptable Waste (in Tons) delivered to the Facility by or on behalf of the City during the preceding Billing Month; (ii) the total quantity of Acceptable Waste delivered to the Facility by or on behalf of the County during the preceding Billing Month; (iii) the total quantity of Acceptable Waste (in Tons) disposed by residents of the City at the Facility during the preceding Billing Month in accordance with Section 3.6; (iv) the total quantity of all Residue delivered by or on behalf of the Company to the Lorton Landfill during the preceding Billing Month (both scale records from the Lorton Landfill and from the Facility); (v) the total quantity of Diverted Waste (by individual Jurisdiction) rejected during the Billing Month which was weighed at the Facility; (vi) the total quantity of Unacceptable Waste (by individual type and category) delivered by or on behalf of the City stored or disposed of by the Company during the preceding Billing Month; and (vii) the total quantity of Unacceptable Waste (by individual type and category) delivered by or on behalf of the County stored or disposed of by the Company during the preceding Billing Month.

Section 3.6 Resident Receiving Area. The Facility shall have a resident refuse disposal area located on the Facility Site consisting of one or more roll-off containers for delivery of residential Acceptable Waste by individuals who are residents of the City (other than a commercial hauler acting in his or her capacity as a commercial hauler). The Company may refuse to accept (i) Unacceptable Waste at the resident disposal area delivered by any City resident, and (ii) Acceptable Waste in amounts exceeding 500 pounds per week per City resident. All Acceptable Waste accepted at the residents' disposal area shall be for the credit for the Minimum Annual Tonnage and the tonnage shall be included in the calculation of the Monthly Disposal Fee for each Billing Month in Section 4.3(a), and the City shall pay the Monthly Disposal Fee therefor. The Company shall not charge a resident any cost or fee for disposal or

Processing of waste delivered to the resident receiving area. No minimum vehicle size or capacity restrictions will be applicable to the residents' disposal area. The Company has adopted reasonable rules and regulations to govern the City residents' receiving area, including the hours during which this area shall be open, which are attached as Exhibit C-3 hereto (the "Resident Area Rules and Regulations"). Subject to the City's prior written approval, which shall not be unreasonably withheld, the Company may amend the Resident Area Rules and Regulations from time to time. The City shall cooperate with the Company in establishing and implementing such reasonable rules and regulations as the Company shall propose. The Company shall request and review the driver's license or other reasonable identification to verify that each resident delivering waste to the resident receiving area is a resident of the City.

ARTICLE 4 Acceptance Fee and Other Fees and Rebates.

Section 4.1 General. Subject to the limitations contained in this Agreement, commencing with the first Billing Month and for each Billing Month thereafter, the Company shall be paid an Acceptance Fee by the Jurisdictions in accordance with Section 4.2.

Section 4.2 Acceptance Fee Formula. The monthly payment (the "Acceptance Fee") shall be calculated for the Jurisdictions as follows:

	AF	=	MDF – RDC +/- CLC + MSF
Where:	AF	=	Acceptance Fee
	MDF	=	Monthly Disposal Fee (Section 4.3)
	RDC	=	Residue Disposal Credit (Section 4.4)
	CLC	=	Change in Law Charge (Section 4.5(c)) *minus* Change in Law Credit (Section 4.5(d))
	MSF	=	Monthly Shortfall Fee (Section 4.6(a))

Section 4.3 Monthly Disposal Fee.

(a) Except as provided in Section 4.3(b), the monthly disposal fee for a Billing Month (the "Monthly Disposal Fee") shall be an amount equal to the product of (i) the sum of the number of Tons of Acceptable Waste delivered by or on behalf of the Jurisdictions (A) to the Facility and accepted and Processed by the Company; (B) in the case of a Forced Outage, to and disposed at the Alternate Facility(ies) in accordance with Section 10.1(a); and (C) in the case of an Event of Force Majeure, to and accepted (whether or not Processed) at the Facility and disposed of by or on behalf of the Company at an alternative disposal facility during such Billing Month; multiplied by (ii) the Base Tipping Fee.

(b) If the Jurisdictions exercise the Extension Option in accordance with Section 2.3(c), then the Base Tipping Fee for each Ton of Acceptable Waste (i) delivered by or

on behalf of the Jurisdictions in the Billing Month following the Billing Month in which the date of the notice of Extension Option was delivered to the Company and continuing through the last Billing Month of the Renewal Term, shall be equal to the Base Tipping Fee in effect for the Contract Year in which the Extension Option notice is delivered, without further escalation or adjustment through September 30, 2025, and (ii) commencing on October 1, 2025 and continuing each Billing Month through expiration of the Extended Term, shall be zero dollars ($0) per Ton, without further escalation or adjustment.

Section 4.4 Lorton Landfill Residue Disposal Credit/Rebate.

(a) If, during any Billing Month during the Initial Term and, if applicable, the Renewal Term, the Company disposes of any amount of Residue from the Facility at the Lorton Landfill, then the Company shall, as a credit offset to the Acceptance Fee payable by the Jurisdictions (the "Residue Disposal Credit") equal to the product of (i) the number of Tons of Residue disposed at the Lorton Landfill for the Billing Month (based on scale records from the Lorton Landfill), multiplied by (ii) the positive difference, if any, between (A) 50% of the Base Tipping Fee then in effect; and (B) the per Ton gate fee charged the Company at the Lorton Landfill for disposal of Residue generated at the Facility; provided, that in no event shall the per Ton credit or rebate exceed (x) $5.50 per Ton of Residue (unescalated) during the Initial Term, and (y) $9.50 per Ton of Residue (unescalated) during the Renewal Term. For avoidance of doubt, the Residue Disposal Credit shall never be a negative number.

(b) If, during any Billing Month during the Initial Term and, if applicable, the Renewal Term, the Residue Disposal Credit is greater than the Acceptance Fee for the particular Billing Month, then the Company shall pay the Jurisdictions the amount (the "Residue Disposal Rebate") by which (i) the Residue Disposal Credit exceeds (ii) the Acceptance Fee, within sixty (60) days following the end of the Billing Month to an account designated in writing by the Jurisdictions.

(c) If, during any Billing Month, the Company does not dispose of any amount of Residue from the Facility at the Lorton Landfill, the Jurisdictions shall not receive any Residue Disposal Credit and the Company shall not have any obligation to pay any rebate for disposal of Residue at the Lorton Landfill to the Jurisdictions for such Billing Month in accordance with Section 4.4(a) or (b).

Section 4.5 Change in Law Charge/Credit. The following shall be an adjustment to the Acceptance Fee during the Initial Term and, if applicable, the Renewal Term (but in no event during the Extended Term), calculated as follows:

(a) **Increased Change in Law Costs (Other than Residue Change in Law Costs)**. If, during the Initial Term and, if applicable, the Renewal Term (but in no event during the Extended Term), an Event of Force Majeure that has occurred is a Change in Law, and such Change in Law directly results in (x) an increase in the Company's Direct Costs of operating and maintaining the Facility (including, if so impacted, the transport of Residue, which is calculated in Section 4.5(a)(i), and the disposal of Residue resulting from a Residue Change in Law, which is calculated in Section 4.5(b)), or (y) increased capital costs to the Company for repair,

replacement or addition to the Facility, by more than Five Thousand Dollars ($5,000), as adjusted by the Adjustment Factor each Contract Year, then the per Ton cost for such Change in Law (each, a "Unit Change in Law Cost"), shall be the sum of:

(i) The quotient resulting from dividing (A) the total increased Direct Costs, subject to Cost Substantiation, of the Company in operating and maintaining the Facility directly resulting from the Change in Law (including the transport of Residue, but excluding the disposal of Residue, which shall be calculated pursuant to Section 4.5(b) and not this Section 4.5(a)(i)), as determined on a Contract Year basis, through the end of the earlier to occur of (x) the repeal or change in the monetary impact of such Change in Law or (y) the end of the Term, by (B) the Annual Facility Capacity for such Contract Year (or pro rata portion of the Annual Facility Capacity for any partial Contract Year); and

(ii) The quotient resulting from dividing (A) the Annual Capital Cost for such Contract Year (or pro rata portion for any partial Contract Year), by (B) the Annual Facility Capacity (or pro rata portion for any partial Contract Year); and

(iii) With respect to a Residue Change in Law (as defined in Section 4.5(b)), the Residue Unit Change in Law Cost, if any, calculated pursuant to Section 4.5(b).

(b) **Increased Residue Change in Law Costs**. If, during the Initial Term and, if applicable, the Renewal Term (but in no event during the Extended Term), an Event of Force Majeure that has occurred is a Change in Law in federal or Virginia law affecting all Landfills in Virginia ("Residue Change in Law"), and such Residue Change in Law directly results in an increase in the Company's Direct Costs of disposing of Residue from the Facility, then the aggregate cost for such Residue Change in Law (the "Aggregate Residue Change in Law Cost"), shall be the amount by which the (i) the total increased Direct Costs, subject to Cost Substantiation, of the Company in disposing of Residue from the Facility, as determined on a Contract Year basis, through the end of the earlier to occur of (x) the repeal or change in the monetary impact of such Residue Change in Law or (y) the end of the Term, exceeds (ii) the greater of (A) the Residue Disposal Credit, (B) the Residue Disposal Rebate, or (C) the Potential Residue Disposal Credit. If the Aggregate Residue Change in Law Cost is greater than zero ($0), then the per Ton cost for such Residue Change in Law (each, a "Residue Unit Change in Law Cost"), shall be the quotient resulting from dividing (A) the Aggregate Residue Change in Law Cost, by (B) the Annual Facility Capacity (or pro rata portion of the Annual Facility Capacity for any partial Contract Year). If the Aggregate Residue Change in Law Cost is zero ($0) or a negative amount, there shall be no Change in Law adjustment under Section 4.5(a).

(c) **Change in Law Charge**. Subject to Sections 4.5 and 10.6(a), the Jurisdictions shall pay to the Company in each Billing Month, as part of the Acceptance Fee, an amount (the "Change in Law Charge") that is equal to the product of (i) the sum of the Unit Change in Law Cost(s) for the pertinent Billing Month, multiplied by (ii) the number of Tons of Acceptable Waste delivered by or on behalf of the Jurisdictions and accepted at the Facility or at an Alternate Facility in such Billing Month.

(d) **Change in Law Credit**. Notwithstanding anything herein to the contrary, if the Event of Force Majeure that has occurred is a Change in Law, and such Change in Law results in a decrease in the Company's Direct Costs with respect to the Work relative to the Facility, then the Company shall pay the Jurisdictions (a "Change in Law Credit") as a credit to the Acceptance Fee an amount equal to the product of (1) the quotient resulting by dividing (A) the total decreased Direct Costs of the Company (without including Markup) relative to the Facility through the earlier to occur of (i) the repeal or change in the monetary impact of such Change in Law or (ii) the end of the Term, by (B) the Annual Facility Capacity, multiplied by (2) the number of Tons of Acceptable Waste for such period delivered or attempted to be delivered by or on behalf of the Jurisdictions to the Facility. The Company shall fully cooperate with each Jurisdiction to fulfill the intent of this Section 4.5(d) and shall promptly deliver or make available at the Facility (for review) to the Jurisdictions and its representatives all such information and documents reasonably requested by them to ensure compliance with this Section 4.5(d).

(e) Except as provided in Section 4.10, in no event shall the Jurisdictions have any liability for the Company's increased costs relative to the Work as a consequence of the impact of a Change in Law after the end of the Term or upon termination of this Agreement. With respect to the cost of capital to purchase, fabricate and install any capital alteration or capital project implemented or to be implemented pursuant to this Section 4.5, the Company, with the reasonable cooperation of the Jurisdictions, shall exercise all reasonable efforts to maximize the reduction of such operation, maintenance or capital costs of the capital alteration or capital project to the Facility. Notwithstanding any provision to the contrary, in no event shall the Jurisdictions be liable for the Company's decreased revenues resulting from or arising out of or relating in any way to an Event of Force Majeure.

(f) **Cure of Impact Due to a Change in Law**. If a Change in Law occurs or is reasonably expected to occur that would result in an adjustment to the Acceptance Fee to the Jurisdictions, the Company shall deliver written notice to each Jurisdiction of such adjustment (a "Company Change in Law Notice"). The Company Change in Law Notice shall include a statement signed by the Company accompanied by full and complete documentation presented for review by each Jurisdiction, including the following items: (A) discussion of pre-existing conditions and costs directly impacted by the noticed Change in Law; (B) the alleged changed conditions and costs the Company asserts will result or is resulting from the noticed Change in Law; (C) fully documented Cost Substantiation and cost analyses and detailed cost records relative from the impact of the Change in Law or, if such Change in Law has yet to occur, estimated cost analyses and bids, if obtained by the Company, relative to the costs reasonably expected to occur upon or following the occurrence of the anticipated Change in Law; (D) the Unit Change in Law Cost associated with the Cure of the Change in Law in accordance with Sections 4.5(a), (b), (c) or (d) to the extent known or estimated at the time plus the aggregate Unit Change in Law Costs for all prior Change(s) in Law, if any; (E) with respect to a Change in Law requiring a capital alteration or the addition of a capital project to the Facility, the useful life (asset depreciable range period) of the capital improvements and a calculation of the amortization of the Cure costs of the Change in Law in accordance with Section 4.5(a)(ii) or (c); and (F) such other information as may be reasonably requested relative to the impact of the Change in Law by any Jurisdiction for evaluation of the adjustment. The Company shall make available to each Jurisdiction and their respective advisors and accountants (subject to the

execution of the Confidentiality Agreement by such advisors or accountants) all records and work product used in preparing the Company Change in Law Notice. In the event the Jurisdictions dispute any aspect of the Change in Law Notice, the Jurisdictions shall have the right, within ninety (90) days after its receipt of the Change in Law Notice, to deliver written notice (an "Objection Notice") to the Company setting forth in reasonable detail the Jurisdictions' basis for such dispute and its determination of such adjustment, if any, including its calculation thereof and the basis for such calculations. If the Jurisdictions do not deliver an Objection Notice to the Company within ninety (90) days after the Jurisdictions' receipt of the Company Change in Law Notice, then the Parties hereto will be deemed to have agreed to the adjustment set forth in the Company Change in Law Notice and such adjustment shall be paid by the Jurisdictions in accordance with Sections 4.5(a) and (b). In the event the Jurisdictions deliver an Objection Notice to the Company within the 90-day objection period, the Company and the Jurisdictions each shall use their diligent good faith efforts to resolve such dispute within thirty (30) days after delivery of the Objection Notice.

(g) Any resolution of the monetary impact of the Change in Law on the Company's Work shall, relative to increased costs, be based on the Company's Direct Costs, subject to Cost Substantiation, but exclusive of any other markup, profit or overhead, from and after the date of the Company's written notice to each Jurisdiction that a Change in Law has occurred. Nothing in this Section 4.5 shall restrict the Company from commencing or performing any Cure Work; provided, however, the Company shall be responsible for all costs and fees associated with all Cure Work and the Jurisdictions' pro rata portion of such Cure Work, if obligated under this Section 4.5, shall not be designated as an adjustment to the Acceptance Fee until such time as the matter is resolved pursuant to this Section 4.5.

Section 4.6 Shortfall Fee; Rebate.

(a) Monthly Shortfall Payment. If, in any Billing Month of a Contract Year during the Initial Term and the Renewal Term, if applicable (but in no event during the Extended Term), the Jurisdictions together do not deliver, or caused to be delivered, Acceptable Waste in an aggregate amount of at least eighty percent (80%) of the Minimum Monthly Tonnage set forth in Schedule 1 in effect for such Billing Month, then the Jurisdictions shall pay the Company a shortfall fee (the "Monthly Shortfall Fee") equal to the greater of (A) zero (0); and (B) the product of (i) the difference between (A) the Minimum Monthly Tonnage in effect for such Billing Month, and (B) for such Billing Month the sum of (1) the Tons of Acceptable Waste delivered by or on behalf of the Jurisdictions to the Facility and accepted by the Company; (2) the Tons of Acceptable Waste delivered by or on behalf of the Jurisdictions to any Alternate Facility(ies); (3) the Tons which are not delivered to or accepted at the Facility or an Alternate Facility and which are described in Section 10.1; and (4) the Tons of Diverted Waste in accordance with Sections 3.2(b) and 9.1 (such amount, the "Monthly Shortfall Tonnage"); multiplied by (ii) the sum of (x) the Base Tipping Fee and (y) the Unit Change in Law Cost, each in effect for such pertinent Billing Month.

(b) Calculation of Annual Shortfall Tonnage and Annual Shortfall Payment.

(i) For any Contract Year, the annual amount of shortfall tonnage (the "Annual Shortfall Tonnage"), shall be equal to the positive difference, if any, between (A) the Minimum Annual Tonnage in effect for such pertinent Contract Year and (B) the sum of (1) the Tons of Acceptable Waste delivered or caused to be delivered by or on behalf of the Jurisdictions to the Facility; (2) the Tons of Acceptable Waste delivered or caused to be delivered by or on behalf of the Jurisdictions to any Alternate Facility(ies); (3) the Tons which are not delivered to or accepted at the Facility or an Alternate Facility and which are described in Section 10.1; and (4) the Tons of Diverted Waste in accordance with Sections 3.2(b) and 9.1 for such pertinent Contract Year. For clarity, the Annual Shortfall Tonnage shall always be greater than or equal to zero. Payment of the Annual Shortfall Calculation (as paid through payment of the Monthly Shortfall Fee during the Contract Year, and as reconciled following the end of the Contract Year) by the Jurisdictions to the Company shall be the Company's sole remedy for failure of the Jurisdictions to deliver, or caused to be delivered, the Minimum Annual Tonnage for such Contract Year.

(ii) For any Contract Year, the annual shortfall amount (the "Annual Shortfall Calculation"), if any, shall equal the product of (A) the Annual Shortfall Tonnage, multiplied by (B) the sum of the Base Tipping Fee and the Weighted Average Unit Change in Law Cost calculated for such pertinent Contract Year.

(c) Annual Reconciliation; Payment of Annual Shortfall Rebate or Annual Shortfall Fee.

(i) If, in any Contract Year, the sum of the Monthly Shortfall Fees is greater than the Annual Shortfall Calculation, then the Company shall refund and pay to the Jurisdictions an amount (the "Annual Shortfall Rebate") equal to the difference between the sum of the Monthly Shortfall Fees and the Annual Shortfall Calculation.

(ii) If, in any Contract Year, the sum of the Monthly Shortfall Fees is less than or equal to the Annual Shortfall Calculation, then the Jurisdictions shall pay the Company an amount (the "Annual Shortfall Fee") equal to the difference between the Annual Shortfall Calculation and the sum of the Monthly Shortfall Fees.

(iii) The Company shall make payment of the Annual Shortfall Rebate to the Jurisdictions, or the Jurisdictions shall make payment of the Annual Shortfall Fee to the Company, as applicable, within sixty (60) days following the end of the Contract Year.

(iv) The calculations pursuant to Sections 4.6(b) and (c) shall be calculated in a manner consistent with the examples set forth on Schedule 8.

Section 4.7 Excess Tonnage Fee. If, in any Contract Year, the Jurisdictions deliver or caused to be delivered, in the aggregate, Tons of Acceptable Waste that are accepted at the Facility or accepted at the Alternate Facility(ies) in excess of the Excess Annual Tonnage Threshold set forth in Schedule 1 in effect for such Contract Year, then the Jurisdictions shall pay the Company an excess tonnage fee (the "Excess Tonnage Fee") equal to the product of (a) the difference between (i) the actual aggregate Tons of Acceptable Waste delivered by or on behalf of the Jurisdictions that are accepted by the Company at the Facility or accepted at the Alternate Facility(ies), and (ii) the Excess Annual Tonnage Threshold in effect for such Contract Year; multiplied by (b) the Excess Tonnage Tip Fee in effect for such Contract Year. The Excess Tonnage Fee shall be paid by the Jurisdictions within sixty (60) days following the Jurisdictions' receipt of an invoice from the Company certifying the aggregate number of Tons of Acceptable Waste delivered by or on behalf of the Jurisdictions during the Contract Year and properly calculating such Excess Tonnage Fee.

Section 4.8 Discriminatory Tax. If the Company actually incurs and pays a Discriminatory Tax to the Jurisdictions, then the Jurisdictions shall reimburse, within sixty (60) days of receipt of an invoice from the Company therefor and attaching sufficient documentation (e.g., check stub, wire receipt, etc.) reflecting payment to the City or the County, or both, for the amount of the Discriminatory Tax actually paid by the Company to the Jurisdictions. For purposes of this Section 4.8, the term "Discriminatory Tax" shall mean a tax or fee imposed on the Company by the Jurisdictions solely because of the Company's ownership or operation, or both, of an energy-from-waste, or waste disposal or waste Processing facility, or its generation or hauling of Residue.

Section 4.9 Most Favored Nation.

(a) During the Initial Term and, if applicable, the Renewal Term, but in no event during the Extended Term, if (i) the Company or any of its Affiliates enters into one or more agreement(s) (whether oral or written) for disposal of Solid Waste at the Facility with any governmental agency or unit (other than the Jurisdictions); (ii) such agreement(s) has a term greater than twelve (12) months (consecutive or non-consecutive) (including any options or extensions), calculated for the Term in effect (a "MFN Agreement"); and (iii) such MFN Agreement provides for an all-in tipping fee (the "MFN Tipping Fee"), is lower than the Base Tipping Fee for the same period hereunder (after including for the Residue Disposal Credit and Change in Law Charge, if any, calculated on a per Ton basis) (the "Jurisdiction Tipping Fee"), then the Company shall, in each Contract Year, refund to the Jurisdictions an amount (the "MFN Refund") equal to the product of:

(A) the difference between (x) the Jurisdiction Tipping Fee during Contract Year in which such MFN Tipping Fee is in effect and (y) the MFN Tipping Fee during such Contract Year; multiplied by

(B) the lesser of (x) the aggregate number of MFN Tons delivered pursuant to the MFN Agreement during the Contract Year and (y) the aggregate number of Tons delivered by or on behalf of the Jurisdictions or attempted to be

delivered but which were wrongfully rejected by the Company during such Contract Year.

(b) The term "MFN Tons" for purposes of this Section 4.9 shall mean the aggregate Tons delivered under an MFN Agreement to the Facility on the date after which the term of the agreement(s) with the Company exceed three hundred sixty five (365) days; provided, however, no rebate or credit shall be due with respect to Tons delivered prior to that date. In the event there are more than one governmental agency or unit with a MFN Tipping Fee lower than the Jurisdiction Tipping Fee for the same period hereunder in any Contract Year, then the calculations pursuant to Section 4.9(a) shall be based initially on the governmental agency or unit with the lowest MFN Tipping Fee and, once such tonnage for such governmental agency or unit is exhausted for the calculations hereunder, increase to the next lowest (penultimate) MFN Tipping Fee for such other government agency(ies) or unit(s), et seq., until the maximum of the aggregate number of Tons delivered or attempted to be delivered by or on behalf of the Jurisdictions is met. The calculations pursuant to Section 4.9(a) shall be calculated in a manner consistent with the examples set forth on Schedule 8.

(c) The Company shall pay the MFN Refund, if any, to the Jurisdictions within sixty (60) days following the last day of each Contract Year. This Section 4.9 shall not be applicable for any contract or agreement providing for delivery of Solid Waste to a facility other than the Facility; provided, however, to the extent any such Tons of Solid Waste are accepted at the Facility, such Tons shall be counted for all purposes of this Section 4.9 and the Jurisdictions shall receive a MFN Refund with respect to any such Tons delivered to the Facility. This Section 4.9 shall not apply to any oral or written agreement with a third party commercial or residential hauler which contracts directly with the Company or any of its Affiliates for disposal of Acceptable Waste at the Facility.

(d) In order to effectuate the purposes of this Section 4.9, the Company shall, no more than thirty (30) days following the end of each Contract Year, deliver to each Jurisdiction a statement signed by an officer of the Company setting forth in reasonable detail (i) the name, address, contact phone number(s) of all governmental agencies and units delivering Solid Waste to the Facility, (ii) the number of Tons of Solid Waste delivered to or attempted to be delivered to the Facility by such governmental agencies and units, by name and monthly tonnage amounts, and (iii) the MFN Tipping Fee for such governmental agencies and units. In the event there are no such agreements for the subject period, the statement shall so indicate.

Section 4.10 Unamortized Capital Cost resulting from Change(s) in Law During the Term.

(a) If, during the Initial Term or, if applicable, the Renewal Term (but in no event during the Extended Term), (i) one or more Change(s) in Law occur; (ii) such Change(s) in Law directly result in an increased capital cost to the Company for repair, replacement or addition to the Facility (the "Capital Project"); (iii) subject to the Jurisdictions' rights under this Agreement, the Company undertakes and completes such Capital Project prior to expiration of the Site Lease Term; and (iv) the useful life of the Capital Project, on a straight-line depreciation basis (not accelerated) using the asset depreciable period for the applicable capital item as set forth in Section 168 of the

Internal Revenue Code exceeds the Site Lease Term, then within one hundred twenty (120) days following the expiration of the Site Lease Term or such longer period as is reasonably necessary for the Jurisdictions to finance or assume the debt incurred by the Company to finance the Capital Project, if any, the Jurisdictions shall, at their sole option, either (A) pay to the Company, by wire transfer to a bank account designated in writing by the Company to the Jurisdictions, an amount equal to the unamortized portion of such Capital Project(s) which exceeds the expiration of the Site Lease Term, as calculated on a straight-line depreciation basis (the "Unamortized Capital Cost"), or (B) assume the debt of such Capital Project(s) in an amount not to exceed the Unamortized Capital Cost if it can be assumed. The Company shall use all reasonable efforts to finance the Capital Project with debt financing that expressly permits debt assumption by the Jurisdictions upon expiration of the Site Lease Term, if the Jurisdictions so elect in accordance with this Section 4.10(a). The Company shall, at all times during the Site Lease Term, promptly pay all amounts due and owing under the debt financing or loan agreement(s) related to the financing of the Capital Project(s). Notwithstanding anything to the contrary herein or contained in any agreement among the Parties, the Jurisdictions shall incur no liability whatsoever, including but not limited to any Unamortized Capital Cost, for any Capital Project (irrespective of when such Capital Project occurs, whether during the Initial Term, Renewal Term, Extended Term or at any other time): (1) if the Jurisdictions exercise their Extension Option; (2) during the Extended Term; or (3) at any other time when this Agreement is not in effect.

(b) Upon the Jurisdictions' payment of the Unamortized Capital Cost or assumption of the debt in accordance with Section 4.10(a) above, the Company shall immediately (meaning on the same day) execute and deliver a bill of sale, in a form acceptable to the Jurisdictions, and such other documents of transfer and assignment to the Jurisdictions as may be necessary to (i) transfer good and marketable title of the Capital Project(s) to the Jurisdictions, free and clear of any claim, lien, option, charge or encumbrance of any nature whatsoever (except for any liens relating to the Company's debt financing, if any, which the Jurisdictions', in their sole discretion, elect to assume in accordance with Section 4.10(a)), and (ii) consummate the foregoing.

Section 4.11 Jurisdiction Obligations. The obligations of the Jurisdictions under this Agreement are contingent upon the appropriation for each Contract Year by their respective governing bodies of funds from which payments under this Agreement can be made. The Jurisdictions shall not be liable for any amounts payable under this Agreement unless and until such funds have been appropriated for payments under this Agreement. The Parties acknowledge and agree that this Agreement shall not constitute a pledge of the full faith and credit of the City or the County in violation of Section 10 of Article X of the Constitution of Virginia or a bond or debt of the City or the County within the meaning of Section 10 of Article VII of the Constitution of Virginia.

ARTICLE 5 Unacceptable Waste; Hazardous Waste.

Section 5.1 Unacceptable Waste.

(a) Delivery of Unacceptable Waste by the Jurisdictions. The Jurisdictions shall use commercially reasonable efforts, in good faith, to cause only Acceptable Waste to be delivered to the Facility by or on behalf of the Jurisdictions and to minimize quantities of

Unacceptable Waste delivered to the Facility. Nothing in this Agreement shall be construed to mean, and the Company understands and agrees that the Jurisdictions do not in any manner guarantee the composition of any Acceptable Waste delivered by or on behalf of the Jurisdictions, including the proportion of any material contained therein (such as Unacceptable Waste), the energy value contained therein, or any other physical or chemical property of Acceptable Waste delivered by or on behalf of the them. If a delivery of Solid Waste is composed of both Acceptable Waste and Unacceptable Waste, the Company shall separate and accept Acceptable Waste to the extent such separation can be achieved without unreasonable expense or the use of unreasonable effort. If Unacceptable Waste cannot be reasonably separated from Acceptable Waste without the use of unreasonable efforts or unreasonable expense of the Company, then the entire load shall constitute Unacceptable Waste.

(b) Disposal of Unacceptable Waste delivered by or on behalf of the Jurisdictions to the Facility. If a Jurisdiction delivers or causes to be delivered Unacceptable Waste to the Facility, the Company, at its sole option, may (i) reject acceptance of such Unacceptable Waste at the Facility and require the delivering Jurisdiction to reload and dispose of such Unacceptable Waste at the Jurisdiction's sole cost and expense, or (ii) if the Company does not discover such Unacceptable Waste in time to reject and reload such waste at the Facility, the Company may, after delivering telephonic notice to the Public Works Officials, dispose of such Unacceptable Waste and charge the Jurisdiction all reasonable third-party disposal costs actually incurred by the Company ("Unacceptable Waste Costs"), unless the Jurisdiction otherwise elects to arrange and pay for disposal of such waste, in which case, the delivering Jurisdiction shall not be otherwise liable for any Unacceptable Waste Costs. If the Jurisdiction elects to dispose of such Unacceptable Waste, the Jurisdiction shall be required to do so (A) within twenty four (24) hours following telephonic notice of such delivery if such Unacceptable Waste is Hazardous Waste, or (B) within forty eight (48) hours following telephonic notice of such delivery if such Unacceptable Waste is not Hazardous Waste. If after electing to do so, the delivering Jurisdiction does not dispose of the Unacceptable Waste within the prescribed time period, the Company may dispose of such waste without further notice to the Jurisdiction and the Jurisdiction shall pay to the Company, following receipt of invoice and Cost Substantiation, the Unacceptable Waste Costs incurred by the Company to dispose of such waste. No prior notice shall be required of the Company to the Jurisdictions to dispose of Unacceptable Waste in emergency situations where a delay in such disposal would constitute a hazard to the Facility or any Person on, about or near the Facility Site; provided, however, that the Company shall provide prompt telephonic notice to the Public Works Officials and written notice to the Jurisdictions following such event. Unacceptable Waste directly attributable and delivered by or on behalf of the Jurisdictions shall not be counted towards the Minimum Annual Tonnage. The Company shall provide reasonable and verifiable evidence and documentation (e.g., video footage of City or County trucks depositing Unacceptable Waste on the Facility tipping floor or into the Facility pit) to the City or the County, or both, establishing that such Unacceptable Waste delivered by or on behalf of the City or the County, or both, then the City or the County, or both, as appropriate, shall be responsible for such Unacceptable Waste Costs relative to such Unacceptable Waste and such Unacceptable Waste Costs shall be reimbursed by the City or the County, or both, to the Company. The Company shall exercise all reasonable efforts to mitigate and otherwise minimize Unacceptable Waste Costs.

(c) Indemnification. To the extent permitted by Applicable Law without waiving sovereign immunity, if the Company elects to dispose of such Unacceptable Waste in accordance with Section 5.1(b) above, then the Jurisdiction that delivered such Unacceptable Waste shall indemnify and hold the Covanta Indemnified Parties harmless from and against all liabilities, losses, damages, costs, expenses and disbursements (including reasonable legal fees and expenses) arising out of the disposal of such Unacceptable Waste. All reasonable activities by the Company with respect to the removal and disposal of Hazardous Waste (but not Unacceptable Waste) delivered to or abandoned at the Facility by the Jurisdictions shall be as agent for the Jurisdictions.

ARTICLE 6 Billing and Payments.

Section 6.1 Monthly Invoice. The Company shall prepare and submit its written invoice to each of the City and the County with respect to the Acceptance Fee on or after the end of the Billing Month for which payment is requested. In preparing its invoice, the Company shall use and comply with the form and content of the Company's invoice attached hereto as Schedule 3 and as otherwise required by the terms of this Agreement. The Parties may, by mutual agreement, revise the form and content of the invoice form in Schedule 3. The Company shall attach all documentation and information necessary to justify payment by the Jurisdictions to the Company or credit from the Company to the Jurisdictions relative for the particular Billing Month.

Section 6.2 Payment to the Company. Subject to Section 6.4, the City and the County shall pay to the Company their respective portion of the compensation amount due and owing under this Article 6 and invoiced by the Company with respect to the City and the County within thirty (30) days after the date of receipt by the Jurisdictions of a properly formatted invoice, consistent with Schedule 3 containing the required documentation and free of errors. If the due date for payment is not a business day, payment is due on the next business day following that date. If the Jurisdictions fail to remit the full amount payable (less any disputed portion) by the Jurisdictions when due, interest on the unpaid portion of the respective Jurisdiction's invoice shall accrue at the rate provided in Section 6.3.

Section 6.3 Overdue Charges. Amounts owed to the Company and remaining sixty (60) days after each Jurisdictions' receipt of its invoice shall accrue interest each day such invoice is not paid beyond the applicable due date at the rate of six percent (6%) per annum or the maximum rate permitted by Applicable Law, whichever is less. The daily rate shall be equal to the annual rate divided by 365.

Section 6.4 Disputes. In the event of a dispute as to any invoice or Work performed by the Company, (a) the Jurisdictions shall pay when due the amount of the invoice which is not in dispute, and (b) the Jurisdictions shall give the Company written notice of the dispute at the time such partial payment, if any, is made. Such notice shall identify the invoice, state the amount in dispute and set forth a general statement of the grounds which forms the basis of such dispute. No adjustment shall be considered or made for disputed charges until notice is given as required by this Section 6.4. Upon resolution of the dispute, the Company shall promptly refund the amount of any paid overcharge to the Jurisdictions or the Jurisdictions shall promptly pay to

the Company the outstanding portion of the invoice, whichever is applicable, with interest at the rate set forth in Section 6.3. Each Party is specifically authorized to off-set and deduct from any other payments, if any, including, without limitation, the Acceptable Fee, that it may owe the other to secure the repayment of the other Party's obligations herein, including without limitation, in the case of the Jurisdictions' right of setoff, under Sections 4.4, 4.6, 4.9 or 10.1 in the event the Company has failed to refund or pay the Jurisdictions on time in accordance with the terms of this Agreement.

ARTICLE 7 Insurance and Indemnification.

Section 7.1 Jurisdictions Insurance.

(a) The Jurisdictions shall maintain liability insurance covering personal injury and property damage as specified in Section 7.1(b). From time to time, as reasonably requested by the Company and upon each change in the insurance carried by the Jurisdictions, the Jurisdictions shall provide the Company evidence that the insurance required hereunder is in place.

(b) The Jurisdictions shall maintain at their expense the following self-insurance coverage: (i) workers compensation insurance as required by Applicable Law; (ii) commercial general liability primary insurance having a minimum combined single limit of liability of $1,000,000 per occurrence; and (iii) comprehensive automobile liability primary insurance applicable to all owned, hired and non-owned vehicles having a minimum combined single limit of liability of $1,000,000 per occurrence. The Jurisdictions shall purchase excess liability insurance having a minimum limit of liability of $2,000,000 per occurrence. Each purchased policy obtained pursuant to Section 7.1(b)(ii) and (iii) above shall designate the Company as an additional insured for claims arising out of the Jurisdictions' negligence. Any Jurisdiction which contracts with one or more private hauler(s) for delivery of Acceptable Waste to the Facility by or on behalf of such Jurisdiction shall require such private hauler(s) to obtain and maintain commercial general liability insurance and commercial automobile insurance with limits not less than $1,000,000 per occurrence and $2,000,000 annual aggregate.

Section 7.2 Jurisdiction Indemnification. To the extent permitted by Applicable Law without waiving its sovereign immunity, each Jurisdiction shall hold harmless and indemnify the Company and its respective affiliates, and its directors, officers, employees, contractors of any tier and other agents ("Company Indemnified Parties") from and against any expense, loss, claim or liability whatsoever (including reasonable legal fees and expenses), and shall defend the Company Indemnified Parties in any proceeding (including appeals) for injury to any Person, or loss or damage to any property arising out of: (a) the negligence or wrongful misconduct of the Jurisdiction, its subcontractors or employees; and (b) the failure by the Jurisdiction or employees to comply with Applicable Law.

Section 7.3 Company Insurance.

(a) The Company shall maintain liability insurance covering personal injury and property damage as provided below, which insurance shall name each Jurisdiction as an additional insured for claims arising out of the Company's negligence. From time to time, as reasonably requested by the Jurisdictions and upon each change in the insurance carried by the Company, the Company shall provide the Jurisdictions written evidence that the insurance required this Agreement is in place and in full force and effect. Failure of the Company to obtain and maintain the insurance required under the pursuant to the terms of this Agreement shall be deemed to an Event of Default for purposes of Section 10.3(b).

(b) The Company shall obtain and maintain, at its sole cost and expense, the following insurance coverage: (i) workers compensation insurance as required by Applicable Law, with a deductible amount of not greater than $500,000, together with employer's liability insurance with limit of liability of not less than $1,000,000, with a deductible amount of not greater than $500,000; (ii) commercial general liability and property damage primary insurance with a broad form contractual liability endorsement and products/completed operations endorsement having a minimum combined single limit of liability of $1,000,000 per occurrence, with a deductible amount of not greater than $250,000; (iii) comprehensive automobile liability primary insurance applicable to all owned, hired and non-owned vehicles having a minimum combined single limit of liability of $1,000,000 per occurrence, with a deductible amount of not greater than $250,000; (iv) excess liability insurance having a minimum limit of liability of $2,000,000 per occurrence, total coverage of at least $50,000,000, and a self-insured retention of $250,000 or less; and (v) insurance for loss, damages or destruction to the Facility (including boiler and machinery) caused by "broad form" peril in an amount at all times equal to the full replacement value of the Facility (including, to the extent available on commercially reasonable terms, insurance for such loss caused by flood or earthquake), with a deductible amount not to exceed $250,000, except coverage for wind and earthquake which shall have a deductible amount not to exceed $500,000. Each policy obtained to satisfy Sections 7.3(b)(ii) through (v) above shall designate "The City of Alexandria, Virginia and the County Board of Arlington County, Virginia and their elected and appointed officials, employees and agents" as additional insureds for claims arising out of the Company's negligence.

(c) The Company shall obtain and maintain, at its sole cost and expense, pollution liability insurance with limits not less than $2,000,000 per occurrence and $6,000,000 annual aggregate, and shall require all haulers delivering Solid Waste to the Facility to obtain and maintain commercial general liability insurance and commercial automobile insurance with limits not less than $1,000,000 per occurrence and $2,000,000 annual aggregate. Each policy obtained to satisfy the requirements of this Section 7.3(c) shall designate "The City of Alexandria, Virginia and the County Board of Arlington County, Virginia and their elected and appointed officials, employees and agents" as additional insureds for claims arising out of the Company's or haulers' negligence. All insurance policies required to be secured and maintained by the Company under this Agreement shall provide that each insurance company shall have no recourse against the Jurisdictions for payment of any premiums or for assessments under any form of policy.

Section 7.4 Company Indemnification. The Company shall hold harmless and indemnify the Jurisdictions and their directors, officers, employees, agents, and contractors, and the County Board and the City Council, and each of their respective agents, servants, employees and independent contractors performing services for the Jurisdictions (collectively, the "Jurisdictions Indemnified Parties") from and against any damages, expenses (including attorneys fees), losses, fines, penalties, claim or liability of any kind or nature whatsoever (collectively, "Losses") and shall defend the Jurisdictions Indemnified Parties in any proceeding (including appeals), for injury to any person, or loss or damage to any property based upon, arising out of, by reason of or otherwise, in respect of or in connection with: (a) any alleged or actual defects, errors or omissions relative to the Work; (b) the negligence or wrongful misconduct (including any act of fraud) of the Company and its directors, officers or partners, and as the case may be, employees, contractors of any tier or other agents; (c) the failure by the Company and their respective directors, officers or partners, as the case may be, employees, contractors of any tier or other agents to comply with all Applicable Law; and (d) any claims by Dominion Virginia Power, or its successor or assigns, that any Jurisdiction has breached or is liable as an Operator (as such term is defined in the Power Purchase Agreement) under the Power Purchase Agreement. This Section 7.4 shall survive the earlier termination or expiration of this Agreement.

ARTICLE 8 Governmental Regulation.

Section 8.1 Compliance with Applicable Law. The Company shall, at its sole cost and expense, perform all Work under this Agreement in compliance with all Applicable Law.

Section 8.2 Permits. The Company shall acquire, maintain and, as applicable, renew all Permits required of or for the Company relative to the Facility or to perform the Work, or both, and, subject to Sections 4.5 and 4.8, shall be solely liable for the cost and expense of all regulatory fees, levies, assessments and charges pertaining to such Permits. The Parties agree that the obligation to obtain and maintain such Permits is solely vested with the Company.

ARTICLE 9 Suspension Due To Force Majeure; Jurisdiction Fault; Termination Due To Force Majeure.

Section 9.1 Suspension of Obligations; Notice of an Event of Force Majeure.

(a) If the Company declares or asserts that an Event of Force Majeure shall have occurred and such Event of Force Majeure resulted in increasing the Company's costs to perform the Work or that its revenues have decreased, the Company shall nevertheless continue to perform its obligations under this Agreement that it is not prevented from performing by the Event of Force Majeure regardless of its increased costs or decreased revenues, or both, relative to such performance. Except for Change in Law Charges payable in accordance with Section 4.5, the Company shall be solely liable for any increase in costs as a consequence of the occurrence and continuance of an Event of Force Majeure. The Company shall be solely liable for any decreases in revenues as a consequence of the occurrence and continuance of an Event of Force Majeure.

(b) A delay or failure of performance hereunder by any Party shall not constitute an Event of Default or cause for any liability under this Agreement to the extent caused by an Event of Force Majeure. Such delay or failure shall be excused at any time performance is prevented by an Event of Force Majeure and during any time period thereafter that may be reasonably necessary for the affected Party, using its reasonable efforts, to resume performance despite such Event of Force Majeure. If an Event of Force Majeure causes a reduction, but not a complete suspension in the ability of the Company to accept, Process or dispose of Acceptable Waste or transport or dispose of Residue, then the Company shall accept and Process such Acceptable Waste in accordance with Section 10.2. Subject to Section 10.6, an act or Event of Force Majeure shall not terminate or suspend (i) the Jurisdictions' obligations to make payments pursuant to this Agreement for Acceptable Waste which has been delivered by or on behalf of the Jurisdictions to the Facility and accepted and Processed by the Company prior to a suspension of the Facility for an Event of Force Majeure, and (ii) the Company's obligations to make payments to the Jurisdictions pursuant to this Agreement. If caused by an Event of Force Majeure, the Jurisdictions shall be relieved of its obligation to make any shortfall payment (monthly or annual) to the extent the Jurisdictions are prevented from delivering (or causing to be delivered) Acceptable Waste to the Facility or the Company cannot accept Acceptable Waste at the Facility.

(c) If any Party claims the occurrence of an Event of Force Majeure as a basis for not performing its obligations under this Agreement, then the Party making such claim shall (i) promptly upon discovery (whether an actual Event of Force Majeure or reasonably expected Event of Force Majeure) thereof, provide telephone or oral, or both, notice thereof, including written notice, to the other Parties of the occurrence of the Event of Force Majeure; (ii) provide an estimate of its expected duration; (iii) describe in reasonable detail its probable effect on the performance of its obligations hereunder; (iv) exercise all reasonable efforts to continue to perform its obligations hereunder to the extent not prevented by an Event of Force Majeure; (v) expeditiously take action to Cure the Event of Force Majeure; (vi) exercise all reasonable efforts to mitigate or limit damages to the other Parties; and (vii) provide prompt telephone or oral notice, including written notice, to the other Parties of the cessation of the Event of Force Majeure which gave rise to its inability to perform.

Section 9.2 Efforts to Remove Condition.

(a) A Party whose performance is adversely affected by an Event of Force Majeure shall promptly address and continuously exercise all reasonable efforts to mitigate and thereafter, overcome or remove, or both, the impact of the Event of Force Majeure.

(b) In the event the Company claims that an Event of Force Majeure has occurred, the Company shall perform or cause to be performed, any obligation not prevented by the Event of Force Majeure, and shall use reasonable and diligent efforts to overcome and remove such Event of Force Majeure so that the Facility may Process Acceptable Waste and satisfy the Company's obligations under this Agreement. Except as provided for in Section 4.5, the Company shall be solely liable for all insurance costs, deductibles and any other costs arising out of, resulting from or related in any way whatsoever to an Event of Force Majeure relative to the Facility and the Facility Site.

Section 9.3 Jurisdiction Fault. If the Company claims the occurrence of Jurisdiction Fault as a basis for not performing its obligations under this Agreement, then the Company shall (a) provide prompt notice, including written notice, to the Jurisdictions of the occurrence of Jurisdiction Fault; (b) provide an estimate of the expected duration of its impact; (c) describe its probable effect on the performance of the Work; (d) exercise all reasonable efforts to continue to perform the affected Work to the extent not prevented by the impact of Jurisdiction Fault; (e) expeditiously take such action(s) approved by the Jurisdictions to Cure Jurisdiction Fault; (f) exercise all reasonable efforts to mitigate or limit damages to the Jurisdictions; and (g) provide prompt notice, including written notice, to the Jurisdictions of the cessation of the impact of Jurisdiction Fault. If the Company declares or asserts that a Jurisdiction Fault shall have occurred which caused its costs to perform the Work to increase or its revenues to decrease, or both, the Company shall nevertheless continue to perform its obligations under this Agreement that it is not prevented from performing by the occurrence and impact of Jurisdiction Fault regardless of its increased costs or reduction in revenues, or both.

ARTICLE 10 Alternate Facility; Events of Default; Termination.

Section 10.1 Alternate Facility.

(a) If the Company is unable to accept or Process Acceptable Waste at the Facility in accordance with the terms of this Agreement other than as a direct result of an occurrence of a Event of Force Majeure or Jurisdiction Fault (such an event, a "Forced Outage"), then the Company shall, following prompt notice to the Jurisdictions (both telephonic notice to the Public Works Officials and written notice to the Jurisdictions) either (i) arrange for such Acceptable Waste to be loaded onto trucks at the Facility and transported and disposed of at an alternate disposal facility properly permitted to accept and dispose of Acceptable Waste in accordance with Applicable Law, or (ii) designate and direct the Jurisdictions to transport and dispose of the Acceptable Waste to an alternate disposal facility properly permitted to accept and dispose of Acceptable Waste in accordance with Applicable Law, which in no event shall be located more than twenty (20) miles one way by truck from the Facility (an "Alternate Facility"). The Parties will cooperate with one another in pre-approving Alternate Facilities. The Company may designate a different Alternate Facility for each Jurisdiction, and may only change such designation no more than once weekly, with forty-eight (48) hours' prior notice (both telephonic notice to the Public Works Officials and written notice to the Jurisdictions) to the affected Jurisdiction. In the event a Forced Outage lasts longer than thirty (30) days or the Jurisdictions are incurring additional costs as a result of using the Alternate Facility which are not being reimbursed by the Company, then each Jurisdiction shall be entitled to reject the Alternate Facility proposed by the Company and separately direct its haulers to deliver the Jurisdiction's Solid Waste to any other disposal facility selected by the Jurisdiction, in its sole discretion. If the Company directs either Jurisdiction to an Alternate Facility, the Company shall directly pay, to the operator of the Alternate Facility, all costs of disposal of the Jurisdiction's waste at such Facility, subject only to the Jurisdictions being responsible to pay to the Company the Acceptance Fee for Acceptable Waste delivered directly to and accepted by the Alternate Facility.

(b) The Company shall pay to the Jurisdictions, within sixty (60) days following invoice by the Jurisdictions, for all Alternate Facility Costs incurred by the Jurisdictions, subject to Cost Substantiation. In addition, the Company shall promptly reimburse and pay to each Jurisdiction for any fines and penalties incurred as a result of the use of the Alternate Facility unless such fine or penalty is directly attributable to the negligence or willful misconduct of the Jurisdiction or its employees.

(c) All Acceptable Waste which is delivered or caused to be delivered by the Jurisdictions which is not accepted by the Company at the Facility or an Alternate Facility or which is rejected by the Company (other than pursuant to Section 3.2(a) shall constitute Diverted Waste and be counted in calculating the Minimum Annual Tonnage for all purposes of this Agreement.

(d) In the event that (i) a Forced Outage lasts more than sixty (60) days and the Company is not diligently and promptly pursuing a Cure of such Forced Outage, or (ii) the Company fails to reimburse the Jurisdictions the Alternate Facility Costs within sixty (60) days following delivery of an invoice requesting payment, such event(s) shall automatically constitute an Event of Default on the part of the Company under this Agreement.

(e) If, during a Billing Month, Acceptable Waste delivered by or on behalf of the Jurisdictions to the Facility or an Alternate Facility (in the case of a Forced Outage) is wrongfully rejected or, in accordance with Section 10.1(a), the Jurisdictions choose not to deliver Acceptable Waste to an Alternate Facility, then (i) the Jurisdictions shall not be obligated to pay the Company the Base Tipping Fee and the sum of the then applicable Unit Change in Law Cost(s) for such Tons of Diverted Waste wrongfully rejected by the Company (or such other Person in the case of an Alternate Facility) and (ii) the Company shall pay the Jurisdictions, within thirty (30) days after the end of the Billing Month, the positive difference, if any, between (A) the actual costs incurred by or on behalf of the Jurisdictions, subject to Cost Substantiation, to transport and dispose of such Diverted Waste, including transportation, fuel, labor and disposal fees, costs and expenses (including the cost, plus ten (10%), of additional overtime incurred by Jurisdictions' employees, and additional charges of contractor(s) of the Jurisdiction(s)) incurred by or on behalf of the Jurisdictions, and, (B) the product of (x) the Tons of such Diverted Waste, multiplied by (y) the sum of the Base Tipping Fee and the sum of the then applicable Unit Change in Law Costs for such Billing Month. Additionally, the Company shall pay the Jurisdictions, within thirty (30) days following the end of the Billing Month, the Residue Disposal Credit or the Residue Disposal Rebate, as applicable, and the Change in Law Credit, if any, as calculated in accordance with Sections 4.4 and 4.5(d), respectively.

Section 10.2 Partial Reductions Due to a Forced Outage or Event of Force Majeure. If an Event of Force Majeure or Forced Outage causes a reduction, but not a complete suspension in the ability of the Company to accept, Process or dispose of Acceptable Waste at the Facility or transport or dispose of Residue, then the Company shall (a) give preference and priority to Acceptable Waste delivered by or on behalf of the Jurisdictions in the use of any reduced capacity of the Facility, and (b) use reasonable efforts to accept and Process Acceptable Waste delivered to the Facility by or on behalf of the Jurisdictions (subject to the Company's rejection rights under Section 3.2(a)) up to the reduced capacity of the Facility.

Section 10.3 Events of Default of the Company. Each of the following shall constitute an Event of Default on the part of the Company toward the Jurisdictions under this Agreement:

(a) The Company fails to pay any amount when it is due and payable hereunder within the timeframe specified for such payment and such failure continues for a period of sixty (60) days after written notice by either Jurisdiction to the Company;

(b) The Company fails to comply with and perform any other term, covenant or agreement contained in this Agreement and such failure continues for a period of thirty (30) days (which period shall be extended if requested by the Company and the Company demonstrates to the reasonable satisfaction of the Jurisdictions that the Company is diligently and continuously pursuing a cure but such cure cannot reasonably be effected within thirty (30) days) after written notice to the Company specifying the nature of such failure and requesting that it be remedied;

(c) The Company or the Guarantor makes a general assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any custodian, receiver or trustee for it or any substantial part of its property, commences any proceeding relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect, or if there shall have been filed any such proceeding, in which an order for relief is entered or which is not dismissed for a period of sixty (60) days or more or if by any act indicates its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of any custodian, receiver of or any trustee for it or any substantial part of its property or suffers any such custodianship, receivership or trusteeship to continue undischarged for a period of sixty (60) days or more;

(d) The failure of the Guarantor to comply (subject to the permitted cure period set forth in Section 10.3(b)) with its obligations under the Guaranty in accordance with the terms and conditions therein;

(e) Termination of the Site Lease due to an Event of Default of the Company; or

(f) The persistent or repeated failure or refusal by the Company to (1) accept and Process Acceptable Waste delivered by or on behalf of the Jurisdictions to the Facility in accordance with this Agreement (irrespective of whether the Company is paying the Jurisdictions any damages, costs or fees under this Agreement), unless such failure or refusal is caused by an Event of Force Majeure, Jurisdiction Fault or Forced Outage (exclusive of intentional or willful acts of the Company) not exceeding thirty (30) consecutive days, or (2) pay any amounts due and payable to the Jurisdictions in excess of an aggregate amount of $5,000 after notice in accordance with this Agreement. For purposes of this Section 10.3(f), any occurrence of an Event of Default described in subsection (1) or (2) of this Section 10.3(f) within twenty (24) months of at least two prior occurrences of an Event of Default of a similar nature shall (i) notwithstanding anything in this Agreement to the contrary, not be subject to any cure or grace

period; and (ii) be deemed and constitute a persistent or repeated failure or refusal by the Company under the immediately preceding sentence of this Section 10.3(f).

Section 10.4 Events of Default of Jurisdictions. Each of the following shall constitute an Event of Default on the part of the Jurisdictions toward the Company under this Agreement:

(a) A Jurisdiction fails to timely pay the Acceptance Fee, the Excess Tonnage Fee, if applicable, or any other amount due and payable hereunder in accordance with this Agreement within the timeframe specified for such payment and such failure continues for a period of sixty (60) days after written demand from the Company to the Jurisdictions for such payment;

(b) A Jurisdiction fails to comply with and perform any other material term, covenant or agreement contained in this Agreement and such failure continues for a period of thirty (30) days (which period shall be extended if requested by the Jurisdiction and the Jurisdiction(s) demonstrate that it or they are pursuing a cure but such cure cannot reasonably be effected within thirty (30) days) after written notice to the Jurisdictions specifying the nature of such failure and requesting that it be remedied; or

(c) A Jurisdiction makes a general assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any custodian, receiver or trustee for it or any substantial part of its property, commences any proceeding relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect, or if there shall have been filed any such proceeding, in which an order for relief is entered or which is not dismissed for a period of sixty (60) days or more or if by any act indicates its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of any custodian, receiver of or any trustee for it or any substantial part of its property or suffers any such custodianship, receivership or trusteeship to continue undischarged for a period of sixty (60) days or more.

Section 10.5 Remedies on Default. Whenever any Event of Default has occurred and shall be continuing, any non-defaulting Party shall have the following rights and remedies:

(a) Upon thirty (30) Business Days prior written notice to the Company, if the Company is then in default, the Jurisdictions shall have the option to terminate this Agreement, unless (i) the Event of Default is fully cured prior to the expiration of such thirty (30) day period or (ii) during such thirty (30) day period, the Company has taken all necessary and appropriate steps that can be reasonably completed within such period and continues to proceed with uninterrupted reasonable diligence to Cure such Event of Default within a reasonable time thereafter (which, if the Event of Default is the payment of monies and results from restraint by a court or regulatory agency, shall mean the undertaking and prosecution of prompt, diligent, good faith efforts to remove such restraint);

(b) Upon thirty (30) Business Days prior written notice to the Jurisdictions, if the Jurisdictions are then in default, the Company shall have the option to terminate this

Agreement, unless (i) the Event of Default is fully cured prior to the expiration of such thirty (30) day period or (ii) during such thirty (30) day period, the Jurisdictions has taken all necessary and appropriate steps that can be reasonably completed within such period and continues to proceed with uninterrupted reasonable diligence to Cure such Event of Default within a reasonable period of time thereafter (which, if the Event of Default is the payment of monies and results from restraint by a court or regulatory agency, shall mean the undertaking and prosecution of prompt, diligent, good faith efforts to remove such restraint);

(c) Upon written notice to the Jurisdictions, if the Jurisdictions have failed to pay amounts owed to the Company under this Agreement, the Company shall have the option, within ninety (90) days thereafter after such demand without terminating this Agreement, to stop accepting Acceptable Waste delivered or tendered for delivery by the Jurisdictions, until such Event of Default is Cured or this Agreement is terminated.

Section 10.6 Change in Law.

(a) Jurisdictions' Termination Upon Maximum Change in Law Cost. If one or more Change(s) in Law shall occur after the Effective Date having the effect, individually or collectively, of increasing the Company's costs to perform the Work, the Parties shall proceed in accordance with Section 4.5. If, the aggregate Unit Change in Law Cost(s) (as such Unit Change in Law Cost(s) may, in absence of actual values, may be reasonably estimated) for any Billing Month during the Term to equal or exceed Ten Dollars ($10.00) per Ton, as escalated by the Adjustment Factor each Contract Year (the "Maximum Change in Law Cost"), then, notwithstanding any obligation the Jurisdictions may otherwise have to pay their share to Cure the Change in Law on a per Ton basis under Sections 4.5(a) and (b), the Jurisdictions may, following receipt of a Company Change in Law Notice that would result in an amount equal to or exceeding such Maximum Change in Law Cost, terminate this Agreement with respect to the Jurisdictions' by one hundred eighty (180) days prior notice from the Jurisdictions to the Company. Any such termination shall be without any termination damage, penalty or payment to the Company (including any amount relative to adjustment to the Acceptance Fee resulting from the Change(s) in Law) and the Company waives all claims to any such damage, penalty or payment. The Jurisdictions, however, shall be liable to pay the Company the amounts the Company has earned or accrued pursuant to Section 4.2 (exclusive of the adjustment to the Acceptance Fee relative to the Change in Law resulting in such Maximum Change in Law Cost, and subject to any set-offs or other credits to the Acceptance Fee) prior to the effective date of termination.

(b) Jurisdictions' Termination Upon Maximum Unamortized Capital Cost. If one or more Change(s) in Law occur that would necessitate a capital alteration or addition of a capital project to the Facility and which, after estimating the expected costs for such capital alteration or project, the unamortized portion of any such project is reasonably estimated to be greater than Two Million Dollars ($2,000,000), as escalated by the Adjustment Factor each Contract Year (the "Maximum Unamortized Capital Cost"), on or after September 30, 2025, then the Jurisdictions may, following receipt of a Company Change in Law Notice that would result in such Maximum Unamortized Capital Cost, terminate this Agreement with respect to the Jurisdictions' by one hundred eighty (180) days prior notice from the Jurisdictions to the

Company. Any such termination shall be without any obligation of the Jurisdictions to pay such capital cost, and the Jurisdictions shall not be liable for any termination damage, penalty or payment to the Company (including any amount relative to adjustment to the Acceptance Fee resulting from the Change(s) in Law) and the Company waives all claims to any such damage, penalty or payment.

(c) Company Termination Upon Change in Law. If, the aggregate Unit Change in Law Cost(s) (as such Unit Change in Law Cost(s) may, in absence of actual values, may be reasonably estimated) for any Billing Month during the Term is equal to or exceeds the Maximum Change in Law Cost, then the Company may, following the Change in Law that would result in an amount equal to or exceeding such Maximum Change in Law Cost, terminate this Agreement with respect to the Company by one hundred eighty (180) days prior notice to the Jurisdictions. Upon such termination, the Site Lease and the Operating Lease will be terminated effective as of the date that the termination of this Agreement is effective. Any such termination shall be without any obligation of the Company to pay any termination penalty or payment to the Jurisdictions (except for any amounts otherwise due to the Jurisdictions under this Agreement or the Site Lease, or both).

(d) Payment of Excess Maximum Change in Law Cost. If, as a result of one or more Change(s) in Law, the Jurisdictions or the Company have the right to terminate this Agreement pursuant to Section 10.6(a) or 10.6(c), respectively,] then either Party (either the Company or the Jurisdictions) may elect, by written notice to the other Party, to absorb and pay for the amount by which such Unit Change in Law Cost(s) exceeds the Maximum Change in Law Cost for each Billing Month throughout the Term; provided, however, if, during any Billing Month, the aggregate Unit Change in Law Cost(s) equal or exceed the Maximum Change in Law Cost, then the Jurisdictions or the Company, respectively, shall be permitted to terminate this Agreement under Section 10.6(a) or 10.6(c), respectively.

ARTICLE 11 Representation and Warranties.

Section 11.1 Representations and Warranties of the Jurisdictions. Each Jurisdiction, severally and not jointly, represents and warrants to the Company that (a) this Agreement has been executed by authorized officers of the respective Jurisdiction, and has heretofore delivered to the Company evidence of such authority; (b) it has the full power and authority to execute and deliver this Agreement to the Company and to carry out the transactions contemplated hereby, all of which have been duly authorized in accordance with the laws of the Commonwealth of Virginia; and (c) there is no litigation pending, or to the knowledge of the respective Jurisdiction, threatened in writing, which questions this Agreement or which affect or may affect the transactions contemplated hereby.

Section 11.2 Representations and Warranties of the Company. The Company represents and warrants to the Jurisdictions that (a) this Agreement has been executed by an authorized officer of the Company, and has heretofore delivered to the Jurisdictions evidence of such authority; (b) the Company has the full power and authority to execute and deliver this Agreement to the Jurisdictions and to carry out the transactions contemplated hereby, all of which have been duly authorized in accordance with its governing documents; and (c) there is no

litigation pending or, to the knowledge of the Company, threatened, which questions this Agreement or which affect or which affects the transactions contemplated hereby.

Section 11.3 Liability for Breach. The Parties hereto shall be liable to each other in the manner and to the extent provided by Applicable Law for any loss or harm occasioned by the breach of any term, covenant, agreement, undertaking or obligation of this Agreement. Neither Party shall be liable to the other for consequential damages resulting from or arising out of this Agreement. This Section 11.3 shall survive the earlier termination of expiration of this Agreement.

ARTICLE 12 Conditions Precedent to Execution Date and Effective Date.

Section 12.1 Execution Date; Effective Date. Notwithstanding any provision in this Agreement that may be interpreted or construed to the contrary,

(a) the Parties shall neither be bound by the terms and conditions of this Agreement nor shall this Agreement have any force and effect unless and until:

(i) each Party shall have executed and delivered this Agreement, the Amendment to the Site Lease, in form and substance attached hereto as Exhibit A, and the Amendment to the Operating Lease, in form and substance attached hereto as Exhibit B, in each case, to the other Parties hereto;

(ii) the Company has delivered to the Jurisdictions the Guaranty, in form and substance attached hereto as Exhibit D (the "Guaranty"), duly executed by Covanta Holding Corporation, a Delaware corporation and the parent company of the Company (the "Guarantor"), and delivered to the Jurisdictions, and

(b) the obligations of the Parties under this Agreement shall not begin until the Effective Date.

ARTICLE 13 Company Covenants.

Section 13.1 Permit Modifications. Without the prior written consent of the Jurisdictions, during the Term, the Company shall not change, modify or amend any Permit which would, directly or indirectly, increase the steaming rate, increase maximum tonnage limits or otherwise allow the Company to accept or Process more Solid Waste at the Facility as is permitted under the Permits in effect as of the Execution Date.

Section 13.2 Supplemental Waste. The Company shall only accept Acceptable Waste and Supplemental Waste at the Facility. For purposes of this Agreement, the term "Supplemental Waste" means Solid Waste which requires special handling as listed on Schedule 5.

Section 13.3 Facility Operations. Subject to the more specific requirements and exceptions set forth in this Agreement, the Company shall: (a) provide continuous operation and maintenance of the Facility; (b) subject to the provisions of Sections 3.2(a), 9.1 and 10.1,

receive, accept and Process all Acceptable Waste delivered by or on behalf of the Jurisdictions at the Facility; (c) manage, operate and maintain the Facility in accordance with Good Engineering Practice and in compliance with all Applicable Laws and applicable industry standards and will maintain the Facility and the Facility Site in a clean, neat, and orderly and litter free condition; (d) maintain the Facility Site, including roads, grounds and other appurtenances in good repair and in a neat, orderly and litter-free condition; (e) operate, maintain, repair and replace radiation detection equipment and systems in existence at the Facility to comply with the more stringent of (i) the standards and requirements set forth on Schedule 7 or (ii) Applicable Law; and (f) operate, maintain, repair and replace the Facility and all its appurtenances as necessary and appropriate to satisfy its obligations pursuant to this Agreement and in accordance with Good Engineering Practice. Unless otherwise expressly provided for herein, the Company shall be solely responsible, at its sole cost and expense, for all means, methods, techniques, sequences, procedures and safety programs in connection with the performance of its obligations hereunder. The Company shall have the exclusive right to contract with all other haulers (other than with haulers who collect Acceptable Waste within the City or County by or on behalf of the Jurisdiction(s)) and Governmental Authorities (other than the Jurisdictions or arrangements or contracts (whether oral or written) between the Jurisdiction(s) with governmental agencies or units in effect as of the Execution Date) in delivering Acceptable Waste to the Facility.

Section 13.4. Community Outreach. During the Term, the Company shall continue to maintain its community outreach programs that are reasonably equivalent to or better than the Company's community outreach programs in effect on the Execution Date.

Section 13.5 Meetings with the Jurisdictions; Access to the Facility; Inspection and Reporting.

(a) Meetings with the Jurisdictions. If requested by the Jurisdictions, the Company shall hold monthly meetings with the Jurisdictions and such other Persons requested by the Jurisdictions at the Facility or such other place specified by the Jurisdictions within the City or the County.

(b) Access to the Facility. The Company shall provide the Jurisdictions and their respective representatives and agents (subject to the execution by such representatives and agents of the Confidentiality Agreement) upon reasonable notice and with the full cooperation of the Company, access to and rights to visit and conduct a site review of the Facility and the Facility Site during normal business hours for any reason, including to conduct a review of the Facility as has historically been conducted by the Jurisdictions' consulting engineer(s) during the three (3) year period immediately preceding the Execution Date.

(c) Monthly Reporting. On or before the tenth (10th) day of each Billing Month, the Company shall deliver the Monthly Report to each Jurisdiction in as many copies as reasonably requested by either of them. At the request of any Jurisdiction, or both, the Company shall supply the data and information contained in the Monthly Report in an electronic format acceptable to such requesting Party.

(d) Tours. The Company shall schedule and provide tours of the Facility and Facility Site upon reasonable notice by any Jurisdiction; provided, however, subject to Section 13.8, no such tours of the Facility and the Facility Site may include any direct competitors of the Company. Any Jurisdiction may schedule as many tours as desired upon reasonable notice to the Company, provided that any such tours shall not unreasonably interfere with Facility operations or construction of capital projects being constructed. Literature describing the Facility and its operation, if provided by a Jurisdiction, shall be distributed by the Company and its representatives during the tour and to the general public. The Company shall also secure, maintain and supply a sufficient number of clean hardhats and safety glasses for use by tour groups when touring the Facility and the Facility Site. The Company shall replace such hardhats and safety glasses as appropriate in order to maintain good public relations.

Section 13.6 Jurisdiction-Requested Improvements. The Company shall make capital improvements to the Facility requested by the Jurisdictions and agreed to by the Company. At the Jurisdictions' request, the Company will pay or finance the cost of such improvements (including without limitation the cost of financing, overhead and reasonable profit), which improvements shall be agreed upon by the Company and the Jurisdictions prior to implementation of the capital improvement and the Jurisdictions will reimburse the Company for the agreed upon cost of the improvement in equal annual installments, based upon the useful life of the equipment or improvement installed, or as otherwise agreed to by the Parties. If the entire amount of the cost of a capital improvement requested pursuant to this Section 13.6 is not paid by the later to occur of (i) the last day of the Term, or (ii) the last date of the Site Lease, the Jurisdictions shall pay the Company the remaining amount within sixty (60) days following expiration of such applicable date. The Jurisdictions shall retain the option to finance the agreed upon improvement, provided that the plan of financing is reasonably acceptable to the Company.

Section 13.7 Transfer of Facility Documentation Upon Termination or Expiration of the Site Lease. In the event that the Site Lease is terminated or expires at the end of the Site Lease Term, the Company shall, at least thirty (30) days prior to the expiration of the Site Lease Term or, as applicable, no later than one week following the Jurisdictions' notice of termination to the Company following an Event of Default by the Company under the Site Lease, deliver to the Jurisdictions' copies of all Facility drawings, equipment operation and maintenance manuals and other manuals, reports, as-built drawings, specifications, maps, photographs and permits and permit applications. This Section 13.7 shall survive the earlier termination or expiration of this Agreement for a period of one (1) year following expiration of the Site Lease Term.

Section 13.8 Tours and Operations Transition. On and after the occurrence of an Event of Default by the Company, or, as applicable, at least fifteen (15) months prior to the expiration of the Term, the Company shall (a) fully cooperate with the Jurisdictions in providing access to the Facility and Facility Site to potential subsequent operator(s) of the Facility to tour and visually observe the Facility and the Facility Site (both inside and outside the Facility) as often as may be reasonably requested by the Jurisdictions, provided that such access to the Facility and the Facility Site shall not unreasonably interfere with the Company's operation and maintenance of the Facility, and (b) subject to any non-compete agreement between the Company and the applicable supervisor or manager, not restrict its managers performing services at the Facility from being fully available to the Jurisdictions or potential successor operator for employment or

attempted employment by the Jurisdictions or potential successor operators if the Site Lease is terminated or will expire or has expired. The Company shall not restrict Facility personnel from meeting with the Jurisdictions after work hours or any potential successor operator, or, subject to any non-compete agreements between the Company and the applicable supervisor or manager, interfere with their acceptance of offers of employment by the City, the County or any potential successor operator(s) during such periods. The Company agrees that the Jurisdictions shall be permitted to provide to any potential subsequent operator(s) any and all information provided to the Jurisdictions by the Company for the Monthly Report(s) or otherwise obtained by the Jurisdictions. This Section 13.8 shall survive the earlier termination or expiration of this Agreement for a period of one (1) year following expiration of the Site Lease Term.

ARTICLE 14 Miscellaneous.

Section 14.1 Governing Law. The laws of the Commonwealth of Virginia (excluding the conflicts of law principles thereof) shall govern the validity, interpretation, construction and performance of this Agreement.

Section 14.2 Consent of Jurisdiction. Each Party, by execution of this Agreement, (a) hereby irrevocably submits to the exclusive jurisdiction of the Alexandria Circuit Court, the Arlington Circuit Court and the United States District Court for the Eastern District of Virginia for the purpose of any action arising out of or based upon this Agreement or relating to the subject matter hereof or thereof or the transactions contemplated hereby or thereby, (b) hereby waives, and agrees to cause each of their respective Affiliates to waive, to the extent not prohibited by Applicable Law, and agrees not to assert, and agrees not to allow any of their respective Affiliates to assert, by way of motion, as a defense or otherwise, in any such action, any claim that such party is not subject personally to the jurisdiction of the above-named courts, that such party's property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such court, and (c) hereby agrees not to commence or to permit any of their respective affiliates to commence any action arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise. Each party hereby consents to service of process in any such proceeding in any manner permitted by the Commonwealth of Virginia and agrees that service of process by registered or certified mail, return receipt requested, at the address specified pursuant to Section 14.7 hereof is reasonably calculated to give actual notice.

Section 14.3 Entire Agreement. Except for the Site Lease, Operating Lease and Power Purchase Agreement, this Agreement merges and supersedes all prior negotiations, representations and agreements among the Parties. This Agreement constitutes the entire agreement among the Parties in respect of the subject matter hereof.

Section 14.4 Waiver. No delay in exercising or failure to exercise any right or remedy accruing to or in favor of any Party hereunder shall impair any such right or remedy or constitute

a waiver thereof. Every right and remedy given hereunder or by law may be exercised from time to time and as often as may be deemed expedient by the parties hereto.

Section 14.5 Modifications. This Agreement may not be modified or amended except in writing and signed by or on behalf of both parties by their duly authorized officers.

Section 14.6 Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective successors and permitted assigns of the parties hereto.

Section 14.7 Notices. All written notices, consents, reports and other documents required or permitted under this Agreement shall be in writing and shall be deemed to have been given when (a) delivered by hand or nationally recognized commercial courier service, (b) deposited in the mails, postage prepaid, registered or certified mail, return receipt requested, or (c) sent by electronic mail to the Party to whom notice is being given at its electronic mail address set forth below (with follow up copy sent by any of the aforesaid means). Any Party may change its address by written notice similarly given.

If to the City:

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: City Manager
Email: rashad.young@alexandriava.gov

With a copy to (which shall not constitute notice):

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: Director of Transportation and Environmental Services
Email: rich.baier@alexandriava.gov

With a copy to (which shall not constitute notice):

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: City Attorney
Email: james.banks@alexandriava.gov

If to the County:

Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attention: Director, Department of Environmental Services
Email: des@arlingtonva.us

With a copy to (which shall not constitute notice):

Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attention: County Manager
Email: countymanager@arlingtonva.us

With a copy to (which shall not constitute notice):

Arlington County, Virginia
2100 Clarendon Boulevard, Ste 403
Arlington, Virginia 22201
Attention: County Attorney
Email: cao@arlingtonva.us

If to the Company:

Covanta Alexandria/Arlington, Inc.
c/o Covanta Energy Corporation
445 South Street
Morristown, New Jersey 07960
Attention: Timothy J. Simpson, General Counsel
Email: tsimpson@covantaenergy.com

Section 14.8 Further Actions. Each Party shall, at its own cost and expense, execute any and all certificates, documents and other instruments, and take such other further actions as may be reasonably necessary to give effect to the terms of this Agreement.

Section 14.9 Counterparts. This Agreement may be executed in several counterparts, any one of which shall be considered to be an original hereof for all purposes.

Section 14.10 Severability. In the event that any of the provisions, portions, or applications of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, portions, or applications thereof shall not be affected thereby.

Section 14.11 Rights of Third Parties. Nothing in this Agreement is intended to confer any right on any person other than the parties to it and their respective successors and assigns nor is anything in this Agreement intended to modify or discharge the obligation or liability of any third person to any Party or give any third person any right of subrogation or action over or against any Party to this Agreement.

Section 14.12 Assignment. This Agreement shall not be assigned by the Company without the prior written consent of the Jurisdictions and the Company shall not enter into any contractual agreement with a third party for the delegation to such third party of performance obligations of the Company of any part of this Agreement without the prior written consent of the Jurisdictions, which consent may be withheld by each Jurisdiction in its sole discretion; provided, however, the Company may, without such consent, assign its interest and obligations hereunder to (a) a Person acquiring all or substantially all of the business and assets of the Company by merger, consolidation, transfer of assets or otherwise or (b) an Affiliate. Any other assignment of this Agreement by the Company without the express written consent and approval of the Jurisdictions, except as expressly recognized herein, shall be null and void at inception. Each Jurisdiction may assign this Agreement without the prior written consent of the Company to a successor by merger or consolidation or a validly constituted agency or authority of the Commonwealth of Virginia, a duly created municipal corporation or authority or similar entity created by the City, the County or by Virginia legislation.

Section 14.13 Headings for Convenience. The headings in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

Section 14.14 Liability of Officers and Employees. No member of the City Council or County Board, nor any director, officer, agent, consultant, trustee, representative or employee of any Jurisdiction or the Company shall be charged personally by the other or held contractually liable thereto under any term or provision of this Agreement, because of any Party's execution or attempted execution or because of any breach or alleged breach thereof; provided, however, that all Persons remain responsible for any of their own criminal actions.

Section 14.15 Pledge of Credit. The Company shall not pledge the City's or the County's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The Company further warrants and represents that it has no obligation or indebtedness that would materially impair its ability to fulfill the terms of this Agreement. This Agreement shall not constitute a pledge of the full faith and credit of the City or the County in violation of Section 10 of Article X of the Constitution of Virginia or a bond or debt of the City or the County within the meaning of Section 10 of Article VII of the Constitution of Virginia.

Section 14.16 Specific Performance. If there is an Event of Default on the part of the Company pursuant to Section 10.3 or if the Company is in breach of its obligations under the Agreement, then the Parties agree that specific performance is an appropriate remedy and the Jurisdictions shall have the right of injunctive relief giving effect to their rights under this Agreement, in addition to any and all other rights and remedies provided hereunder. The Parties

agree that since, inter alia, the Facility is critical to the Jurisdictions' solid waste management plans and, in the interest of public health and safety, the Company's continuing and uninterrupted acceptance and Processing of the Jurisdictions' Acceptable Waste at the Facility throughout the Term is a fundamental obligation of the Company, and such obligations of the Company serve as the basis upon which the Jurisdictions are entering into this Agreement to enable the Jurisdictions to provide for the disposal of Acceptable Waste generated in the Jurisdictions without landfilling. Accordingly, the Parties acknowledge and agree that (a) any such Event of Default or breach by the Company of any of its obligations under this Agreement would cause irreparable injury to the Jurisdictions, (b) the remedies at law for any such Event of Default or breach, including monetary damages, are inadequate compensation for the Jurisdictions, (c) the Company's continued and uninterrupted accepting and Processing of the Jurisdictions' Acceptable Waste at the Facility is in the best interest of the public, and (d) any defense that a remedy at law would be adequate to compensate the Jurisdictions for an Event of Default by the Company is waived by the Company in any action for specific performance.

[Signature Page Follows]

16375137_12.DOC

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

By: Jacqueline M Henderson
Name: Jacqueline M Henderson
Title: City Clerk & Clerk of Council
[seal]

CITY OF ALEXANDRIA, VIRGINIA

By: _____
Name: Rashad M. Young
Title: City Manager

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

ATTEST:

By: _____
Name: _____
Title: _____
[seal]

ARLINGTON COUNTY, VIRGINIA

By: _____
Name: _____
Title: _____

ATTEST:

By: Patricia Collins
Name: Patricia Collins
Title: VP + Assistant Secretary
[seal]

COVANTA ALEXANDRIA/ARLINGTON, INC.

By: _____
Name: Paul E Stauder
Title: Sr VP

[Signature Page to Waste Disposal and Service Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

By:_____
Name:_____
Title: _____
[seal]

CITY OF ALEXANDRIA, VIRGINIA

By:_____
Name: _____
Title: _____

ATTEST:

By: Mark J. Schwartz
Name: Mark J. Schwartz
Title: Deputy County Manager
[seal]

ARLINGTON COUNTY, VIRGINIA

By: Barbara M. Donnellan
Name: Barbara M. Donnellan
Title: County Manager

ATTEST:

By: Patricia Collins
Name: Patricia Collins
Title: VP + Assistant Secretary
[seal]

COVANTA ALEXANDRIA/ARLINGTON, INC.

By:_____
Name: Paul E Stauder
Title: Sr VP

[Signature Page to Waste Disposal and Service Agreement]

LIST OF SCHEDULES AND EXHIBITS

Schedules

Schedule 1	Initial Delivery Schedule
Schedule 2	Base Tipping Fee, Excess Tonnage Tip Fee and Adjustment Factor
Schedule 3	Form of Company Invoice
Schedule 4	Unacceptable Waste Definition
Schedule 5	Supplemental Waste Definition
Schedule 6	Monthly Reports
Schedule 7	Radiation Detection Standards and Requirements
Schedule 8	Monthly Shortfall Fee and Most Favored Nation Calculation Examples

Exhibits

Exhibit A	Amendment to Site Lease
Exhibit B	Amendment to Operating Lease
Exhibit C-1	Hauler Rules and Regulations
Exhibit C-2	Vehicle Identification Procedure
Exhibit C-3	Resident Area Rules and Regulations
Exhibit D	Guaranty
Exhibit E	Form of Confidentiality Agreement

Schedule 1*

Initial Delivery Schedule

Month	Minimum Monthly Tonnage	Excess Monthly Tonnage
Jul	4,330.00	6,560.00
Aug	4,200.00	5,890.00
Sep	4,370.00	6,020.00
Oct	4,170.00	5,890.00
Nov	4,100.00	5,300.00
Dec	3,790.00	5,500.00
Jan	3,320.00	4,650.00
Feb	2,610.00	3,930.00
Mar	4,060.00	5,940.00
Apr	5,230.00	6,820.00
May	4,900.00	6,780.00
Jun	4,920.00	6,720.00
Total	50,000.00	70,000.00

***** This Schedule 1 may be amended by the Jurisdictions in their sole and absolute discretion, pursuant to and in accordance with the terms of Section 2.2 of the Waste Disposal and Service Agreement. During the Initial Term and, if applicable, the Renewal Term (but in no event during the Extended Term), as adjusted in accordance with the terms of Section 2.2, the "Minimum Annual Tonnage" shall be the sum of the Minimum Monthly Tonnages reflected in this Schedule 1 and the "Excess Annual Tonnage Threshold" shall be the sum of the Excess Monthly Tonnages reflected in this Schedule 1. During the Extended Term, the "Minimum Annual Tonnage" shall be equal to zero and the "Excess Annual Tonnage Threshold" shall be determined in accordance with Section 2.2(c).

Schedule 2

Base Tipping Fee, Excess Tonnage Tip Fee and Adjustment Factor

Term	Contract Year "n"	Start	End	Base Tipping Fee	Excess Tonnage Tip Fee [(a)]
Initial	0	1/1/2013	6/30/2013	$42.00	$5.00
Term	1	7/1/2013	6/30/2014	$43.16	$5.14
	2	7/1/2014	6/30/2015	$44.34	$5.28
	3	7/1/2015	6/30/2016	$45.56	$5.42
	4	7/1/2016	6/30/2017	$46.81	$5.57
	5	7/1/2017	6/30/2018	$48.10	$5.73
	6	7/1/2018	6/30/2019	$49.42	$5.88
Renewal	7	7/1/2019	6/30/2020	$60.46	$6.05
Term	8	7/1/2020	6/30/2021	$62.12	$6.21
	9	7/1/2021	6/30/2022	$63.83	$6.38
	10	7/1/2022	6/30/2023	$65.59	$6.56
	11	7/1/2023	6/30/2024	$67.39	$6.74
	12	7/1/2024	6/30/2025	$69.24	$6.92
	13	7/1/2025	9/30/2025	$71.14	$7.11
Extended	13	10/1/2025	6/30/2026	$0.00	$7.11 + EOBTF
Term	14	7/1/2026	6/30/2027	$0.00	$7.31 + EOBTF
	15	7/1/2027	6/30/2028	$0.00	$7.51 + EOBTF
	16	7/1/2028	6/30/2029	$0.00	$7.72 + EOBTF
	17	7/1/2029	6/30/2030	$0.00	$7.93 + EOBTF
	18	7/1/2030	6/30/2031	$0.00	$8.15 + EOBTF
	19	7/1/2031	6/30/2032	$0.00	$8.37 + EOBTF
	20	7/1/2032	6/30/2033	$0.00	$8.60 + EOBTF
	21	7/1/2033	6/30/2034	$0.00	$8.84 + EOBTF
	22	7/1/2034	6/30/2035	$0.00	$9.08 + EOBTF
	23	7/1/2035	6/30/2036	$0.00	$9.33 + EOBTF
	24	7/1/2036	6/30/2037	$0.00	$9.59 + EOBTF
	25	7/1/2037	6/30/2038	$0.00	$9.85 + EOBTF
	26	7/1/2038	12/31/2038	$0.00	$10.12 + EOBTF

(a) "EOBTF" equals the Base Tipping Fee in effect in the Contract Year in which the Jurisdictions exercised the Extension Option, without escalation or adjustment throughout the Extended Term.

The "Adjustment Factor" for Contract Year "n" (see the table above for values of "n") is equal to:

$$AF_n = (1.0275)^n.$$

Schedule 3

Form of Company Invoice

[Attached]

Example - Contract Year Beginning July 1, 2013 and Ending June 30, 2014 - Invoice YTD Summary

February 15, 2014

	City of Alexandria YTD XX	Arlington County YTD XX	Jurisdictions Totals YTD XX	Units
Cumulative Tons Delivered Contract Year (YTD)	13,016.98	20,705.24	33,722.22	tons of Acceptable Waste
Cumulative Minimum Monthly Tonnage per Delivery Schedule (YTD)	-	-	28,280.00	tons of Acceptable Waste
Cumulative Excess Monthly Tonnage Threshold (YTD)	-	-	39,810.00	tons of Acceptable Waste
Cumulative Tonnage Shortfall, if any (YTD)	-	-	0	tons of Acceptable Waste
Prior Amount Invoiced - Contract Year YY - YTD	**426,175.02**	**678,641.28**	**1,104,816.30**	
Amount Invoiced this Month	**53,348.57**	**84,524.62**	**137,873.19**	
Cumulative Amount Invoiced - Contract Year YY - YTD	**479,523.59**	**763,165.90**	**1,242,689.49**	
Total Amount Paid - Contract Year YY - YTD	**(426,175.02)**	**(678,641.28)**	**(1,104,816.30)**	
Amount Due (Amt Invoice - Amt Paid)	**53,348.57**	**84,524.62**	**137,873.19**	

Example - Monthly Invoice for January 2014

		City of Alexandria Month XX	Arlington County Month XX	Jurisdictions Totals Month XX	Units
1	**Monthly Disposal Fee (Sec. 4.3)**				
2	Tons Delivered	1,498.74	2,374.58	3,873.32	tons of Acceptable Waste
3	Base Tipping Fee [(a)]	$42.00	$42.00	$42.00	$/ton Acceptable Waste
4	Monthly Disposal Fee Subtotal (multiply line 2 by line 3)	$62,947.08	$99,732.36	162,679.44	$/month
5					
6	**Residue Disposal Credit (Sec. 4.4)**				
7	Maximum per ton of Residue Credit [(b)]	-	-	$5.50	$/Ton of Residue
8	50% to Base Tipping Fee	-	-	$21.00	$/Ton of Residue
9	Per ton gate fee at the Lorton Landfill	-	-	$17.50	$/Ton of Residue
10	Positive difference, if any, between lines 8 and 9	-	-	$3.50	$/Ton of Residue
11	Minimum of line 7 or 10	-	-	$3.50	$/Ton of Residue
12	Tons of Residue to Lorton Landfill	-	-	7,087.50	tons Residue
13	Residue Disposal Credit (multiply line 11 by line 12) [(c)]	($9,598.51)	($15,207.74)	($24,806.25)	$/month
14					
15	**Change in Law Charge [(d)]**				
16	Per ton debit pursuant to Section 4.5(b)	$0.00	$0.00	$0.00	$/ton Acceptable Waste
17	Per ton credit pursuant to Section 4.5(c)	$0.00	$0.00	$0.00	$/ton Acceptable Waste
18	Net debit or credit (sum of lines 16 and 17)	$0.00	$0.00	$0.00	$/ton Acceptable Waste
19	Change in Law Charge (line 18 multiplied by line 2) [(e)]	$0.00	$0.00	$0.00	$/month
20	**Monthly Shortfall Fee (Sec. 4.6(a))**				
21	Minimum Monthly Tonnage per Delivery Schedule	-	-	3,320.00	tons of Acceptable Waste
22	20% of Minimum Monthly Tonnage	-	-	664.00	tons of Acceptable Waste
23	Monthly Shortfall (positive difference, if any between line 21 and line 2)	-	-	0.00	tons of Acceptable Waste
24	If line 23 is greater than line 22, then insert line 23, otherwise insert zero	-	-	0.00	tons of Acceptable Waste
25	Sum of Base Tipping Fee and Change in Law Charge	-	-	$42.00	$/ton of Acceptable Waste
26	Monthly Shortfall Fee, if any (line 24 multiplied by line 25) [(c)]	$0.00	$0.00	$0.00	$/month
27					
28	**Acceptance Fee** (sum of lines 4, 13, 19, and 26)	53,348.57	84,524.62	137,873.19	$/month

(a) See Schedule 2
(b) Maximum per ton of Residue Credit is $5.50/ton of Residue during the Initial Term and $9.50/ton of Residue during the Renewal Term
(c) Allocation to City and County based on tonnage
(d) Backup calculations and data are attached
(e) This may be a positive or negative number

Schedule 4

Unacceptable Waste Definition

Unacceptable Waste shall include the materials (A) if present in concentrations or quantities that, in the reasonable judgment of the Company, (1) would pose a substantial threat to public health or safety, (2) may cause applicable air quality or water effluent standards to be violated by the normal operation of the Facility, or (3) have a reasonable possibility of adversely affecting the operation of the Facility in any material respect, and (B) if the concentrations or quantities exceed those normally found in Solid Waste generated in residential, commercial or light industrial areas. No material shall constitute Unacceptable Waste unless it is listed on this Schedule 4 (Unacceptable Waste) or the Company has notified the Jurisdictions in writing that the material constitutes Unacceptable Waste and the Jurisdictions agree in writing to add such material to this Schedule 4 in accordance with Section I below.

A. Explosives

Dynamite
Hand grenades
Blasting caps
Shotgun shells
Any other explosives
Fireworks

B. Liquid Wastes

Gasoline	Alcohol
Kerosene	Acids
Turpentine	Hydraulic oil
Waste oil	Petroleum
Ether	Caustics
Naphtha	Sewage or process wastewaters
Acetate	Leachate
Solvents	Sewage sludge
Paints	Inflammable or volatile liquids
Fungicides	Insecticides

C. Demolition Debris

Aggregate
Brick
Stone
Cement
Gravel
Sand
Porcelain

Structural clay products
Soil
Asbestos
Cement roofing materials
Materials that cannot be shredded at the Facility
Plaster
Creosote treated lumber or telephone poles
Drywall
Other noncombustible demolition debris

D. Miscellaneous Materials

Offal
Tar
Asphalt
Sealed drums
Pressurized containers
Batteries
Automobile parts
Tree stumps
Tree limbs or logs greater than 4 to 6-feet in length & 6" to 8 " in diameter (thickness)

E. Tires

Tires mounted on rims
Tires whose rims exceed 16 ½"

F. Pathological or Infectious Waste (Medical Waste)

G. Hazardous Waste -- As defined under federal, Virginia and local laws and regulations

H. White Goods items containing ozone depleting substances such as Chlorofluorocarbons (CFCs) and Hydrochlorofluorocarbons (HCFCs) with common names such as "Freon" and Refrigerants ("R-12"). These white goods include:

Refrigerators	Water coolers
Freezers	Dehumidifiers
Ice makers	
Air conditioners (window, motor vehicle, other type)	

Note: Loads whose major components are acceptable non-combustible metal items ("white goods") must off-load to the Facility's metal box as directed by the Covanta tipping floor attendant. "White goods" items to be directed to the metal box include, but are not limited to:

appliances, water heaters, metal furniture and equipment, etc.

Haulers who transport appliances with motors that may have capacitors containing PCBs may be required, at the discretion of CAAI, to certify that these capacitors have been removed before disposal.

I. Upon the written request of the Company, the Jurisdictions shall consider in good faith any information concerning materials that the Company, proposes be classified as Unacceptable Waste. The Parties to the Agreement may by mutual written agreement add additional items to this Schedule 4 (Unacceptable Waste).

Schedule 5

Supplemental Waste Definition

"Supplemental Waste" means waste, other than Hazardous Waste, which requires special handling and is received at the Facility from generators and suppliers according to contracts negotiated and entered into solely between the Company or its authorized agent and said generators and suppliers and / or representatives, including, but not limited to, the following:

i. Items suitable for human, plant, or animal use, consumption and / or application whose shelf-life has expired or which the generator wishes to remove from the market and wishes to ensure proper destruction, including but not limited to off-specification or expired consumer-packaged products and pharmaceuticals, returned goods and controlled substances.

ii. Consumer-packaged products intended for human or animal use and / or application but not consumption.

iii. Materials generated in the manufacture of items in the categories above that are or contain commercially useless (i.e. expired, rejected or spent) or finished products not yet formed or packaged for commercial distribution.

iv. Packaging materials, natural and synthetic fibers, clothing, floor coverings of all types, fabric remnants and empty containers (including but not limited to items such as aprons, gloves, floor sweepings and paints).

v. Waste materials that contain oil form routine clean-up of industrial or commercial establishments and machinery (such as non-tern or specialty filters) or the oil-contaminated materials used in the clean-up of spills of used or virgin petroleum products in transit or storage, and which are liquid-free (including but not limited to items such as rags, lint's and absorbent materials).

vi. Waste materials generated by manufacturing, industrial, commercial or agricultural activities.

vii. Confidential documents (including but not limited to business records, lottery tickets, event tickets and microfilm).

viii. Contraband which may be disposed of at the request of appropriately authorized local, state, or federal governmental agencies.

ix. Waste materials originating at airports, seaports or other locations and regulated for disposal by the United State Department of Agriculture.

In the event the Company wishes to dispose of Supplemental Waste not specifically listed in this definition, the Company shall first obtain the prior written approval of the Public Works Official for each Jurisdiction that such waste falls within the definition of Supplemental Waste herein. Such written approval shall be given or withheld within 72 hours following receipt by the Jurisdictions of a Company's written request therefore, and shall not be unreasonably withheld or delayed.

Schedule 6

Monthly Reports

- Production & Performance Summary
    1. Production
        - Refuse Received (Tons)
        - Refuse Processed (Tons)
        - Refuse Bypassed (Tons)
        - Supplemental Waste (Tons)
        - Refuse Transferred (Tons)
        - Ash (Tons)
        - Ferrous (Tons)
        - Steam (klbs)
        - Gross Electrical Generation
        - Net Electrical Generation
    2. Utilities Usage
        - In-Plant Power (MWH)
        - Purchased Power (MWH)
        - Auxiliary Fuel Oil (kgals)
        - Waste Water (kgals)
        - Boiler Make-up (kgals)
        - Pebble Lime (Tons)
        - Dolomitic Lime (Tons)
        - Ammonia (klbs)
        - Carbon (Tons)
    3. Performance
        - Refuse HHV (Btu/lb)
        - Refuse Processed (Reference Tons)
        - Gross Energy (KWH/Ref Ton)
        - In-Plant Electricity (KWH/Ref Ton)
- HHV Calculation Sheet
    1. Data Inputs
        - Refuse Processed (Tons)
        - Total Operating Time – All Units (Hours)
        - Boiler No. 1 Steam Production (klbs)
        - Boiler No. 2 Steam Production (klbs)
        - Boiler No. 3 Steam Production (klbs)
        - Boiler No. 1 Steam Temperature (°F)
        - Boiler No. 2 Steam Temperature (°F)
        - Boiler No. 3 Steam Temperature (°F)
        - Boiler No. 1 Steam Pressure (°F)
        - Boiler No. 2 Steam Pressure (°F)
        - Boiler No. 3 Steam Pressure (°F)
        - Boiler Feedwater Temperature (Average °F)

        - Boiler No. 1 Economizer Exit Gas Temperature (Average °F)
        - Boiler No. 2 Economizer Exit Gas Temperature (Average °F)
        - Boiler No. 3 Economizer Exit Gas Temperature (Average °F)
        - Auxiliary Fuel Usage (kgals)
    2. Enthalpies
        - Main Steam (Btu/lb)
        - Feedwater (Btu/lb)
    3. Calculations
        - Percent Excess Air from Percent O_2 (%)
        - Total Boiler Steam Heat Output (Btu)
        - Reference Steam Production due to Auxiliary Fuel (lbs)
        - Reference Total Steam Production from Refuse (lbs)
        - Specific Steam Ratio (lb steam/reference lb fired)
        - HHV Raw Database Curve (Btu/lb)
    4. Adjustments
        - Economizer Gas Temperature (Btu/lb)
        - Heated Combustion Air Temperature (Btu/lb)
        - Ambient Air Temperature (Btu/lb)
        - Excess Air (Btu/lb)
        - Subtotal of Adjustments (Btu/lb)
        - Net HHV (Btu/lb)
    5. Total Heat Input (mmBtu/Hr/Unit)
        - Percent of M.C.R.
    6. Estimated Boiler Efficiency
- Monthly Production Report (Daily Breakdown)
    1. Waste Received (Tons)
    2. Boiler No. 1 Processed Tonnage
    3. Boiler No. 2 Processed Tonnage
    4. Boiler No. 3 Processed Tonnage
    5. Total Processed Tonnage
    6. Measured Pit Inventory (Tons)
    7. Ferrous Recovery (Tons)
    8. Ash Shipped (Tons)
    9. Waste Rejected (Tons)
    10. Boiler No. 1 Steam Production (Tons)
    11. Boiler No. 2 Steam Production (Tons)
    12. Boiler No. 3 Steam Production (Tons)
    13. Make-up Water (gallons)
    14. Gross Turbine Generator No. 1 Output (kWhrs)
    15. Gross Turbine Generator No. 2 Output (kWhrs)
    16. On-peak Power Sold (kWhrs)
    17. Off-peak Power Sold (kWhrs)
    18. Total Power Sold (kWhrs)
    19. On-Peak Power Used (kWhrs)
    20. Off-Peak Power Used (kWhrs)
    21. Total Power Used (kWhrs)

22. Total Power Purchased (kWhrs)

- Tipping Floor Inspection Summary with Notices of Violation Issued
- Jurisdictional & Spot Waste Quantity Report
- Jurisdictional Breakdown Report
- Cooling Tower Makeup Quantity
- Boiler Availability Report
- Turbine Availability Report
- Facility Downtime & Projects Report
    1. Downtime Summary
    2. Work Order Summary
    3. Mechanical Repair Summary
    4. Electrical & Instrumentation Repair Summary
    5. CEMS System Repair Summary
    6. Summary of Environmental Activities (Significant Events, Documentation of Recordable/Recordable Excused/Notices of Violation, etc.)
    7. Ash pH Testing Levels
    8. Summary of Peak Power Performance
    9. Summary of Safety Events (OSHA Recordable Incidents, Safety Themes, etc.)
- Boiler Gas Temperature Reports
- Training Reports
- Monthly CEMS Data for All Boilers
    1. Steam Flow (klbs/hr)
    2. Sulfur Dioxide (SO_2) Economizer Outlet (ppmc)
    3. Sulfur Dioxide (SO_2) Stack Inlet (ppm)
    4. Carbon Monoxide (CO) Stack Inlet (ppm)
    5. Nitrogen Oxides (NO_x) Stack Inlet (ppm)
    6. Opacity (%)
    7. Fabric Filter Inlet Temperature (°F)
    8. Carbon Injection Rate (lbs/hr)
    9. Lime Flow (gal/min)
- Stack Testing Results (Annually)
- Title V Permit Documentation(Semi Annual and Annual Reports to DEQ)
- Characterization of Ash Residue Testing Documentation (TCLP Test Results)

<u>Schedule 7</u>

Radiation Detection Standards and Requirements

[Attached**]**

RADIATION MONITORING PROCEDURE

Prepared for:

Covanta Alexandria / Arlington, Inc.
5301 Eisenhower Avenue
Alexandria, Virginia 22304

Date: December 2006
Revision: 0

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Appendix A – Alarm Procedure Flowchart

Appendix B - Level Two Response

Appendix C – Radioisotope Library and Classification

Appendix D – Radiation Detection Record

Appendix E – Emergency Contacts

This document establishes the policy and procedure to deal with radiation sources that are detected at the Covanta Alexandria / Arlington Inc. Waste-to-Energy Facility.

PURPOSE

The purpose of this procedure is to establish guidelines for action to be taken when radioactive materials (RAM) are detected at the Covanta Alexandria / Arlington Inc. Waste-to-Energy (WTE) Facility. A description of the characteristics of radiation and particular types of measurement will not be covered in this procedure.

The radiation detectors are sufficiently sensitive to catch very low levels of incoming RAM. The use of these detectors will help assure that non-exempt radioactive wastes will not be managed or disposed of at the Covanta Alexandria / Arlington Inc. WTE. Once identified these loads are subjected to thorough screenings to assure proper management of the radioactive material while maintaining worker and public exposure to radiation levels as low as reasonably achievable.

DETECTION OF RADIATION

The radiation detection system being employed at the Covanta Alexandria Arlington Inc. WTE utilizes Bicron Model LMF-II detectors. The Bicron LFM-II system consists of two (2) sodium iodide scintillation detectors and an associated System Control Unit. Scintillation detectors convert the energy of radiation to a light pulse which are in turn converted into electrons through a photomultiplier tube and measured by the System Control Unit. The LFM-II detectors will detect low, medium and high energy gammas and x-rays, including but not limited to, ^{125}I, 99^{m}Tc, ^{67}Ga, ^{137}Cs, ^{60}Co and ^{226}Ra. Each in-bound weigh scale will be outfitted with radiation detectors to insure all incoming waste is screened for radioactive material. Since these detectors are directional units and designed to monitor the space between them, one pair of detectors will be installed for each scale, one on each side. Radiation will be continually monitored by the LFM-II detectors, whether vehicles are moving, stopped between the detectors or not present at all. Since radiation occurs naturally and is always present, the detectors will continually measure radiation at the site; naturally occurring radiation that is being measured without any external influences shall be termed background radiation. The alarm thresholds for the Bicron LFM-II detectors shall be set to twice the background reading. The baseline background level at the site shall be pre-established to set the proper alarm point.

All incoming vehicles delivering municipal solid waste (MSW) to the facility shall be required to pass through the detection system. Should the detectors measure radiation greater than two times background and alarm, Covanta Alexandria / Arlington, Inc. personnel shall follow the procedure outlined in RESPONSE TO RADIATION ALARMS.

The Radiation Detection System at Covanta Alexandria / Arlington, Inc. will also include the use of a hand held isotope identifier, or multi-channel analyzer (MCA). The MCA being employed will be a Bicron FieldSPEC unit, or equal. This unit is a self-calibrating, hand held unit capable of identifying 72 different radio-nuclides. This handheld unit will be utilized to further isolate and identify the RAM once it has been detected in a vehicle.

RESPONSE TO RADIATION ALARMS

Procedures for the scale entrance detectors are outlined below and in Attachment A – Alarm Procedure Flowchart. In each case there are two Action Levels. Action Level One occurs when a radiation monitor alarm indicates the potential presence of RAM in a waste load. Action Level Two occurs when any of the following conditions are met:

- 2 mrem/hr or higher in the vehicle cab, or
- 50 mrem/hr or higher at 2” from the truck body, or
- 30 µrem/hr or higher on a wipe of the outside of the vehicle, or
- Identification of a non-medical radioisotope.

If at any time an Action Level Two event is identified the notification process detailed in Appendix B must be followed.

I. In-Bound Scale House – An ALARM has occurred.

A. The Covanta Scale House Attendant shall notify the driver of the vehicle that RAM is suspected in the vehicle. The driver shall be directed to park the vehicle along the side of the entrance road just past the scales, or other designated area, to await further instruction.

B. The Scale House Attendant shall identify the vehicle, company and get an identification number and notify the Shift Supervisor and Chief Engineer that RAM is suspected in an in-bound vehicle.

C. The Shift Supervisor, Chief Engineer or designee, shall meet the vehicle at the designated area, and notify the driver that RAM has been detected. The driver and/or passengers shall be asked if they have undergone recent medical procedures with radioactive materials. If yes, the driver and/or passenger will be scanned with a hand-held Multi-Channel Analyzer (MCA) to verify the alarm. The vehicle shall also be scanned with the hand-held detector to verify the vehicle is clean and free of radioactive material.

If the driver and/or passenger alarm the MCA and the truck does not, the truck will be permitted to dump and the Radiation Detection Record (see Appendix D) will be completed. If the driver and/or passenger have not undergone recent medical treatments with radioactive materials but still have an elevated reading on the MCA, the driver/passenger will be informed of the finding. If the driver/passenger is not the source, the RAM detection must be validated with a second pass of the vehicle through the detectors.

D. To validate the detection, the detector must be re-set and the vehicle passed through a second time. If traffic patterns at the in-bound scales prevent an expedient re-test, the vehicle shall by pass other vehicles in line, enter the scale from the exit end or be validated with the MCA. If the alarm is activated a second time or alarms the MCA, the RAM detection shall be considered validated.

E. If the alarm or MCA is not activated during the validation run, the detector or MCA shall be re-set and the vehicle passed through a third time. If the vehicle makes two successive passes without an alarm, the initial alarm shall be assumed to be false and the vehicle's load shall be processed as MSW and the Radiation Detection Record (see Appendix D) completed. If a detector other than the initially alarmed detector is used to validate the alarm and the alarm is proved false, the vehicle shall be scanned with a hand-held MCA to validate the use of the secondary detector. If the vehicle is found to be free of RAM, it shall be allowed to proceed and the load will be processed as MSW and the Radiation Detection Record (see Appendix D) completed. If the hand-held MCA identifies RAM, proceed to the next step and have the secondary detection system inspected by Covanta Alexandria / Arlington, Inc. personnel and/or a qualified repair organization.

F. If RAM has been confirmed and the alarm validated, the driver of the vehicle shall be advised that RAM has been detected. The driver shall be directed to park the vehicle along the side of the entrance road just beyond the scales, or other designated area, and move away from the vehicle. The Shift Supervisor, Chief Engineer or designee shall commence a handheld survey with the MCA.

G. Survey the cab of the truck. If the reading is greater than 2 mrem/hr, proceed to Action Level Two.

H. Survey the body of the truck at a distance of 2". If the reading is greater than 50 mrem/hr, proceed to Action Level Two.

I. Wipe the truck surface at the point of the highest radiation reading with a paper towel. Move 50 feet from the vehicle and survey the towel. If the reading is greater than 30 microrem/hour (µrem/hr) proceed to Action Level Two.

J. If liquid is observed to be leaking from the truck, evaluate as follows:
   1. Determine the background radiation level using a MCA at a distance of 50 feet from the truck (and any liquid);

2. Put on a nitryl glove. Use a paper towel to adsorb a sample of the liquid;
3. Moving 50 feet from the truck hold the MCA probe as near as possible to the paper towel without touching it;
4. If the meter indicates three (3) times or greater than background radiation level, contact 911 and follow the direction provided. The City of Alexandria Emergency Communications Center will notify the Commonwealth of Virginia Department of Emergency Management Emergency Operations Center (VEOC). The VEOC will notify the on-duty Hazardous Materials Officer, the Radiation Protection Officer, the Department of Environmental Quality (DEQ) and the Department of Health Bureau of Radiation Health. See Appendix E for Emergency Contacts.
5. If the measurement is less than three (3) times background radiation level, no further action is required by this procedure with respect to the liquid.

K. Using a handheld MCA at the location of the highest dose rate on the vehicle identify the isotope present in the load. Save the radioisotope spectrum on the computer. To qualify for acceptance for further processing the identified radioisotope must be:
   1. a medical isotope with a half-life less than 65 days (see appendix B), and
   2. less than Action Level Two.
      a. Less than 2 mrem/hr in the vehicle cab, or
      b. Less than 50 mrem/hr at 2” from the truck body, or
      c. Less then 30µrem/hr contamination on the outside of the vehicle.

L. If these conditions are met, complete the documentation as identified in the Radiation Detection Record (see Appendix D) and permit the truck to dump.

M. If these conditions are not met, proceed to Action Level Two. The Covanta Alexandria / Arlington, Inc. Facility Manager and/or Chief Engineer shall be notified that unacceptable RAM has been detected and identified. The driver of the vehicle shall also be informed that the vehicle contains unacceptable RAM and the load will not be accepted.

N. If the vehicle is not authorized to haul RAM, the driver shall be advised that the vehicle cannot leave the site. The driver shall be advised that it is his/her responsibility to properly handle the RAM in accordance with state procedures. The driver shall be advised to contact the generator of the RAM if known. If the driver is not licensed to handle the RAM and refuses to remain on site, the City of Alexandria Police or State of Virginia Police Motor Carrier Division shall be notified and provided with the all information available identifying the vehicle such as make, model, color company name, license plate number, time left and direction in which the vehicle was traveling. This is to insure the driver does not dispose of the contaminated waste improperly.

TRAINING REQUIREMENTS

Any personnel who will be involved in implementing the Action Plan will be provided with a copy of this Action Plan. Multiple levels of training will be established to assure that all personnel involved in the process have the necessary skills to assure their safety and the proper handling of any identified RAM. Training will be provided by qualified individuals. Refresher training will be given on an annual basis. All training records will be maintained in the employees training files.

Basic Radiation Training

Basic Radiation Training is required for all personnel who are responsible for implementing this Action Plan, including:

- Radiation fundamentals, including basic types of radiation
- Background radiation levels
- Overview of radiation sources and uses
- Basics of radiation detection and measurement
- Biological effects of radiation
- Discussion of radiation risks
- As-Low-As-Reasonably-Achievable (ALARA) discussion (how to keep radiation doses ALARA)
- Rules and regulations (Facility, Federal, State)

Intermediate Radiation Training

Intermediate Radiation Training is intended for personnel who will conduct truck searches on the outside of the vehicle, and for equipment operators who may assist in load searches. Basic Radiation Training is a prerequisite. Topics may include:

- Overview of installed instrumentation
- Quantification of radioactivity found
- Survey procedures and documentation
- Instrument skill practice
- Daily check procedures
- Radiation vs. contamination
- Methods of exposure control
- Personnel monitoring devices
- Personnel Protective Equipment

Advanced Radiation Training

Advanced Radiation Training is intended for personnel who will conduct vehicle and load investigations, including isotope identification and may have the potential to come into contact with the RAM. Intermediate Radiation Training is a prerequisite. Topics may include:

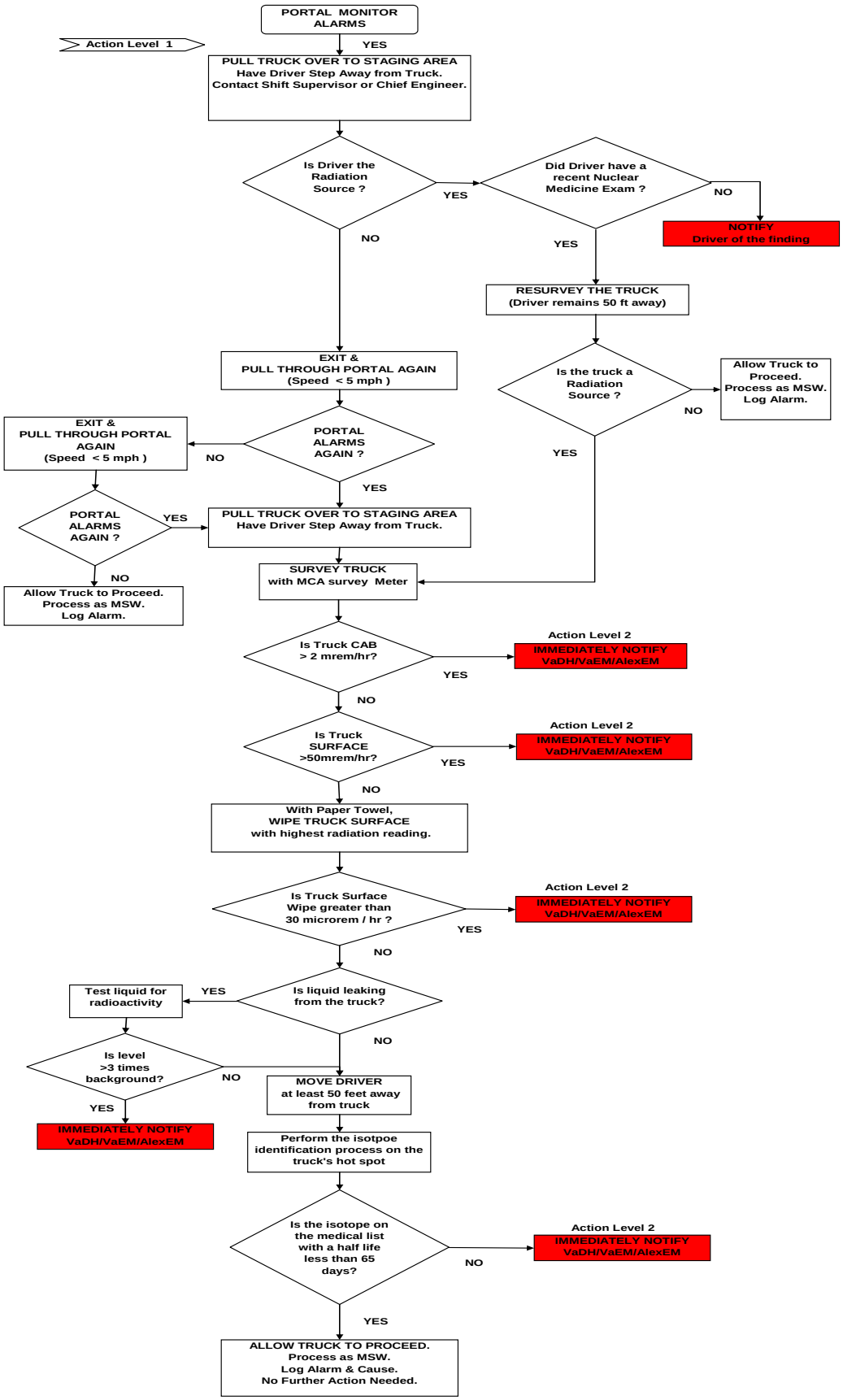
- Gamma spectroscopy/MCA fundamentals
- Load survey procedures
- Documentation and notification procedures
- Load storage considerations
- Contamination control
- Personnel decontamination procedures

This training list is intended as a guideline and shall be modified as required to meet the needs of the operation.

REVISION PROCESS

This is a living document. As such it will require revision. As necessary changes are identified this document will be revised accordingly. These revisions will be tracked by two methods. Most recent changes will be marked in the current version of the document using a system such as Track Changes in MS Word. In addition, a summary of all changes will be kept as a separate appendix.

All changes will be reviewed and approved by the signators on the cover page. All appropriate individuals will receive notification of the changes, training if required, and updates of the procedure.


PORTAL MONITOR ALARMS
Action Level 1
YES
PULL TRUCK OVER TO STAGING AREA
Have Driver Step Away from Truck.
Contact Shift Supervisor or Chief Engineer.
Is Driver the Radiation Source ?
YES
Did Driver have a recent Nuclear Medicine Exam ?
NO
NOTIFY
Driver of the finding
NO
YES
RESURVEY THE TRUCK
(Driver remains 50 ft away)
EXIT &
PULL THROUGH PORTAL AGAIN
(Speed < 5 mph)
Is the truck a Radiation Source ?
Allow Truck to Proceed.
Process as MSW.
Log Alarm.
NO
YES
EXIT &
PULL THROUGH PORTAL AGAIN
(Speed < 5 mph)
NO
PORTAL ALARMS AGAIN ?
YES
PORTAL ALARMS AGAIN ?
YES
PULL TRUCK OVER TO STAGING AREA
Have Driver Step Away from Truck.
NO
Allow Truck to Proceed.
Process as MSW.
Log Alarm.
SURVEY TRUCK
with MCA survey Meter
Is Truck CAB > 2 mrem/hr?
Action Level 2
IMMEDIATELY NOTIFY
VaDH/VaEM/AlexEM
YES
NO
Is Truck SURFACE >50mrem/hr?
Action Level 2
IMMEDIATELY NOTIFY
VaDH/VaEM/AlexEM
YES
NO
With Paper Towel,
WIPE TRUCK SURFACE
with highest radiation reading.
Is Truck Surface Wipe greater than 30 microrem / hr ?
Action Level 2
IMMEDIATELY NOTIFY
VaDH/VaEM/AlexEM
YES
NO
Test liquid for radioactivity
YES
Is liquid leaking from the truck?
NO
Is level >3 times background?
NO
YES
IMMEDIATELY NOTIFY
VaDH/VaEM/AlexEM
MOVE DRIVER
at least 50 feet away
from truck
Perform the isotpoe identification process on the truck's hot spot
Is the isotope on the medical list with a half life less than 65 days?
Action Level 2
IMMEDIATELY NOTIFY
VaDH/VaEM/AlexEM
NO
YES
ALLOW TRUCK TO PROCEED.
Process as MSW.
Log Alarm & Cause.
No Further Action Needed.

Appendix B – Level Two Response

PURPOSE

This procedure is to be followed whenever an Action Level Two event occurs. These events are the result of a load containing unacceptable RAM as identified by the detectors installed at the in-bound scales. Following this procedure will assure that the proper authorities are notified and the RAM is handled in the correct manner.

RESPONSE PROCEDURE

I. An Action Level Two event has occurred. The first step is to secure the load and protect the public.
   A. Isolate the vehicle.
   B. Place cones or otherwise rope off the area, at a distance of 50 feet or at a distance where the MCA reads less than two (2) times background.
   C. Secure the load to prevent removal or inadvertent disposal.

II. Notify all appropriate people/agencies.
   A. Notify the hauler that unacceptable RAM has been detected in his/her vehicle and that they are responsible for proper handling and disposal of the material; all handling and disposal must be in compliance with City of Alexandria and State of Virginia laws and regulations. If the RAM levels exceed the action point thresholds, advise the hauler that the City of Alexandria 911 emergency response will be notified.
   B. If the RAM levels exceed the Level Two action point thresholds, call 911 and notify the City of Alexandria Emergency Communications Center and advise that unacceptable RAM has been detected at the facility. Information to be provided shall include the location of the event, description of the event, status of any personnel injuries if they exist and identification of isotope if identified. The City of Alexandria Emergency Communications Center will notify the Commonwealth of Virginia Department of Emergency Management Emergency Operations Center (VEOC). The VEOC will notify the on-duty Hazardous Materials Officer, the Radiation Protection Officer, the Department of Environmental Quality (DEQ) and the Department of Health Bureau of Radiation Health. See Appendix E for Emergency Contacts.
   C. If the RAM levels are below the Level Two action point thresholds and the MCA identifies an unacceptable isotope, 911 need not be called unless there is a question regarding public health and safety. If 911 is not called when an unacceptable RAM is identified, the Commonwealth of Virginia Department of Emergency Management Emergency Operations Center (VEOC) shall be called and advised that unacceptable RAM below the Level 2 action points has been detected at the facility.

Information to be provided shall include the location of the event, description of the event, status of any personnel injuries if they exist and identification of isotope if identified. The VEOC will notify the on-duty Hazardous Materials Officer, the Radiation Protection Officer, the Department of Environmental Quality (DEQ) and the Department of Health Bureau of Radiation Health. See Appendix E for Emergency Contacts.

D. If the vehicle isolation area is adjacent to the City of Alexandria Police Shooting Range or City of Alexandria Impoundment Lot, notification shall be made to both facilities alerting them of the vehicle location and isolation zones. See Appendix E for Emergency Contacts.

E. Contact the originator of the source if they can be identified. If the originator has a certified staff that can deal with the problem and they can respond immediately, allow them to respond to the problem and follow the direction of the City of Alexandria's Fire Department Emergency Response personnel if involved.

F. If the point of origin cannot be identified and assistance is required, follow the direction of the City of Alexandria's Fire Department Emergency Response personnel if involved. If acceptable to the City of Alexandria Fire Dept., the hauler shall make arrangements to have qualified personnel respond accordingly. If Fire Dept. assistance is not required, the hauler shall still make arrangements to have qualified personnel respond accordingly. Covanta Alexandria / Arlington Inc. personnel shall defer all requests for assistance to the City of Alexandria Fire Department or certified companies such as Radiation Services Organization, Inc (RSO). RSO can be contacted at 301-953-2482 during normal business hours or 301-953-4997 at other times. Other licensed RAM handlers may be used. The hauler shall advise RSO (or other RAM handlers) that unacceptable RAM has been detected at the Covanta Alexandria / Arlington Waste-to-Energy Facility and that they are requesting their assistance. The hauler shall provide RSO with contact names, contact numbers and any other information they request.

III. After all safety precautions are taken and phone contacts made, begin collecting information of the truck number, license number, driver's name, license number, company, and any other pertinent information. Of particular concern is where the load originated. Complete all documentation as identified in the Radiation Detection Record (see Appendix D).

IV. Once the City of Alexandria's Fire Department Emergency Response personnel and/or a licensed RAM handler have arrived, they will take over the handling of the waste in an area designated by Facility management.

V. The handler will remove the RAM from the Covanta Alexandria / Arlington Inc. site and dispose of the material according to prescribed guidelines. The handler shall assure that the remaining waste does not contain any RAM. Only after that determination will the remaining MSW be accepted for processing. The handler shall also scan the vehicle to determine it is free of all RAM prior to the vehicle being released from the site.

Appendix C – Radioisotope Library and Classification

A. Medical Radionuclides, Half-Life < 65 days

Radionuclide	Symbol	Half-Life	Radiation Type	Peak Gamma Energy (keV)
Flourine-18	^{18}F	1.8 hours	gamma	511
Phosphorus-32	^{32}P	14.3 days	beta	*
Chromium-51	^{51}Cr	27.8 days	gamma	320
Gallium-67	^{67}Ga	3.3 days	gamma	93,185,300
Molybdenum-99	^{99}Mo	66 hours	beta, gamma	740
Technetium-99m	^{99}Tc	6 hours	gamma	140
Palladium-103	^{103}Pd	17 days	gamma	20, 23
Indium-111	^{111}In	2.8 days	gamma	171,245
Iodine-123	^{123}I	13.1 hours	gamma	159
Iodine-125	^{125}I	60 days	gamma	27,31
Iodine-131	^{131}I	8 days	beta,gamma	364
Xenon-133	^{133}Xe	5.2 days	beta,gamma	81
Thallium-201	^{201}Tl	73 hours	gamma	80,167

*Phosphorus-32 decays by beta emission alone, and has no unique gamma signature. However, the beta decays sometimes generate x-rays, which may be energetic enough to be detected and trigger an alarm.

B. Medical Radionuclides, Half-Life>65 Days

Cobalt-57	^{57}Co	270.9 days	gamma	122,136
Cesium-137	^{137}Cs	30 years	beta,gamma	661
Iridium-192	^{192}Ir	74 days	beta,gamma	317

C. NORM

Potassium-40	^{40}K	1.3×10^{9} years	beta, gamma	1460
Radium-226	^{226}Ra	1600 years	alpha, gamma	**
Thorium-232	^{232}Th	1.4×10^{10} years	alpha, gamma	**
Uranium-238	^{238}U	4.5×10^{9} years	alpha, gamma	**

** These radionuclides may have complex energy spectra due to the inclusion of radioactive daughter (decay) products. Utilize the MCA's nuclide identification function to determine the type of nuclide, or transfer the spectrum to the DEP.

D. Miscellaneous Industrial

***Hydrogen-3 * ("Tritium")	^{3}H	12.2 years	Beta	
Cobalt-60	^{60}Co	5.3 years	gamma	1173,1331
Americium-241	^{241}Am	432 years	alpha, gamma	60

***Tritium (H-3 or ^{3}H) cannot cause an alarm trip. It is most likely to be found as a component of a self-luminous EXIT sign, which may turn up in any waste stream. This type of EXIT sign has no electrical input, and will have information printed on it identifying it as containing RAM. If found, it shall be returned to a licensed manufacturer for recycling or shipped for proper low-level radioactive waste disposal.

Appendix D

COVANTA ALEXANDRIA / ARLINGTON, INC.
RADIATION DETECTION RECORD

Report Number: _____

Detector Activated: ☑ Scale #1 ☐ Scale #2

Alarm Activations: Second Pass: ☐ Yes ☐ No Third Pass: ☐ Yes ☐ No ☐ N/A
Detector: _____ Detector: _____

Date: _____ Hauler: _____

Time: _____ Driver: _____

Reported By: _____ Truck #: _____ Tag #: _____

Permit #: _____ Trailer #: _____

Hauler's Company Notified: ☐ Yes ☐ No Contact Phone #: _____

Contact Name: _____ Title: _____

Radioactive Material Point of Origin (if known): _____

Handheld Detector Checkpoints Response Leader: _____

Note: 1,000 microrem (u) = 1 millirem)m)

Truck Cab: Reading: _____ microR/hr. If greater than 2 mR/hr. make notifications below

Truck Surface: Reading: _____ microR/hr. If greater than 50 mR/hr. make notifications below

Surface Wipe: Reading: _____ microR/hr. If greater than 30 microR/hr. make notifications below

Truck Leaking Liquid: ☐ Yes ☐ No Reading: _____ Background Reading: _____

If liquid reading is greater than 3 times background, make notifications below.

Identification of Isotope:

_____ Level of Confidence: _____

_____ Level of Confidence: _____

(Medical material with a half life of 65 days or less is acceptable)

Final Disposition					
	Date	Time	Name		Signature
Accepted For Disposal					
	Date	Time	Company	Phone #	Contact
Removed by Licensed Contractor					

Notifications

911	☐ Notified	☐ Not Notified	Contact Name: _____
VEOC	☐ Notified	☐ Not Notified	Contact Name: _____
_____	☐ Notified	☐ Not Notified	Contact Name: _____
_____	☐ Notified	☐ Not Notified	Contact Name: _____

Appendix E

Emergency Phone Numbers

Appendix E

EMERGENCY RESPONSE TELEPHONE LIST

ALEXANDRIA CITY GOVERNMENT		
Emergency Response		**911**
Police (Non emergency)		(703) 838-4441
City of Alexandria Fire Department Communications Center		(703) 838-4660
City of Alexandria Fire Department Haz Mat Response Team		(703) 838-4652
City of Alexandria Police Shooting Range		TBD
City of Alexandria Impound Lot		TBD
Public Health		(703) 838-4400
VIRGINIA STATE		
State Police (non emergency)		(703) 323-4500
State Police Motor Carrier Division		(703) 323-4549
Department of Environment Quality	(Working Hours)	(703) 583-3600
	(Other Hours)	(800) 468-8892
Virginia Department of Health, Radiological Health		(804) 468-8150
	(In state)	(800) 468-0138
Virginia Department of Emergency Management EOC		(800) 468-8892
UNITED STATES GOVERNMENT		
Environmental Protection Agency	(Washington)	703-235-1113
	(Region III)	215-566-2370
Nuclear Regulatory Commission-24 Hour Number		301-816-5100
COVANTA		
Alexandria Facility		703-370-7722
RSO INC		
Normal Business Hours		301-953-2482
Other Times		301-953-4997

Schedule 8

Shortfall Fee/Rebate and Most Favored Nation Calculation Examples

The following examples illustrate the application of the Monthly Shortfall Fee, Annual Shortfall Fee Rebate and Annual Shortfall Fee (Section 4.6) and most favored nation provision (Section 4.9) in certain cases. These examples are given for illustrative purposes only and reflect a few, but not all, potential circumstances.

A. ***Delivery Shortfall*.** The following four examples illustrate the application of the delivery shortfall provision (Section 4.6) in certain cases. These examples are given for illustrative purposes only and reflect a few, but not all, potential circumstances.

Delivery Shortfall Example 1 Assumptions*:* For purposes of Example 1 the *assumed* actual tonnage delivered during a Contract Year, Minimum Monthly Tonnages, Monthly Shortfall Tonnages and Monthly Shortfall Fees are provided in Table 1 below. The assumed Base Tipping Fee is assumed to be $43.16/Ton, the Change in Law Charge is $1.50/ton from July 1 through October 31 and is assumed to increase to $2.00/ton for the remainder of the Contract Year. For this example, it is also assumed there are no deliveries to an Alternate Facility and there is no Diverted Waste.

Table 1: Example 1 – Shortfall Payments

Month	Actual Jurisdiction Tonnage	Minimum Monthly Tonnage	Monthly Shortfall Tonnage	Monthly Shortfall Fee	Change in Law (CIL) Charge ($/Ton)	Weighted Average CIL Unit Cost
Jul	4,335.25	4,330.00	0.00	$0.00	$1.50	$0.00
Aug	4,214.31	4,200.00	0.00	$0.00	$1.50	$0.00
Sep	4,070.22	4,370.00	299.78	$0.00	$1.50	$1.00
Oct	4,800.50	4,170.00	0.00	$0.00	$1.50	$0.00
Nov	4,105.00	4,100.00	0.00	$0.00	$2.00	$0.00
Dec	3,815.56	3,790.00	0.00	$0.00	$2.00	$0.00
Jan	3,532.19	3,320.00	0.00	$0.00	$2.00	$0.00
Feb	2,613.24	2,610.00	0.00	$0.00	$2.00	$0.00
Mar	3,910.72	4,060.00	149.28	$0.00	$2.00	$0.66
Apr	5,400.00	5,230.00	0.00	$0.00	$2.00	$0.00
May	5,007.30	4,900.00	0.00	$0.00	$2.00	$0.00
Jun	4,958.89	4,920.00	0.00	$0.00	$2.00	$0.00
Total	50,763.18	50,000.00	449.06	$0.00		$1.66

1	Annual Shortfall Tonnage	0.00	tons
2	Aggregate Monthly Shortfall Tonnage	449.06	tons
3	Annual Shortfall Calculation	$0.00	
4	Sum of Monthly Shortfall Fees	$0.00	
5	Base Tipping Fee	$43.16	$/ton
6	Weighted Average Unit Change in Law Cost	$1.66	$/ton
7	Sum of line 5 and 6	$44.82	$/ton
8	Annual Shortfall Fee Due Company	$0.00	
9	Annual Shortfall Rebate Due the Jurisdictions	$0.00	

During this Contract Year there was a Monthly Shortfall Tonnage of 299.78 tons in September and 149.28 tons in March. Since the actual Jurisdiction tonnage in both months is greater than the 80% of the respective Minimum Monthly Tonnages, no Monthly Shortfall Fees were due.

For the Contract Year, since the difference between (A) the Minimum Annual Tonnage of 50,000 tons and (B) the sum of the aggregate Tons of Acceptable Waste delivered of 50,763.18, is a negative 763.18 tons, the Annual Shortfall Calculation is equal to zero.

Since both the sum of the Monthly Shortfall Fees and the Annual Shortfall Calculation are both zero, there are no payments due to either Party.

Delivery Shortfall Example 2 Assumptions*:* For purposes of Example 2 the *assumed* actual tonnage delivered during a Contract Year, Minimum Monthly Tonnage, Monthly Shortfall Tonnage and Monthly Shortfall Fees are provided in Table 2 below. The assumed Base Tipping Fee is assumed to be $43.16/ton, the Change in Law Charge is $1.50/ton from July 1 through October 31 and is assumed to increase to $2.00/ton for the remainder of the Contract Year. For this example, it is also assumed there are no deliveries to an Alternate Facility and there is no Diverted Waste.

Table 2: Example 2 – Shortfall Payments

Month	Actual Jurisdiction Tonnage	Minimum Monthly Tonnage	Monthly Shortfall Tonnage	Monthly Shortfall Fee	Change in Law (CIL) Charge ($/Ton)	Weighted Average CIL Unit Cost
Jul	4,335.25	4,330.00	0.00	$0.00	$1.50	$0.00
Aug	4,214.31	4,200.00	0.00	$0.00	$1.50	$0.00
Sep	3,380.00	4,370.00	990.00	$44,213.40	$1.50	$1.30
Oct	4,800.50	4,170.00	0.00	$0.00	$1.50	$0.00
Nov	4,105.00	4,100.00	0.00	$0.00	$2.00	$0.00
Dec	3,815.56	3,790.00	0.00	$0.00	$2.00	$0.00
Jan	3,532.19	3,320.00	0.00	$0.00	$2.00	$0.00
Feb	2,613.24	2,610.00	0.00	$0.00	$2.00	$0.00
Mar	3,910.72	4,060.00	149.28	$0.00	$2.00	$0.26
Apr	5,400.00	5,230.00	0.00	$0.00	$2.00	$0.00
May	5,007.30	4,900.00	0.00	$0.00	$2.00	$0.00
Jun	4,958.89	4,920.00	0.00	$0.00	$2.00	$0.00
Total	50,072.96	50,000.00	1,139.28	$44,213.40		$1.56

1	Annual Shortfall Tonnage	0.00	tons
2	Aggregate Monthly Shortfall Tonnage	1,139.28	tons
3	Annual Shortfall Calculation	$0.00	
4	Sum of Monthly Shortfall Fees	$44,213.40	
5	Base Tipping Fee	$43.16	$/ton
6	Weighted Average Unit Change in Law Cost	$1.56	$/ton
7	Sum of line 5 and 6	$44.72	$/ton
8	Annual Shortfall Fee Due Company	$0.00	
9	Annual Shortfall Rebate Due the Jurisdictions	$44,213.40	

During this Contract Year there was a Monthly Shortfall Tonnage of 990.00 tons in September. Since the actual Jurisdiction tonnage of 3,380.00 tons is less 3,496.00, i.e., 80% of the 4,370.00, the Monthly Shortfall Fees due that month was ($43.16 plus $1.50) multiplied by 990.00 or $44,213.40.

During this Contract Year there was also a Monthly Shortfall Tonnage of 149.28 tons in March. Since the actual Jurisdiction tonnage of 3,910.72 tons is greater than 3,248.00, i.e., 80% of the 4,060.00 Minimum Monthly Tonnage for March, there was no Monthly Shortfall Fees due that month.

For the Contract Year the sum of the Monthly Shortfall Fees was $44,213.40 (i.e., $44,213.40 plus 0.00).

For the Contract Year, since the difference between (A) the Minimum Annual Tonnage of 50,000 tons and (B) the sum of the aggregate Tons of Acceptable Waste delivered of 50,072.96, is a negative 72.96 tons, the Annual Shortfall Calculation is equal to zero.

Since the sum of the Monthly Shortfall Fees is greater than the Annual Shortfall Calculation, the Company, in this example, will pay the Jurisdictions an Annual Shortfall Rebate in the amount of the difference between the sum of the Monthly Shortfall Fees of $43,213.40 and the Annual Shortfall Calculation of zero, or $43,213.40 as shown at the bottom of Table 2.

Delivery Shortfall Example 3 Assumptions*:* For purposes of Example 3 the *assumed* actual tonnage delivered during a Contract Year, Minimum Monthly Tonnage, Monthly Shortfall Tonnage and Monthly Shortfall Fees are provided in Table 3 below. The assumed Base Tipping Fee is assumed to be $43.16/ton, the Change in Law Charge is $1.50/ton from July 1 through October 31 and is assumed to increase to $2.00/ton for the remainder of the Contract Year. For this example, it is also assumed there are no deliveries to an Alternate Facility and there is no Diverted Waste.

During this Contract Year there was a Monthly Shortfall Tonnage of 499.89 tons in September and 149.28 tons in March. Since the actual Jurisdiction tonnage in both months is greater than the 80% of the respective Minimum Monthly Tonnages, no Monthly Shortfall Fees were due

For the Contract Year, since the difference between (A) the Minimum Annual Tonnage of 50,000 tons and (B) the sum of the aggregate Tons of Acceptable Waste delivered of 49,803.07 is a positive 196.93 tons, the Annual Shortfall Calculation is equal to product of the Annual Shortfall Tonnage of 196.93 and the sum of the $43.16/ton Base Tipping Fee and the Weighted Average Unit Change in Law Cost of $1.62/ton, or 196.93 times $44.78, which equals $8,818.53.

The Weighted Average Unit Change in Law Cost is calculated as follows:

$$\$1.62/\text{ton} = (499.89/649.17) \times 1.50 + (149.28/649.17) \times 2.00.$$

Each of the weighted monthly Change in Law Unit Costs is rounded to the nearest penny.

Since the sum of the Monthly Shortfall Fees is less than the Annual Shortfall Calculation, the Jurisdictions, in this example, would owe the Company an Annual Shortfall Fee, in the amount of the difference between the Annual Shortfall Calculation of $8,818.53 and the sum of the Monthly Shortfall Fees of zero, or $8,818.53 as shown at the bottom of Table 3.

Table 3: Example 3 – Shortfall Payments

Month	Actual Jurisdiction Tonnage	Minimum Monthly Tonnage	Monthly Shortfall Tonnage	Monthly Shortfall Fee	Change in Law (CIL) Charge ($/Ton)	Weighted Average CIL Unit Cost
Jul	4,335.25	4,330.00	0.00	$0.00	$1.50	$0.00
Aug	4,214.31	4,200.00	0.00	$0.00	$1.50	$0.00
Sep	3,870.11	4,370.00	499.89	$0.00	$1.50	$1.16
Oct	4,200.50	4,170.00	0.00	$0.00	$1.50	$0.00
Nov	4,105.00	4,100.00	0.00	$0.00	$2.00	$0.00
Dec	3,815.56	3,790.00	0.00	$0.00	$2.00	$0.00
Jan	3,532.19	3,320.00	0.00	$0.00	$2.00	$0.00
Feb	2,613.24	2,610.00	0.00	$0.00	$2.00	$0.00
Mar	3,910.72	4,060.00	149.28	$0.00	$2.00	$0.46
Apr	5,240.00	5,230.00	0.00	$0.00	$2.00	$0.00
May	5,007.30	4,900.00	0.00	$0.00	$2.00	$0.00
Jun	4,958.89	4,920.00	0.00	$0.00	$2.00	$0.00
Total	49,803.07	50,000.00	649.17	$0.00		$1.62

1	Annual Shortfall Tonnage	196.93	tons
2	Aggregate Monthly Shortfall Tonnage	649.17	tons
3	Annual Shortfall Calculation	$8,818.53	
4	Sum of Monthly Shortfall Fees	$0.00	
5	Base Tipping Fee	$43.16	$/ton
6	Weighted Average Unit Change in Law Cost	$1.62	$/ton
7	Sum of line 5 and 6	$44.78	$/ton
8	Annual Shortfall Fee Due Company	$8,818.53	
9	Annual Shortfall Rebate Due the Jurisdictions	$0.00	

Delivery Shortfall Example 4 Assumptions*:* For purposes of Example 4 the *assumed* actual tonnage delivered during a Contract Year, Minimum Monthly Tonnage, Monthly Shortfall Tonnage and Monthly Shortfall Fees are provided in Table 4 below. The assumed Base Tipping Fee is assumed to be $43.16/ton, the Change in Law Charge is $1.50/ton from July 1 through October 31 and is assumed to increase to $2.00/ton for the remainder of the Contract Year. For this example, it is also assumed there are no deliveries to an Alternate Facility and there is no Diverted Waste.

During this Contract Year there was a Monthly Shortfall Tonnage of 990.00 tons in September. Since the actual Jurisdiction tonnage of 3,380.00 tons is less 3,496.00, i.e., 80% of the 4,370.00, the Monthly Shortfall Fees due that month was ($43.16 plus $1.50) multiplied by 990.00 or $44,213.40.

During this Contract Year there was also a Monthly Shortfall Tonnage of 149.28 tons in March. Since the actual Jurisdiction tonnage of 3,910.72 tons is greater than 3,248.00, i.e., 80% of the 4,060.00 Minimum Monthly Tonnage for March, there was no Monthly Shortfall Fee due that month.

For the Contract Year the sum of the Monthly Shortfall Fees was $44,213.40 (i.e., $44,213.40 plus 0.00).

For the Contract Year, since the difference between (A) the Minimum Annual Tonnage of 50,000 tons and (B) the sum of the aggregate Tons of Acceptable Waste delivered of 49,312.96 is a positive 687.04 tons, the Annual Shortfall Calculation is equal to product of the Annual Shortfall Tonnage of 687.04 and the sum of the $43.16/ton Base Tipping Fee and the Weighted Average Unit Change in Law Cost of $1.56/ton, or 687.04 times $44.72, which equals $30,724.43.

Table 4: Example 4 – Shortfall Payments

Month	Actual Jurisdiction Tonnage	Minimum Monthly Tonnage	Monthly Shortfall Tonnage	Monthly Shortfall Fee	Change in Law (CIL) Charge ($/Ton)	Weighted Average CIL Unit Cost
Jul	4,335.25	4,330.00	0.00	$0.00	$1.50	$0.00
Aug	4,214.31	4,200.00	0.00	$0.00	$1.50	$0.00
Sep	3,380.00	4,370.00	990.00	$44,213.40	$1.50	$1.30
Oct	4,200.50	4,170.00	0.00	$0.00	$1.50	$0.00
Nov	4,105.00	4,100.00	0.00	$0.00	$2.00	$0.00
Dec	3,815.56	3,790.00	0.00	$0.00	$2.00	$0.00
Jan	3,532.19	3,320.00	0.00	$0.00	$2.00	$0.00
Feb	2,613.24	2,610.00	0.00	$0.00	$2.00	$0.00
Mar	3,910.72	4,060.00	149.28	$0.00	$2.00	$0.26
Apr	5,240.00	5,230.00	0.00	$0.00	$2.00	$0.00
May	5,007.30	4,900.00	0.00	$0.00	$2.00	$0.00
Jun	4,958.89	4,920.00	0.00	$0.00	$2.00	$0.00
Total	49,312.96	50,000.00	1,139.28	$44,213.40		$1.56

1	Annual Shortfall Tonnage	687.04	tons
2	Aggregate Monthly Shortfall Tonnage	1,139.28	tons
3	Annual Shortfall Calculation	$30,724.43	
4	Sum of Monthly Shortfall Fees	$44,213.40	
5	Base Tipping Fee	$43.16	$/ton
6	Weighted Average Unit Change in Law Cost	$1.56	$/ton
7	Sum of line 5 and 6	$44.72	$/ton
8	Annual Shortfall Fee Due Company	$0.00	
9	Annual Shortfall Rebate Due the Jurisdictions	$13,488.97	

The Weighted Average Unit Change in Law Cost is calculated as follows:

$$\$1.56/\text{ton} = (990/1{,}139.28) \times 1.50 + (149.28/1{,}139.28) \times 2.00.$$

Each of the weighted monthly Change in Law Unit Costs is rounded to the nearest penny.
Since the sum of the Monthly Shortfall Fees is greater than the Annual Shortfall Calculation, the Company, in this example, would owe the Jurisdictions an Annual Shortfall Rebate in the amount of the difference between the sum of the Monthly Shortfall Fees of $44,213.40 and the Annual Shortfall Calculation of $30,724.43, or $13,488.97 as shown at the bottom of Table 4.

B. ***Most Favored Nation*.** The following examples illustrate the application of the most favored nation provision (Section 4.9) in certain cases. These examples are given for illustrative purposes only and reflect a few, but not all, potential circumstances.

Assumption: Assume for purposes of the following examples that the Jurisdiction Tipping Fee is $47.50 in Contract Year and the Jurisdictions deliver 65,000 Tons.

(1) ***One Government Hauler***.

If in Contract Year X, the Company enters into an agreement with a governmental agency or unit, i.e., Government "A" for disposal of its Acceptable Waste at the Facility. The agreement has a term of two (2) years whereby the beginning of the second year occurs on July 1 of Contract Year X and has a MFN Tipping Fee of $45.00. Government "A" delivers 12,500 Tons in Billing Year X.

Since Government "A" MFN Tipping Fee ($45.00) is less than the Jurisdiction Tipping Fee ($47.50), the Jurisdictions will receive a rebate from the Company of:

(a) $47.50 - $45.00 = $2.50

(b) Lesser of (x) 12,500 Tons or (y) 65,000 Tons = 12,500 Tons.

(c) $2.50 x 12,500 Tons = $31,250 MFN Refund from the Company to the Jurisdictions

(2) ***Multiple Government Haulers***.

If in Contract Year X, the Company enters into agreements with four governmental agencies or units. Government "C" is a new customer starting at the beginning of Contract Year X and all the other government agencies or units had cumulative terms of at least 12 months prior to Contract Year X:

Government Authority Name	**Net Per Ton Tip Fee**
Government "A"	$55.00
Government "B"	$45.00
Government "C"	$30.00
Government "D"	$35.00

During Billing Year X, the following are the tonnage amounts of Acceptable Waste delivered to the Facility by the Government Haulers:

Government Hauler Name	**Tonnage Amount**
Government "A"	10,000
Government "B"	3,500
Government "C"	2,000
Government "D"	9,000

Since Government "A" MFN Tipping Fee is higher than the Jurisdiction Tipping Fee and the agreement with Government "C" was not in effect for 12 cumulative months, both agreements are disregarded for purposes of calculating the MFN Refund in accordance with Section 4.9 of the Agreement.

Since the MFN Tipping Fee for Government "B" ($45.00) and Government "D" ($35.00) are less than the Jurisdiction Tipping Fee ($47.50), the Jurisdictions will receive a rebate from the Company based on the following calculation:

(a) **Begin with lowest MFN Tipping Fee (Government "D"):**

(1) $47.50 - $35.00 = $12.50

(2) Lesser of (x) 9,000 Tons or (y) 65,000 Tons = 9,000 Tons

(3) $12.50 x 9,000 Tons = $112,500.00 MFN Refund from the Company to the Jurisdictions in Contract Year X

(b) **Move to next lowest (penultimate) MFN Tipping Fee (Government "B")**:

(1) $47.50 - $45.00 = $2.50

(2) Lesser of (x) 3,500 Tons or (y) (65,000–9,000) Tons = 3,500 Tons

(3) $2.50 x 3,500 Tons = $8,750.00 rebate from the Company to the Jurisdictions in Contract Year X

(c) **Total MFN Refund:**

The Jurisdictions total MFN Refund for Contract Year X is $121,250 ($112,500.00 + $8,750.00)

EXHIBIT A

Amendment to Site Lease

[Attached]

Execution Version

AMENDMENT NO. 2
TO
AMENDED AND RESTATED FACILITY SITE LEASE

THIS AMENDMENT NO. 2 TO AMENDED AND RESTATED FACILITY SITE LEASE is dated as of January 24, 2012 (this "Amendment No. 2"), by and among the **CITY OF ALEXANDRIA, VIRGINIA** and **ARLINGTON COUNTY, VIRGINIA**, each a body politic and corporate of the Commonwealth of Virginia (collectively, the "Landlords"), and **COVANTA ALEXANDRIA/ARLINGTON, INC.**, a Virginia corporation (the "Tenant"), and amends that certain Amended and Restated Facility Site Lease dated as of October 1, 1985, as amended by Amendment No. 1 to Amended and Restated Facility Site Lease dated as of July 1, 1998 (as previously amended, the "Facility Site Lease"). Except as otherwise expressly defined in this Amendment No. 2, capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Facility Site Lease.

WHEREAS, on February 28, 2008, the Arlington County Solid Waste Authority and the City of Alexandria, Virginia Sanitation Authority (collectively, the "Authorities") assigned the Facility Site Lease to Tenant in accordance with the Assignment and Assumption Agreement dated as of February 28, 2008, among the Authorities and Tenant;

WHEREAS, the Facility Site Lease provides for lease of the Facility Site to Tenant in accordance with the terms and conditions provided for therein;

WHEREAS, in anticipation of the expiration on January 1, 2013, of the Amended and Restated Facility Construction and Operation Agreement dated October 1, 1985, as amended, by and among the Landlords, the Authorities and Tenant, the Landlords and Tenant desire to enter into that certain Waste Disposal and Service Agreement dated of even date herewith (the "Service Agreement"), pursuant to which Tenant will continue to accept, process and dispose of the Landlords' solid waste at the Facility, in accordance with the terms and conditions stated in the Service Agreement; and

WHEREAS, as a condition precedent to the execution and delivery of the Service Agreement, the Landlords and Tenant desire to enter into this Amendment No. 2 to amend certain terms and conditions of the Facility Site Lease to be effective on the Effective Date (as that term is defined in the Service Agreement).

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the Landlords and Tenant agree as follows:

1. Effectiveness. This Amendment No. 2 is contingent upon the execution and delivery of the Service Agreement by the Landlords and Tenant and, following such occurrences, shall become effective on the Effective Date (as such term is defined in the Service Agreement). In the event that the Service Agreement is not executed and delivered by all the parties thereto on or prior to February 29, 2012, this Amendment No. 2 shall automatically terminate and be of no further force and effect.

2. Amendments to the Facility Site Lease.

(a) Section 1.2 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

"Section 1.2. Term of Lease.

(a) The term of this Lease (the "Term") is from October 1, 1985 (the "Lease Commencement Date") until October 1, 2025, or any earlier date on which this Lease is terminated in accordance with its terms; provided, however, if prior to October 1, 2025, the Landlords, in their sole discretion, exercise their Extension Option in accordance with Section 2.3(c) thereof and the Facility Agreement is extended until December 31, 2038, then the Term of this Lease shall be automatically extended until December 31, 2038; provided further, however, if, at any time prior to October 1, 2025,

(1) the Facility Agreement is terminated as a result of an Event of Default of the Company under Section 10.3 of the Facility Agreement; or

(2) the Company fails to accept and Process Acceptable Waste at the Facility delivered by or on behalf of the Jurisdictions (each, a "Performance Event of Default") and such failure constitutes:

(i) an Event of Default under Section 10.3(b) of the Facility Agreement, taking into account applicable cure periods; provided, that the Jurisdictions have given the Company written notice after the occurrence of the Event of Default that such Event of Default will entitle them to terminate the Extension Option under this Section 1.2(a)(2) and such Event of Default is not fully cured within the period commencing on the date of such written notice and ending six (6) months later (or such earlier time during the 6-month period if the Company is not diligently or continuously pursuing such cure); or

(ii) an Event of Default under Section 10.3(f) of the Facility Agreement.

(3) the Company fails to pay any amounts due and payable to the Jurisdictions (each, a "Payment Event of Default") and such failure constitutes:

(i) an Event of Default under Section 10.3(a) of the Facility Agreement, taking into account applicable cure periods, provided, that the Jurisdictions have given the Company written

notice after the occurrence of the Event of Default that such Event of Default will entitle them to terminate the Extension Option pursuant to this Section 1.2(a) and such Event of Default is not fully cured within a thirty (30) day period following the date of such written notice; or

(ii) an Event of Default under Section 10.3(f) of the Facility Agreement.

then the Jurisdictions may, upon written notice to the Company, terminate their Extension Option, in which case the Term of this Lease shall expire on October 1, 2025 notwithstanding the Jurisdictions' earlier election of the Extension Option. For purposes of clarity, following the occurrence of an Event of Default (taking into account applicable cure period(s), if any, under Section 10.3 of the Facility Agreement) under Sections 1.2(a)(2)(i), (2)(ii), (3)(i), or (3)(ii) and expiration of the cure period described in such section(s), if applicable, the Company shall have no additional cure period and the Jurisdictions may exercise their right to terminate the Extension Option at any time.

(b) Notwithstanding any other termination provisions contained in this Lease, the Term shall terminate upon the termination of the Facility Agreement by Tenant in accordance with Section 10.6(c) of the Facility Agreement."

(b) The first sentence of the second paragraph of Section 1.3 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

"The Adjustment Dates are January 1, 1985; January 1, 1990; January 1, 1995; January 1, 2000; January 1, 2005; January 1, 2010; January 1, 2015; January 1, 2026; January 1, 2031; and January 1, 2036."

(c) Section 1.5 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

"Section 1.5 Surrender of Facility Site. On or before the last day of the Term, Tenant shall peaceably and quietly leave, surrender, and yield up to Landlords the Facility Site and the Improvements, free and clear of any claim, lien, option, charge or encumbrance of any nature whatsoever, in good order and condition, reasonable wear and tear of the Improvements excepted."

(d) The first sentence of Section 3.6 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

"Tenant shall neither create or place, nor permit any third party to create or place, any lien or encumbrance of any kind upon the interest of Landlords in the Facility Site and any attempt or actual placement shall be null and void at

inception."

(e) A new subsection (d) is hereby added to Section 9.1 of the Facility Site Lease and shall read in its entirety as follows:

.

"(d) At anytime on or after October 1, 2025 (if the Facility Agreement is extended until December 31, 2038 in accordance with Section 2.3(c) of the Facility Agreement), there is an Event of Default on the part of the Company under and as defined in the Facility Agreement to (1) accept and Process Acceptable Waste delivered by or on behalf of the Jurisdictions at the Facility or (2) pay any amounts due and payable to the Jurisdictions, or both, in each case, in accordance with, and as required by, the Facility Agreement that is not cured within the applicable cure period specified in Section 10.3 of the Facility Agreement."

(f) A new subsection (e) is hereby added to Section 9.1 of the Facility Site Lease and shall read in its entirety as follows:

"(e) The failure of the Guarantor to comply with its obligations under the Lease Guaranty in accordance with the terms and conditions therein."

(g) The definition of "Company" in Section 10.1 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

"Company: Covanta Alexandria/Arlington, Inc., a Virginia corporation, and its successors and assigns."

(h) The following definition of "Extension Option" is hereby added to and inserted in the appropriate alphabetical order to Section 10.1 of the Facility Site Lease:

"Extension Option: Has the meaning specified in the Facility Agreement."

(i) The definition of "Facility Agreement" in Section 10.1 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

"Facility Agreement: Waste Disposal and Service Agreement dated as of January 24, 2012, by and among the City, the County and the Company, as amended, modified, or supplemented from time to time."

(j) The following definition of "Guarantor" is hereby added to and inserted in the appropriate alphabetical order to Section 10.1 of the Facility Site Lease:

"Guarantor: Covanta Holding Corporation, a Delaware corporation and the parent company of the Company."

(k) The definition of "Lease" in Section 10.1 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

> "Lease: This Facility Site Lease, dated December 1, 1985, by and among Landlords and Tenants, as amended by Amendment No. 1 to Amended and Restated Site Lease dated as of July 1, 1998, and Amendment No. 2 to Amended and Restated Site Lease dated as of January 24, 2012, as further amended, modified, or supplemented from time to time."

(l) The following definition of "Lease Guaranty" is hereby added to and inserted in the appropriate alphabetical order to Section 10.1 of the Facility Site Lease:

> "Lease Guaranty: The guaranty executed by the Guarantor and issued in favor of the Jurisdictions wherein the Guarantor guarantees the obligations of the Company, as set forth in Exhibit C attached hereto."

(m) The following definition of "Renewal Term" is hereby added to and inserted in the appropriate alphabetical order to Section 10.1 of the Facility Site Lease:

> "Renewal Term: Has the meaning specified in the Facility Agreement."

(n) The definition of "Tenants" in Section 10.1 of the Facility Site Lease is deleted in its entirety and the following is substituted in lieu thereof:

> "Tenants or Tenant: The Company, as that term is defined above."

(o) The notice address for Arlington County in Section 10.2 of the Facility Site Lease shall be deleted in its entirety and the following is substituted in lieu thereof:

> If to the Arlington County:
>
> Arlington County, Virginia
> 2100 Clarendon Boulevard
> Arlington, Virginia 22201
> Attention: Director, Department of Environmental Services
>
> With a copy to (which shall not constitute notice):
>
> Arlington County, Virginia
> 2100 Clarendon Boulevard, Ste 403
> Arlington, Virginia 22201
> Attention: County Attorney

(p) The notice address for Tenant in Section 10.2 of the Facility Site Lease shall be deleted in its entirety and the following is substituted in lieu thereof:

If to the Tenant:

Covanta Alexandria/Arlington, Inc.
c/o Covanta Energy Corporation
445 South Street
Morristown, New Jersey 07960
Attention: Timothy J. Simpson, General Counsel

(q) Exhibit B of the Facility Site Lease is amended and restated as set forth in Attachment 1 attached to this Amendment No. 2.

(r) A new Exhibit C is added to the Facility Site Lease, in form and substance attached as Attachment 2 to this Amendment No. 2 (the "Lease Guaranty"). Covanta Holding Corporation, a Delaware corporation and the parent company to Company, shall execute and deliver the Lease Guaranty to the Jurisdictions on or prior to the Execution Date (as such term is defined in the Facility Agreement) of the Facility Agreement.

2. Representations and Warranties.

(a) Tenant hereby represents and warrants to the Landlords that:

(i) this Amendment No. 2 constitutes its legal, valid and binding obligation, enforceable against Tenant in accordance with this Amendment No. 2's terms; and

(ii) on the date hereof, no Event of Default has occurred and is continuing.

(b) Landlords hereby represent and warrant to the Tenant that this Amendment constitutes a legal, valid and binding obligation, enforceable against Landlords in accordance with its terms.

3. Incorporation into Facility Site Lease. The provisions of this Amendment No. 2 are essential components of the Facility Site Lease and, as such, shall be incorporated into and are hereby made an essential part thereof.

4. Full Force and Effect. Except as expressly modified herein, all other terms and provisions set forth in the Facility Site Lease shall remain in full force and effect and shall not otherwise be affected by this Amendment No. 2. This Amendment No. 2 shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, and shall be governed by and construed under the laws of the Commonwealth of Virginia. No amendment, waiver, supplement or other modification of this Amendment No. 2 shall be effective unless made in writing and executed by each of the parties hereto.

5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or electronic delivery shall be effective as delivery of a manually executed counterpart of this Amendment No. 2.

[SIGNATURE PAGE FOLLOWS]

16567580_8.DOC

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 2 as of the date first mentioned above.

ATTEST:

By: Jacqueline M Henderson
Name: Jacqueline M Henderson
Title: City Clerk & Clerk of Council
[seal]

CITY OF ALEXANDRIA, VIRGINIA

By: _____
Name: Rashad M. Young
Title: City Manager

APPROVED AS TO FORM:

_____
DEPUTY CITY ATTORNEY

ATTEST:

By: _____
Name: _____
Title: _____
[seal]

ARLINGTON COUNTY, VIRGINIA

By: _____
Name: _____
Title: _____

ATTEST:

By: Patricia Collins
Name: Patricia Collins
Title: VP + Assistant Secretary
[seal]

COVANTA ALEXANDRIA/ARLINGTON, INC.

By: _____
Name: Paul E Stander
Title: Sr VP

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 2 as of the date first mentioned above.

ATTEST:

By:_____
Name:_____
Title: _____
[seal]

CITY OF ALEXANDRIA, VIRGINIA

By:_____
Name: _____
Title: _____

ATTEST:

By: Mark J. Schwartz
Name: Mark J. Schwartz
Title: Deputy County Manager
[seal]

ARLINGTON COUNTY, VIRGINIA

By: Barbara M. Donnellan
Name: Barbara M. Donnellan
Title: County Manager

ATTEST:

By: Patricia Collins
Name: Patricia Collins
Title: VP + Assistant Secretary
[seal]

COVANTA ALEXANDRIA/ARLINGTON, INC.

By: _____
Name: Paul E Stayder
Title: Sr VP

Attachment 1

EXHIBIT B

Required Insurance

Tenants shall obtain and maintain, at its sole cost and expense, the following insurance.* Such insurance requirements may be satisfied by the insurance maintained by the Company.

(a) Workers' Compensation Insurance

Workers' Compensation Insurance required by Applicable Law, with the Company as named insured, with a deductible amount of not greater than $500,000.

(b) Employer's Liability Insurance

Employer's Liability Insurance with a limit of liability of not less than $1,000,000, with the Company as named insured and with a deductible amount of not greater than $500,000.

(c) Commercial General Liability Insurance

Commercial General Liability and Property Damage Insurance, with Contractual Liability and Products/Completed Operations coverage, with primary limits of liability of $1,000,000 combined occurrence for bodily injury and property damage, and $1,000,000 combined aggregate for bodily injury and property damage, with the Company as named insured, the Landlords named as additional insureds, and with a deductible amount of not greater than $250,000.

(d) Comprehensive Automobile Liability Coverage

Comprehensive Automobile Liability Insurance with a combined single limit for bodily injury and property damage, of at least $1,000,000 with the Company as named insured and with a deductible amount of not greater than $250,000.

(e) Excess Umbrella Liability Coverage

Excess Umbrella Liability Insurance in the amount of $50,000,000 with the Company as named insured, the Landlords named as additional insureds and with a self insured retention of $250,000 or less.

(f) "Broad Form" Property Damage Insurance

Insurance for loss, damages or destruction to the Facility (including boiler and machinery) caused by "broad form" peril in an amount at all times equal to the full replacement value of the Facility (including, to the extent available on commercially reasonable terms, insurance for such loss caused by flood or earthquake), with the Company as named insured and with a deductible amount not to exceed $250,000, except for coverage for wind and earthquake which shall have a deductible amount not to exceed $500,000.

(g) Business Interruption Insurance

Business Interruption and Extra Expense Insurance covering expenses and losses due to business interruption, design errors and omissions and faulty workmanship and materials with limits equal to at least the estimated revenues of the Company for the following fiscal year. The Company shall be named insured and the Landlords shall be named as additional insureds as their interests may appear and the deductible amount shall be 14 days.

(h) Boiler and Machinery Insurance

Boiler and Machinery coverage on a comprehensive basis sufficient to replace boiler and machinery items, with the Company as named insured and with a deductible amount of $25,000 or less.

(i) Pollution Liability Insurance

Pollution liability insurance with limits not less than $2,000,000 per occurrence and $6,000,000 annual aggregate, with the Company as named insured and the Landlords named as additional insureds.

(j) Hauler Insurance

Tenant shall require all haulers delivering Solid Waste to the Facility to obtain and maintain commercial general liability insurance and commercial automobile insurance with limits not less than $1,000,000 per occurrence and $2,000,000 annual aggregate.

* All insurance policies required to be secured and maintained by Tenant under this Lease shall provide that each insurance company shall have no recourse against the Landlords for payment of any premiums or for assessments under any form of policy.

Attachment 2

Exhibit C

Lease Guaranty

[Attached]

Execution Version

LEASE GUARANTY

THIS GUARANTY made as of the 24th day of January, 2012, **COVANTA HOLDING CORPORATION**, a Delaware corporation ("Guarantor"), having its principal place of business in Morristown, New Jersey, to and for the benefit of the **CITY OF ALEXANDRIA, VIRGINIA** (the "City") and **ARLINGTON COUNTY, VIRGINIA** (the "County", and together with the City, the "Jurisdictions"). Guarantor and the Jurisdictions are referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, the Jurisdictions contracted with Covanta Alexandria/Arlington, Inc, a Virginia corporation and a wholly owned subsidiary of the Guarantor (the "Company"), for Solid Waste disposal and Processing services at the waste-to-energy facility located in Alexandria, Virginia (the "Project"), pursuant to that certain Waste Disposal and Service Agreement, dated as of January 24, 2012 (as amended, supplemented or otherwise modified from time to time) (the "Service Agreement");

WHEREAS, the Jurisdictions are willing to enter into the Service Agreement only upon the condition that Guarantor execute this agreement, to guarantee payment and performance of the Company's covenants, agreements and obligations of the Company under (a) that certain Amended and Restated Site Lease dated as of October 1, 1985, as amended (the "Site Lease"); and (b) that certain Operating Lease Agreement dated as of November 1, 1998, as amended (the "Operating Lease Agreement", and together with the Site Lease, the "Lease Agreements"), for the Extended Term under the Service Agreement in the event the Jurisdictions, in their sole discretion, exercise their Extension Option in accordance with the terms of the Service Agreement;

WHEREAS, the Guarantor has agreed to guarantee payment and performance of the Company's covenants, agreements and obligations under the Lease Agreements and any amendment(s) thereto; and

WHEREAS, the Guarantor will benefit from the transactions contemplated by the Service Agreement.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Guarantor for the purpose of inducing the Jurisdictions to enter into the Service Agreement, the Guarantor hereby makes the following guarantees to and agreements with the Jurisdictions:

Section 1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings assigned them in the Service Agreement.

Section 2. Guaranty. Beginning on October 1, 2025, provided that one or both of the Lease Agreements are in effect, Guarantor absolutely, irrevocably and unconditionally guarantees to the Jurisdictions: (a) the due and punctual payment of (i) each payment required to be made by Company under the Lease Agreements, when and as due, including payments in

respect of reimbursement of disbursements and interest thereon and (ii) all other monetary obligations of the Company under the Lease Agreements, including without limitation all indemnities, fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, whether such obligations now exist or arise hereafter (all such obligations referred to in this clause (a) being collectively referred to as the "Monetary Obligations"); and (b) the due and punctual performance and observance of, and compliance with, all covenants, agreements and obligations of the Company under or pursuant to the Lease Agreements, or any other agreement or instrument entered into by the Company in connection with the Lease Agreements, whether such obligations now exist or arise hereafter (all such obligations referred to in the preceding clauses (a) and (b) being collectively referred to as the "Obligations"). Guarantor agrees that the Obligations may be extended, amended, modified or renewed, in whole or in part, without notice to or further assent of Guarantor, and that of Guarantor will remain bound by and will honor its guarantee hereunder notwithstanding any extension, amendment, modification or renewal of any Obligation by any Jurisdiction and the Company. This Guaranty shall remain in full force and effect until (1) with respect to the Site Lease, the expiration of the Site Lease; and (2) with respect to the Operating Lease Agreement, the expiration of the Operating Lease Agreement.

Section 3. Obligations Not Waived. To the fullest extent permitted by Applicable Law, Guarantor waives all notices whatsoever with respect to this Guaranty and the Lease Agreements or with respect to the Obligations, including presentment to, demand of payment from and protest to the Company of any of the Obligations, and notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by Applicable Law, the Obligations of Guarantor hereunder shall not be affected by (a) the failure of any Jurisdiction to assert any claim or demand or to enforce or exercise any right or remedy against the Company in respect of the Obligations or otherwise under the provisions of the Lease Agreements, or otherwise, or, in each case, any delay in connection therewith, or (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of the Lease Agreements, or any other agreement to which the Company is a party.

Section 4. Continuing Guaranty of Payment and Performance. Guarantor further agrees that its guaranty constitutes a continuing guaranty of payment and performance when due, and not of collection, and Guarantor further waives any right to require that any resort be had by any Jurisdiction to any security.

Section 5. No Discharge or Diminishment of Guaranty.

(a) The obligations of Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination, or be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever, or otherwise be affected, for any reason (other than the performance in full of all Obligations, including the indefeasible payment in full of all Monetary Obligations, or the termination of all the Obligations), including: any claim of waiver, release, surrender, alteration or compromise of any of the Obligations; the invalidity, illegality or unenforceability of the Obligations; the occurrence or continuance of any event of bankruptcy, reorganization, insolvency, receivership or other similar proceeding with respect to the Company or any other person (for purposes hereof, "person" means any individual,

partnership, limited liability company, joint venture, corporation, trust, unincorporated organization or Governmental Authority), or the dissolution, liquidation or winding up of the Company or any other person; any permitted assignment or other transfer of this Guaranty by any Jurisdiction or any permitted assignment or other transfer of the Lease Agreements; any sale, transfer or other disposition by Guarantor of any direct or indirect interest it may have in the Company or any other change in ownership or control of the Company; or the absence of any notice to, or knowledge on behalf of, Guarantor of the existence or occurrence of any of the matters or events set forth in the foregoing clauses.

(b) Without limiting the generality of the foregoing, the Obligations of Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Jurisdictions to assert any claim or demand or to enforce any remedy under the Lease Agreements, by any waiver or modification of any provision thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of Guarantor or that would otherwise operate as a discharge of Guarantor as a matter of law or equity (other than the performance in full of all Obligations, including the indefeasible payment in full in cash of all Monetary Obligations, or the termination of all the Obligations).

Section 6. Defenses Waived. A Jurisdiction may compromise or adjust any part of the Obligations, make any other accommodation with the Company or exercise any other right or remedy available to it against the Company, without affecting or impairing in any way the liability of Guarantor hereunder except to the extent all the Obligations have been fully and finally performed, including the indefeasible payment in full of all Monetary Obligations, or terminated. To the fullest extent permitted by Applicable Law, Guarantor waives any defense arising out of any such Jurisdiction's election even though such election operates, pursuant to Applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against the Company or any security. Guarantor waives all defenses to which it may be entitled under Applicable Law as in effect or construed from time to time.

Section 7. Representations and Warranties of Guarantor. Guarantor represents and warrants to the Jurisdictions as follows:

(a) Organization. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as is now being conducted.

(b) Authority Relative to this Guaranty. Guarantor has all necessary corporate power and authority to execute and deliver this Guaranty and to perform its obligations hereunder. The execution and delivery by Guarantor of this Guaranty and performance by Guarantor of its obligations hereunder have been duly and validly authorized by and on behalf of the Guarantor and no other corporate proceedings on the part of Guarantor are necessary to authorize this Guaranty or performance by Guarantor of its obligations hereunder. This

Guaranty has been duly and validly executed and delivered by Guarantor and constitutes a valid and binding agreement of Guarantor, enforceable against Guarantor in accordance with its terms.

(c) Consents and Approvals; No Violation.

(i) Neither the execution and delivery of this Guaranty by Guarantor nor performance by Guarantor of its obligations hereunder will (x) conflict with or result in any breach of any provision of the organizational or governing documents or instruments of Guarantor, (y) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement, lease or other instrument or obligation to which Guarantor or any of its subsidiaries is a party or by which any of their respective assets may be bound or (z) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Guarantor, or any of its assets, except in the case of clauses (y) and (z) for such failures to obtain a necessary consent, defaults and violations which would not, individually or in the aggregate, have a material adverse effect on the ability of Guarantor to discharge its obligations under this Guaranty (a "Guarantor Material Adverse Effect").

(ii) No declaration, filing or registration with, or notice to, or authorization, consent or approval of any Governmental Authority is necessary for performance by Guarantor of its obligations hereunder, other than such declarations, filings, registrations, notices, authorizations, consents or approvals which, if not obtained or made would not, individually or in the aggregate, have a Guarantor Material Adverse Effect.

Section 8. Agreement to Perform and Pay Subordination. In furtherance of the foregoing and not in limitation of any other right that any Jurisdiction has at law or in equity against Guarantor by virtue hereof, upon the failure of the Company, to perform or pay any Obligation when and as the same shall become due, Guarantor hereby promises to and will forthwith, as the case may be, (a) perform, or cause to be performed, such unperformed Obligations and (b) pay, or cause to be paid, to the Jurisdictions the amount of such unpaid Monetary Obligations. Upon payment by Guarantor of any sums to the Jurisdictions as provided above, all rights of Guarantor against the Company, arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full of all the Monetary Obligations. If any amount shall erroneously be paid to Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Company, such amount shall be held in trust for the benefit of the Jurisdictions and shall forthwith be paid to the Jurisdictions to be credited against the payment of the Monetary Obligations or performance in accordance with the terms of the Lease Agreements.

Section 9. Information. Guarantor assumes all responsibility for being and keeping itself informed of the Company's financial condition and assets, and of all other circumstances bearing upon the risk of nonperformance of the Obligations (including the nonpayment of Monetary Obligations) and the nature, scope and extent of the risks that Guarantor assumes and incurs hereunder, and agrees that the Jurisdictions do not have any duty to advise Guarantor of information known to it regarding such circumstances or risks.

Section 10. Termination and Reinstatement. This Guaranty shall be effective as of the Effective Date (a) shall terminate when all the Obligations have been (i) performed in full, including the indefeasible payment in full of the Monetary Obligations or (ii) terminated and (b) shall continue to be effective or be reinstated, as the case may be, if at any time any payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Jurisdictions upon the bankruptcy or reorganization of the Company or Guarantor or for any other reason.

Section 11. Assignment; No Third Party Beneficiaries. This Guaranty and all of the provisions hereunder shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, and nothing herein express or implied will give or be construed to give any entity any legal or equitable rights hereunder. Neither this Guaranty nor any of the rights, interests and obligations hereunder shall be assigned by Guarantor, including by operation of law, without the prior written consent of the Jurisdictions; provided, however, that no assignment or transfer of rights or obligations by Guarantor shall relieve it from the full liabilities and the full financial responsibility, as provided for under this Guaranty, unless and until the transferee or assignee shall agree in writing to assume such obligations and duties and the Jurisdictions have consented in writing to such assumption.

Section 12. Amendment and Modification, Extension; Waiver. This Guaranty may be amended, modified or supplemented only by an instrument in writing signed on behalf of each of the Parties. Any agreement on the part of a Party to any extension or waiver in respect of this Guaranty shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of a Party to this Guaranty to assert any of its rights under this Guaranty or otherwise shall not constitute a waiver of such rights.

Section 13. Governing Law. It is the express intention of the Parties that all legal actions and proceedings related to this Guaranty or to any rights or any relationship between the Parties arising therefrom shall be solely and exclusively initiated and maintained in the courts of the Commonwealth of Virginia and the laws of the Commonwealth of Virginia shall govern the validity, interpretation, construction and performance of this Guaranty, excluding any conflict-of-law rules which would direct the application of the law of another jurisdiction.

Section 14. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (as of the time of delivery or, in the case of a facsimile communication, of the times of confirmation) if delivered personally, sent by overnight courier (providing proof of delivery) or electronic mail (with follow up copy sent by any of the aforesaid means) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to the City:

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: City Manager
Email: rashad.young@alexandriava.gov

With a copy to (which shall not constitute notice):

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: Director of Transportation and Environmental Services
Email: rich.baier@alexandriava.gov

With a copy to (which shall not constitute notice):

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: City Attorney
Email: james.banks@alexandriava.gov

If to the County:

Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attention: Director, Department of Environmental Services
Email: des@arlingtonva.us

With a copy to (which shall not constitute notice):

Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attention: County Manager
Email: countymanager@arlingtonva.us

With a copy to (which shall not constitute notice):

Arlington County, Virginia
2100 Clarendon Boulevard, Ste 403
Arlington, Virginia 22201
Attention: County Attorney
Email: cao@arlingtonva.us

If to the Guarantor:

Covanta Holding Corporation
445 South Street
Morristown, NJ 07960
Attention: Timothy J. Simpson, General Counsel
Email: tsimpson@covantaenergy.com

Section 15. Jurisdiction and Enforcement.

(a) Each of the Parties irrevocably submits to the exclusive jurisdiction of (i) the United States District Court for the Eastern District of Virginia, Alexandria Division, or (ii) any other Virginia court sitting in Alexandria, Virginia or Arlington, Virginia for the purposes of any suit, action or other proceeding arising out of this Guaranty or any transaction contemplated hereby. Each of the Parties agrees to commence any action, suit or proceeding relating hereto either in the United States District Court for the Eastern District of Virginia, Alexandria Division. Each of the Parties further agrees that service of process, summons, notice or document by hand delivery or U.S. registered mail at the address specified for such Party in Section 14 (or such other address specified by such Party from time to time pursuant to Section 14) shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Guaranty or the transactions contemplated hereby in (i) the United States District Court for the Eastern District of Virginia, Alexandria Division or (ii) any other Virginia court sitting in Alexandria, Virginia or Arlington, Virginia and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Guaranty were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled equitable relief, including without limitation, an injunction or injunctions to prevent breaches of this Guaranty and to specifically enforce the terms and provisions of this Guaranty, this being in addition to any other remedy to which they are justly entitled to, whether at law or in equity.

Section 16. Survival of Guaranty. All covenants, agreements, representations and warranties made by Guarantor herein and in the certificates or other instruments prepared or

delivered in connection with or pursuant to this Guaranty shall be considered to have been relied upon by the Jurisdictions and shall unconditionally survive the consummation of the transactions contemplated by the Lease Agreements, regardless of any investigation made by the Jurisdictions or on their behalf, and shall continue in full force and effect as long as any Obligations remain outstanding.

Section 17. Effectiveness; Counterparts. This Guaranty shall become effective when executed by Guarantor. This Guaranty may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

Section 18. Rules of Interpretation. The rules of interpretation specified in Section 1.2 of the Service Agreement shall be applicable to this Guaranty.

Section 19. Severability.

(a) If any term or other provision of this Guaranty is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Guaranty shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Guaranty so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by Applicable Law, in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(b) In the event that the provisions of this Guaranty are claimed or held to be inconsistent with any other agreement or instrument evidencing the Obligations, the terms of this Guaranty shall remain fully valid and effective.

Section 20. Entire Guaranty. This Guaranty embodies the entire agreement and understanding of the Parties in respect of the matters contemplated hereby. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein. This Guaranty supersedes all prior agreements and understandings between the Parties with respect to the matters contemplated hereby.

[Signature Page Follows]

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IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered by the Guarantor as of the date first above written.

COVANTA HOLDING COMPANY

By:_____

Name: Anthony J Orlando

Title: Chief Executive Officer

EXHIBIT B

Amendment to Operating Lease

[Attached]

Execution Version

AMENDMENT NO. 1
TO
OPERATING LEASE AGREEMENT

THIS AMENDMENT NO. 1 TO OPERATING LEASE AGREEMENT dated as of January 24, 2012 (this "Amendment No. 1") amends that certain Operating Lease Agreement dated as of November 1, 1998 (the "Operating Lease Agreement"), among the **CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY** and **ARLINGTON COUNTY SOLID WASTE AUTHORITY**, each a body politic and corporate of the Commonwealth of Virginia (collectively, the "Lessor"), and **COVANTA ALEXANDRIA/ARLINGTON, INC.**, a Virginia corporation (successor to Ogden Martin Systems of Alexandria/Arlington, Inc.) (the "Lessee"). Except as otherwise expressly defined in this Amendment No. 1, capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Operating Lease Agreement.

WHEREAS, the Lessor and Lessee are parties to the Operating Lease Agreement which provides for the lease of the Facility Improvements to Lessee;

WHEREAS, in anticipation of the expiration on January 1, 2013, of the Amended and Restated Facility Construction and Operation Agreement dated October 1, 1985, as amended, by and among the Authorities, the Jurisdictions and the Company, the Jurisdictions and the Lessee desire to enter into that certain Waste Disposal and Service Agreement dated of even date herewith (the "Service Agreement"), pursuant to which the Lessee will continue to accept, process and dispose of the Jurisdictions' solid waste at the Facility, in accordance with the terms and conditions stated in the Service Agreement; and

WHEREAS, as a condition precedent to the execution and delivery of the Service Agreement, the Lessor and Lessee desire to enter into this Amendment No. 1 to amend certain terms and conditions of the Operating Lease Agreement, to be effective on the Effective Date (as such term is defined in the Service Agreement).

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the Lessor and Lessee agree as follows:

1. Effectiveness. This Amendment No. 1 is contingent upon the execution and delivery of the Service Agreement by the Jurisdictions and Lessee and, following such occurrences, shall become effective on the Effective Date (as such term is defined in the Service Agreement). In the event that the Service Agreement is not executed and delivered by all the parties thereto on or prior to February 29, 2012, this Amendment No. 1 shall automatically terminate and be of no further force and effect.

2. Amendments to the Operating Lease Agreement.

(a) The definition of "Facility Agreement" in Section 1.01 of the Operating Lease Agreement is deleted in its entirety and the following is substituted in lieu thereof:

> " '**Facility Agreement**' means the Waste Disposal and Service Agreement dated as of January 24, 2012, by and among the City, the County and the Company, as amended, modified, or supplemented from time to time."

(b) The following definition of "Change" is hereby added to and inserted in the appropriate alphabetical order to Section 1.01 of the Operating Lease Agreement:

> " '**Change**' means any restoration, modification, addition or alteration to the Facility."

(c) The following definition of "Guarantor" is hereby added to and inserted in the appropriate alphabetical order to Section 1.01 of the Operating Lease Agreement:

> " '**Guarantor**' means Covanta Holding Corporation, a Delaware corporation and the parent company of the Company."

(d) The following definition of "Lease Guaranty" is hereby added to and inserted in the appropriate alphabetical order to Section 1.01 of the Operating Lease Agreement:

> " '**Lease Guaranty**' means the guaranty executed by the Guarantor and issued in favor of the Jurisdictions wherein the Guarantor guarantees the obligations of the Company, as set forth in Exhibit C attached to the Facility Site Lease."

(e) The following definition of "Permitted Encumbrances" is hereby added to and inserted in the appropriate alphabetical order to Section 1.01 of the Operating Lease Agreement:

> " '**Permitted Encumbrances**' means:
>
> (i) liens of contractors, subcontractors, suppliers of goods, materials, equipment or services, or laborers or other like liens arising in the ordinary course of business, in respect of claims which are paid or which liens are discharged within 60 days of the due date thereof or being contested in good faith by appropriate proceedings conducted with due diligence, or deposits made to obtain the release of such liens;
>
> (ii) liens arising in connection with workers' compensation, unemployment insurance, old age pensions and social security benefits and liens securing appeal and release bonds, provided that adequate provision for the payment of all such obligations has been made on the books of the Company or the Authorities (as the case may be);

(iii) liens incurred or deposits made in the ordinary course of business to secure the performance of tenders, statutory obligations, bids, leases, or government contracts and performance bonds, fee and expense arrangements with trustees and fiscal agents and similar obligations (exclusive of obligations incurred in connection with the borrowing of money or the payment of the deferred purchase price of property);

(iv) (a) any attachment lien being contested in good faith by appropriate proceedings diligently pursued if such lien shall have been duly stayed, and (b) any judgment lien so long as the judgment it secures shall have been discharged or the execution thereof stayed, in either case, prior to the earlier of the commencement of proceedings for the enforcement thereof or 30 days after the entry thereof, and so long as such judgment or attachment shall have been discharged within 30 days after the expiration of any such stay;

(v) liens in respect of taxes, assessments, governmental charges or levies on the Facility or other property of the Issuer, the Authorities or the Company (as the case may be) as to which interest and penalties have not yet accrued or which are being contested in good faith by appropriate proceedings being conducted with due diligence;

(vi) leases permitted under this Agreement;

(vii) any lien, security interest or encumbrance on any real property of the Company or the Authorities (as the case may be) not included in the Facility Site Lease;

(viii) any lien or security interest or encumbrance on the property or the receipts securing the Authorities placed upon any furniture, equipment or other tangible personal property or any fixture being acquired by the Company or the Authorities (as the case may be) at the time of acquisition or within ten days thereafter to secure all or a portion of the purchase price thereof;

(ix) existing easements and title exceptions described in the Facility Site Lease;

(x) such utility, access and other easements, rights of way, restrictions, exceptions, minor defects or irregularities in or clouds on title or encumbrances not arising out of the borrowing of money or the securing of advances of credit as normally exist with respect to properties similar in character to the Facility or the solid waste system revenues and which will not, in the opinion of the Company or the Authorities, interfere with or impair the operations of the Facility in any material respect;

(xi) any lien, security interest or encumbrance on any property of the Company or the Authorities not constituting part of the Facility Site, the Solid Waste System Revenues or the Revenues; and

(xii) the rights of banks in which funds of the Authorities or the Company (as the case may be) shall be deposited in the ordinary course of business of the Authorities or the Company, respectively.

(f) A new Section 1.03 is hereby added to the Operating Lease Agreement immediately after Section 1.02 and shall read in its entirety as follows:

"Section 1.03. Other Capitalized Terms. To the extent an initial capitalized term is used herein but not defined in this Agreement, such term shall have the meaning specified in the Facility Agreement."

(g) Section 3.02 of the Operating Lease Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"Section 3.02 Term. The term of this Agreement shall commence on the date of execution and delivery of this Agreement and shall terminate upon the earlier to occur of any of the following events:

(a) October 1, 2025, unless subsection (b) of this Section 3.02 is applicable;

(b) December 31, 2038, if and only if prior to October 1, 2025, the Jurisdictions, in their sole discretion, exercise their Extension Option (as defined in the Facility Agreement) in accordance with Section 2.3(c) of the Facility Agreement and the Facility Agreement is extended until December 31, 2038; provided further, however, if, at any time prior to October 1, 2025,

(1) the Facility Agreement is terminated as a result of an Event of Default of the Lessee under Section 10.3 of the Facility Agreement; or

(2) the Lessee fails to accept and Process Acceptable Waste at the Facility delivered by or on behalf of the Jurisdictions (each, a "Performance Event of Default") and such failure constitutes:

(i) an Event of Default under Section 10.3(b) of the Facility Agreement, taking into account applicable cure periods; provided, that the Jurisdictions have given the Lessee written notice after the occurrence of the Event of Default that such Event of Default will entitle them to terminate the Extension Option under this Section 3.02(b) and such Event of Default is not fully cured within the

period commencing on the date of such written notice and ending six (6) months later (or such earlier time during the 6-month period if the Lessee is not diligently or continuously pursuing such cure); or

(ii) an Event of Default under Section 10.3(f) of the Facility Agreement.

(3) the Lessee fails to pay any amounts due and payable to the Jurisdictions (each, a "Payment Event of Default") and such failure constitutes:

(i) an Event of Default under Section 10.3(a) of the Facility Agreement, taking into account applicable cure periods, provided, that the Jurisdictions have given the Lessee written notice after the occurrence of the Event of Default that such Event of Default will entitle them to terminate the Extension Option pursuant to this Section 3.02(b) and such Event of Default is not fully cured within a thirty (30) day period following the date of such written notice; or

(ii) an Event of Default under Section 10.3(f) of the Facility Agreement.

then the Jurisdictions may, upon written notice to the Lessee, terminate their Extension Option, in which case the term of this Agreement shall expire on October 1, 2025 notwithstanding the Jurisdictions' earlier election of the Extension Option. For purposes of clarity, following the occurrence of an Event of Default (taking into account applicable cure period(s), if any, under Section 10.3 of the Facility Agreement) under Sections 3.02(b)(2)(i), (2)(ii), (3)(i), or (3)(ii) hereof and expiration of the cure period described in such section(s), if applicable, the Lessee shall have no additional cure period and the Jurisdictions may exercise their right to terminate the Extension Option at any time.

(c) the termination of this Agreement under Article VII upon the occurrence of an Event of Default; or

(d) the termination of the Facility Agreement by Lessee in accordance with Section 10.6(c) of the Facility Agreement."

(h) Section 4.06 of the Operating Lease Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"Section 4.06 Liens and Encumbrances. On or before the last day of the Term, Lessee shall discharge any liens placed on the Facility Improvements, other than any Permitted Encumbrances."

(i) A new subsection (h) of Section 7.01 is hereby added to the Operating Lease Agreement immediately after subsection (g) of Section 7.01 and shall read in its entirety as follows:

.

"(h) at anytime after October 1, 2025 (if the Facility Agreement is extended until December 31, 2038 in accordance with Section 2.3(c) of the Facility Agreement), there is an Event of Default on the part of the Company under and as defined in the Facility Agreement to (1) accept and Process Acceptable Waste delivered by or on behalf of the Jurisdictions at the Facility or (2) pay any amounts due and payable to the Jurisdictions, or both, in each case, in accordance with, and as required by, the Facility Agreement that is not cured within the applicable cure period specified in Section 10.3 of the Facility Agreement; or"

(j) A new subsection (i) of Section 7.01 is hereby added to the Operating Lease Agreement immediately after subsection (h) of Section 7.01 and shall read in its entirety as follows:

"(i) The failure of the Guarantor to comply with its obligations under the Lease Guaranty in accordance with the terms and conditions therein."

(k) The last paragraph of Section 7.01 of the Operating Lease Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"The provisions of subsection (d) of this Section are subject to the following limitation: If by reason of an Event of Force Majeure (as defined in the Facility Agreement), Lessee is unable in whole or in part to carry out its agreements herein contained, Lessee shall not be deemed in default during the continuance of such inability and no Event of Force Majeure shall be deemed to have occurred so long as Lessee shall seek diligently and in good faith to overcome or remove the Event of Force Majeure as soon as possible; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of Lessee, and Lessee shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party when such course, if in the judgment of Lessee, is unfavorable to Lessee. Nothing in this paragraph shall affect the rights of Lessee or Lessor under the Facility Agreement associated with an Event of Force Majeure."

(l) Subsection (f) of Section 8.03 of the Operating Lease Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"(f) Lessee agrees with each Authority that it will protect, indemnify and hold the Authorities and the Jurisdictions harmless from and against all penalties, fines and charges of any federal, state or local government having jurisdiction over the Project, liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits or actions and attorneys' fees, and will defend such Authorities and Jurisdictions in any suit or action (including appeals) arising from any violation of Applicable Law by Lessee, in connection with or as a result of this Agreement or the performance of its

obligations hereunder; provided, however, that Lessee shall not be responsible for a violation that was the result of the willful misconduct or negligent acts or omissions of any such Authority or Jurisdiction or a violation that would caused by a Change made upon the request of the Jurisdictions under Section 13.6 of the Facility Agreement at their own expense if the plans and specifications for the Change were submitted to Lessee and Lessee notified the Jurisdictions that the Change might cause a violation of Applicable Law of the type indemnified against or if the Applicable Law violated was not in effect when plans and specifications were reviewed by Lessee. Each Authority and Jurisdiction shall promptly notify Lessee of the assertion of any claim against which it is indemnified hereunder, shall give Lessee the opportunity to defend such claim, and shall not settle such claim without the approval of Lessee. The indemnification provisions contained in this paragraph are for the protection of the Authorities and Jurisdictions only and shall not establish, of themselves, any liability to third parties."

2. Representations and Warranties.

(a) Lessee hereby represents and warrants to the Lessor that:

(i) this Amendment No. 1 constitutes its legal, valid and binding obligation, enforceable against Lessee in accordance with its terms; and

(ii) on the date hereof, no Event of Default has occurred and is continuing.

(b) Lessor hereby represents and warrants to the Lessee that this Amendment constitutes its legal, valid and binding obligation, enforceable against Lessor in accordance with its terms.

3. Incorporation into Operating Lease Agreement. The provisions of this Amendment No. 1 are essential components of the Operating Lease Agreement and, as such, shall be incorporated into and are hereby made an essential part thereof.

4. Full Force and Effect. Except as expressly modified herein, all other terms and provisions set forth in the Operating Lease Agreement shall remain in full force and effect and shall not otherwise be affected by this Amendment No. 1. This Amendment No. 1 shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, and shall be governed by and construed under the laws of the Commonwealth of Virginia. No amendment, waiver, supplement or other modification of this Amendment No. 1 shall be effective unless made in writing and executed by each of the parties hereto.

5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by

telecopier or electronic delivery shall be effective as delivery of a manually executed counterpart of this Amendment No. 1.

[SIGNATURE PAGE FOLLOWS]

16560871_7.DOC

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 1 as of the date first mentioned above.

ATTEST:

By: _____
Name: Karen L. Pallansch
Title: Chief Executive Officer
[seal]

CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY

By: _____
Name: Thomas Van Wagner
Title: Chairman, ASA Board

ATTEST:

By: _____
Name: _____
Title: _____
[seal]

ARLINGTON COUNTY SOLID WASTE AUTHORITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: Patricia Collins
Title: VP + Assistant Secretary
[seal]

COVANTA ALEXANDRIA/ARLINGTON, INC.

By: _____
Name: Paul E Stunder
Title: Sr VP

IN WITNESS WHEREOF, the parties have duly executed this Amendment No. 1 as of the date first mentioned above.

ATTEST:

By:_____
Name:_____
Title: _____
[seal]

CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY

By:_____
Name: _____
Title: _____

ATTEST:

By: Mark J. Schwartz
Name: Mark J. Schwartz
Title: Deputy County Manager
[seal]

ARLINGTON COUNTY SOLID WASTE AUTHORITY

By: Barbara M. Donnellan
Name: Barbara M. Donnellan
Title: County Manager / Executive Director

ATTEST:

By: Patricia Collins
Name: Patricia Collins
Title: VP + Assistant Secretary
[seal]

COVANTA ALEXANDRIA/ARLINGTON, INC.

By:_____
Name: Paul E Stunder
Title: Sr VP

EXHIBIT C-1

Hauler Rules and Regulations

[Attached]

COVANTA ALEXANDRIA / ARLINGTON, INC. (CAAI)

SCHEDULE A

FACILITY HOURS

Receiving Hours

Receiving hours are:

Monday through Friday 5:00AM to 6:00PM

Saturday 6:00AM to 12:00PM

Closed Sundays, Christmas and New Year's Day

Most Holidays the facility works on a modified schedule usually 6:00AM to 3:00PM and will post the hours accordingly ahead of time.

SCHEDULE B

FACILITY OPERATION AND REGULATIONS

The following are general rules and regulations governing the activities of all vehicles entering the facility premises. They may be supplemented from time to time by additional rules and regulations established by the particular Facility which is the subject of this Agreement or which may pertain to the nature of the waste delivered.

A. Please refer to Schedule A for facility operational hours.

B. Haulers shall proceed through the second entrance and proceed to scale house to obtain a scale house ticket (sign one and keep one). The speed limit at the Facility is five (5) MPH - unless otherwise posted. After unloading in the tipping area, trucks shall exit the facility. All Hauler traffic is one-way from entrance to exit. Vehicles should not proceed onto or off the scales until instructed to do so by the attendant. **Drivers will not line up more than two trucks beyond the tipping floor entry door; they will wait at the scale house prior to moving forward.** Drivers may be required to depart their vehicles during weighing. After leaving the scale, drivers shall proceed to the tipping area and upon entering, proceed to the floor area for unloading as directed by CAAI personnel. Vehicles shall stay in the marked lanes. Manual unloading is discouraged except that drivers shall assist in removing any waste from their vehicles which cannot be directly discharged into the pit. Drivers shall unload in an

expedient manner to maintain traffic flow through the Facility. **At no time shall anyone on the truck go beyond a six foot radius of their truck for safety reasons.**

C. Vehicles may be directed to a specific area of the tipping floor to unload for spot inspection. At the discretion of CAAI, the driver may be required to reload non-hazardous, Unacceptable Waste for disposal at another location. If Hazardous Waste is found, the driver and vehicle shall remain at the Facility until appropriate environmental health or other enforcement officials arrive. The removal and disposal of all rejected waste shall be the Supplier's responsibility. CAAI personnel will direct reloading and removal.

D. Trucks with hydraulic leaks will be allowed to unload but not permitted further use of the facility until the leak is repaired. Vehicles with repeated mechanical problems or those deemed unsafe at CAAI's discretion may be permanently suspended from the facility. Any supplies used by CAAI for example oil absorbent will be invoiced at month end on your tipping invoice.

E. Hauler shall follow standard vehicle safety practices at all times and observe CAAI Safety Regulations.

F. All open loads must be securely covered when outside of tipping floor enclosure.

G. Vehicles shall not be left unattended on the site or access roads. Vehicles with mechanical problems shall arrange for immediate towing so that roads remain clear at all times. No vehicles are to remain at the Facility overnight.

H. Any damage to property or injury to persons shall be reported promptly to the Facility Manager or Administrator. In the event of an accident, fire or damage which impairs the flow of traffic or the ability to dispose of waste, drivers shall follow all directions of CAAI employees. Drivers discovering fire in their trucks (hot loads) shall be diverted to a designated area and shall assist CAAI personnel in extinguishing the fire or in alerting the fire department.

I. All drivers must proceed with care and follow directions issued by appropriate facility staff. Safety rules, posted speed limits and traffic rules will be strictly enforced.

J. An initial tare weight shall be obtained on each vehicle disposing of Acceptable Waste at the Facility for the first time. Such tare weights shall be obtained at the direction and under the procedures set forth by one of the facility scale house attendants.

K. If both sets of scales are rendered inoperable, CAAI will use its best efforts to quickly correct the problem and reinstate scale operations. During any such period when the scales are not operating, the Supplier shall accept reasonably estimated weight based on historical data.

L. Upon request of a CAAI employee and on a random basis or for suspected problem loads, trucks may be directed to a specific area on the tipping floor to unload for examination of waste being delivered. The truck shall not leave the facility until released by the CAAI. This spot check may result in some materials being rejected or in the discovery of Hazardous Waste.

1. For Prohibited Waste which is not Hazardous Waste, the Hauler may be required at the direction of CAAI to reload such materials for disposal at another location.

2. For Hazardous Waste, as defined by Federal, State and local laws and regulations, Haulers shall remain at the Facility until appropriate public health and law enforcement officials arrive.

M. Hauler must ascertain they are clear of crane activity before placement and unloading.

TIPPING AREA PROCEDURES

A. Upon exiting the scales, trucks should enter the enclosed tipping area and as directed, back to the curb at the edge of the pit. Upon unloading, the driver will assist in cleaning the area before exiting the facility and make sure all refuse is off all external parts of the vehicle, and any refuse improperly unloaded on the floor is directed by the Loader Operator or Tipping Floor Attendant to proper area inside the Tipping Building).

B. Upon request on a CAAI employee or jurisdiction inspector, on a random basis or for suspected problem loads, trucks may be directed to a specific area on the tipping floor to unload for examination of waste being delivered. The driver and truck shall not leave the facility until released by the requestor. Spot checks may result in some materials being rejected as follows:

1 *Prohibited waste which is not hazardous waste may require the hauler at the direction of inspector to re-load the truck for disposal elsewhere.*

2 *Hazardous waste, as defined by Federal, State and Local laws and regulations require the hauler to remain at the facility until appropriate Public Health and Law Enforcement officials arrive.*

3 *Out of jurisdiction waste (other than City of Alexandria or Arlington County) without prior approval may require detainment until proper jurisdiction officials arrive to release offender.*

C. Haulers are required to make every effort to unload at the pit n an expedient and safe manner to assure even traffic flow throughout the facility.

Emergencies and Damages -

A. Haulers at the Facility who discover a fire in their trucks (hot load) shall be diverted to a designated area on the tipping floor or outside area to unload. CAAI employees and/or the Fire Department shall use available equipment to extinguish all fires.

B. In the event of accidents, explosions or Facility damage which impairs the flow of traffic or ability to dispose of Acceptable Waste at the Facility, Haulers shall follow directions and procedures from CAAI employees in dealing with such events.

C. Any damage to Hauler's trucks or equipment, occurring at the Facility shall be immediately reported to the Facility Manager, before leaving facility, for appropriate action.

Rejected Loads -

A. All Prohibited Waste shall be rejected from the Facility if delivery is attempted. Haulers who have received weight tickets for loads which contain a portion of Prohibited Waste shall not receive a credit for such deliveries.

B. CAAI reserves the right to reject total or partial loads being delivered to the Facility if special handling would be required, or bill the hauler for the special handling costs.

D. Haulers shall dispose of rejected loads at a site and in a manner prescribed by law.

E. Waste will be visually screened randomly by CAAI operators before being discharged into the pit. Waste vehicles delivering directly to the facility will be required to discharge their loads onto the tipping floor for visual screening by a CAAI inspector stationed on the tipping floor during all receiving hours. The CAAI loader operator will also visually screen waste discharged onto the tipping floor prior to pushing waste into the pit. The CAAI crane operator will screen waste discharged into the pit before placing into the charging hopper.

In the event hazardous waste is discovered in a delivery vehicle prior to discharge, the driver will not be permitted to discharge the load and will be directed to an isolated area and appropriate notification will be made to the proper agencies. The hauler will be responsible to notify the generator of the material of any concerns arising from the delivery. If hazardous wastes are found after discharged onto tipping floor, CAAI personnel will contain the material(s) to minimize adverse effects on the facility and facility personnel followed by immediately notifying the proper authorities. Facility management will be responsible for contacting appropriate response agencies to have the material(s) removed from the site and properly disposed all at haulers expense.

If unacceptable waste, other than hazardous waste is found in any load dumped on the tipping floor, that waste will be loaded into the white goods roll-off container located on site by the employee parking lot. If unacceptable waste, other than hazardous waste is found in any load dumped into the pit, it will be removed by the crane and loaded into the same roll-off container. The roll-off container containing unacceptable waste will be hauled to the landfill by a subcontractor of CAAI. In cases where the material is considered to be a possible immediate threat (i.e. explosives or ruptured drums) the material is left in place, roped off if possible, and personnel and traffic evacuated from the area. The appropriate governmental or local authorities will be contacted immediately. Removal of al hazardous materials from the facility is in accordance with the Commonwealth and Federal regulations, utilizing only licensed or approved hazardous waste haulers and approved disposal sites.

ENFORCEMENT AND INTERPRETATION

Any violation of these Rules and Regulations shall be subject to the enforcement procedures and penalties, including but not limited to, fines and suspension of tipping privileges.

DRIVER AND PERSONNEL REGULATIONS

To apply to all individuals transported on any Hauler vehicles.

1. Trucks are not to be left unattended. All personnel must remain with their truck.

2. All trucks must proceed with care and follow directions issued by appropriate plant staff and obey posted traffic signs.

3. Trucks are not to bump or roll into pit curb.

4. Drivers should ascertain correct placement of equipment before releasing load.

5. Cigarettes or other sources of combustion are not to be in or around pit area.

6. Foul language and inappropriate behavior are not permitted on site, ie: spitting, swearing, lewd gestures, littering, etc.

7. No Hauler shall possess, consume, nor be under the influence of any illegal or intoxicating substances.

HAULER IDENTIFICATION

A. Each hauler shall properly display and comply with their respective jurisdiction rules regarding tuck and equipment identification and permitting. Vehicle and container ID shall be made visible to the scale house operator by placing permit identification on both sides of the vehicle. Haulers collecting outside of the City of Alexandria or County of Arlington must meet the permitting requirements and be permitted by the City of Alexandria. Such collection must be approved by the facility.

NOTICE OF HAULER CHANGES

Each hauler shall give the facility advance written notification of any changes in haulers operation which would have a material effect on delivery schedules or weight records, and shall include the effective date or dates of such changes. These include however are not limited to any of the following:

a. change in name or mailing information
b. change in phone number
c. any change in ownership
d. purchase or sale of trucks
e. purchase or sale of containers
f. purchase or sale of packer bodies
g. leased or borrowed trucks or equipment
h. sale, lease or transfer of a substantial portion of hauler's business operations

In the instances of sale, lease, change in ownership or transfer of a portion of hauler's business operations, CAAI reserves the right to refuse tipping privileges to the current owner until tipping fees against the previous owner's account have been received and the new entity has supplied CAAI with new credit application paperwork and payment security deposit has been made.

TARE WEIGHTS

A. An initial tare weight shall be obtained on each individual truck and individual container disposing of acceptable waste at the facility for the first time. Such tare weights shall be obtained at the direction and under the procedures set forth by the facility scale house attendant.

B. After the initial tare weights have been obtained, CAAI employees may require an updated tare weight on a random basis to verify weight record. Haulers shall cooperate with CAAI employees to provide such data as required.

C. Unless the truck is empty, first time tares will require that the truck proceed through the scale for a gross weight, unload in the tipping area, exit the facility and return through the entrance gate to the scale house to provide the tare weight. A weight ticket will then be provided.

D. Haulers failing to comply with the tare weight procedures shall be billed for the gross weight of the loaded truck, plus any applicable fines.

E. Haulers shall not request spot tare weight checks for their trucks.

F. New permits will require new tare weight.

WEIGHT TICKETS

A. The driver of each truck disposing of waste at the facility will be presented with a weight ticket from the scale house attendant. Such tickets indicate date, haulers company name, vehicle identification, gross weight, tare weight, net weight and total cost. **Each driver is required to sign the waste tickets legibly and retain the top copy for their records, return the 2nd copy to the attendant.** These weight tickets are the haulers receipts for deliveries to the facility. Refusal to sign the weight tickets will result in driver being prohibited into the facility until such time that he agrees to sign the weight ticket that is to be returned to the facility.

B. Trucks arriving at the scale house which do not have the appropriate hauler and truck identification will be rejected from the facility.

C. All haulers who fail to sign for or receive a weight ticket will be billed for such delivery as if a weight ticket had been signed and received.

D. In the event manual tickets must be issued, the ticket will contain date, haulers company name, vehicle identification, gross weight, tare weight, net weight and driver's signature.

E. Haulers are responsible for ascertaining the accuracy of their tickets before signing. Discrepancies reported after disposing of load will be billed at the option of CAAI for either:

1. Maximum net load equipment could legally carry.
2. Maximum load delivered to the facility within the previous 60 days.

SCHEDULE C

UNACCEPTABLE WASTE

UNACCEPTABLE WASTE shall mean:

(a) Hazardous Waste and materials, if present in concentrations or quantities that, in the reasonable judgment of CAAI:

(I) would pose a substantial threat to public health or safety;

(ii) may cause applicable air quality or water effluent standards to be violated by the normal operation of the Facility; or

(iii) have a reasonable possibility of adversely affecting the operation of the Facility in any material respect, and

(b) if the concentrations or quantities exceed those normally found in solid waste generated in residential, commercial or light industrial areas.

The following materials are Unacceptable Waste:

A. Explosives

Dynamite
Hand grenades
Blasting caps
Shotgun shells
Any other explosives
Fireworks

B. Liquid Wastes

Gasoline	Alcohol
Kerosene	Acids
Turpentine	Hydraulic oil
Waste oil	Petroleum
Ether	Caustics
Naphtha	Sewage or process waste waters
Acetate	Leachate
Solvents	Sewage sludge
Paints	Inflammable or volatile liquids
Fungicides	Insecticides

C. Demolition Debris (should go to approved TS or C&D landfill)

Aggregate	Structural clay products
Brick	Soil
Stone	Asbestos
Cement	Roofing materials
Gravel	Materials that cannot be shredded at the Facility
Sand	Plaster

Porcelain
Creosote treated lumber or telephone poles
Drywall
Other noncombustible demolition debris

D. Miscellaneous Materials

Offal
Tar
Asphalt
Sealed drums
Pressurized containers
Batteries
Automobile parts
Tree stumps
Tree limbs or logs greater than 4 to 6-feet in length & 6" to 8 " in diameter (thickness)

E. Tires

Tires mounted on rims
Tires whose rims exceed 16 1/2"

F. Pathological or Infectious Waste (Medical Waste)

G. Hazardous Waste

As defined under Federal, State and local laws and regulations

H. White Goods items containing ozone depleting substances such as Chlorofluorocarbons (CFCs) and Hydrochlorofluorocarbons (HCFCs) with common names such as "Freon "and Refrigerants ("R-12"). These white goods include:

Refrigerators **Water coolers**
Freezers **Dehumidifiers**
Ice makers
Air conditioners (window, motor vehicle, other type)

Note: Loads whose major components are acceptable non-combustible metal items ("white goods") must off-load to the Facility's metal box as directed by the Covanta tipping floor attendant. "White goods" items to be directed to the metal box include, but are not limited to:

appliances, water heaters, metal furniture and equipment, etc.

Haulers who transport appliances with motors that may have capacitors containing PCBs may be required, at the discretion of CAAI, to certify that these capacitors have been removed before disposal.

Schedule D
TIPPINGNG FLOOR SAFETY PROCEDURE

For Hauler (drivers and their assistants)

Please follow the requirements for everyone's safety!

1. Watch for tipping floor hazards. Exercise caution and good judgment.

2. Do not possess, consume or be under the influence of drugs or alcohol. Do not smoke.

3. No urinating anywhere on tipping floor or anywhere on facility grounds other than approved rest rooms.

4. Do not ride on the back of a vehicle or walk along a vehicle when the vehicle is moving. Do not ride or be near the rear of a vehicle when the truck is dumping its load.

5. Follow directions given by facility employees (such as which tipping bay to use when dumping your load). Also follow all procedures required by your employer.

6. Observe posted speed limits. Stop at all stop signs. Follow flow of traffic signs. Haulers are obligated to remove disabled trucks from the facility. Covanta reserves the right to tow a disabled vehicle at hauler's cost to outside of the Tipping floor building or outside main traffic flow on the property.

7. Do not leave your vehicle unattended. Do not bump vehicles or roll into or over the pit curbs. Also, verify that the crane grapple is clear of the area in front of the tipping bay before backing into the bay to dump your load.

8. Secure containers so leaking or spilling doesn't occur.

9. Do not walk within six (6) feet of the pit, as marked on the tipping floor side walls.

10. When traveling with an assistant, only one of you should exit from the vehicle at a time. When out of the vehicle, stay within close proximity of the truck at all times.

11. If you have to release your tailgate or equipment, stop so the back of the truck is 10 feet form the edge of the pit. After stopping no less than ten feet, get out to release your gate or equipment, then re-enter the vehicle – don't stand behind the back of an open tailgate. Back the vehicle up to the pit and discharge load. After dumping, drive forward so the back of the truck is lined up to the 10-ft line. Get out of the truck to re-latch it. Get back into the truck. Drive the truck away from the tipping bay location. Your assistant should be with the truck at all times.

12. Don't jog the vehicle back and forth to jar the load loose when the truck is packed too tightly. Don't stand behind the vehicle in an attempt to loosen the load.

13. Covanta employees are not permitted to help you release or free-up your load.

14. You may be asked to dump directly onto the tipping floor by any Covanta employee. If so, be sure not to exit the vehicle unless 6 feet or more from the curb along the open pit. Always stay within close proximity of your truck.

15. Facility Management will notify your employer if you do not follow these procedures and possible fines may be levied.

16. Covanta employees are required to wear a hard hat, safety glasses, approved footwear, hearing protection and a reflective vest. For your safety Covanta recommends you also wear the same personal protective equipment. Additionally you must always use a harness and lifeline working outside of a tipping floor vehicle within 6 feet of the curb in front of the edge of the pit.

17. No one shall ever crawl underneath a truck and/or trailer or inside the hydraulic ram compartment on packer trucks, while on the Tipping Floor.

18. If your truck has developed an operational malfunction and is unable to perform the unloading function, no attempts should be made to make repairs on the tipping floor unless authorized by a Covanta Manager or designee. The Covanta Equipment Operator or Tipping Floor Attendant should be notified who will contact Covanta Manager/Shift Supervisor.

19. **Completely comply and train all drivers on attached standard for Reverse Signal Operation safety requirements per DOT and VDOT regulations (16 VAC 25-97).**

20. **Covanta employees are not permitted to assist you as a designated observer or ground guide in the event of any malfunction with your vehicle including and up to a reverse signal malfunction**.

Covanta Alexandria / Arlington, Inc.
A Covanta Energy Company
5301 Eisenhowe Avenue
Alexdandria, VA 22304
Telephone: 703 370 7722
Facsimile: 703 751 2567

RECEIPT AND ACKNOWLEDGEMENT

I, _____, owner / officer of _____ _____ (Company) acknowledge receipt of the Covanta Alexandria / Arlington Inc. Hauler Rules and Regulations including Schedule C (Prohibited Waste) and Tipping Floor Safety Procedures (Schedule D). I have read the aforementioned and hereby agree to adhere to all rules and regulations of the facility. I further agree to provide a copy of these rules and regulations for all drivers and or employees who may have occasion to make use of the facility. I understand that violation of these rules and regulations can result in fines or revocation of dumping privileges.

_____	_____
(Printed Name)	(Company Name)
_____	_____
(Signature)	(Date)
_____	_____
(Witness)	(Date)

EXHIBIT C-2

Vehicle Identification Procedure

HAULER IDENTIFICATION

A. Each hauler shall properly display and comply with their respective jurisdiction rules regarding truck and equipment identification and permitting. Vehicle and container ID shall be made visible to the scale house operator by placing permit identification on both sides of the vehicle.

EXHIBIT C-3

Resident Area Rules and Regulations

The current rules and regulations applicable to the City Residents' Receiving Area are as follows:

HOURS	MONDAY – FRIDAY: 6 AM – 5:30 PM SATURDAY: 6 AM – 11:30 AM CLOSED SUNDAYS & HOLIDAYS
CHECK-IN	CHECK IN WITH SCALE ATTENDANT FIRST RESIDENTS MUST DRIVE ONTO THE SCALE AT THE SCALEHOUSE PROVIDE PROOF OF RESIDENCY (I.E., DRIVERS LICENSE, CAR REGISTRATION, ETC.) AND ALLOW INSPECTION OF WASTE BEFORE OFFLOADING FOLLOW INSTRUCTION OF SCALE HOUSE ATTENDANT AT ALL TIMES
LIMITS	MAXIMUM OF 500 LBS. PER WEEK PER RESIDENT IF MORE THAN 500 LBS. ARE DELIVERED IN THE WEEK, THE RESIDENT WILL BE CHARGED THE GATE RATE
MIXED LOADS	LOADS CONTAINING ANY UNACCEPTABLE WASTE MIXED WITH ACCEPTABLE WASTE WILL BE REJECTED. ONLY ACCEPTABLE WASTE WILL BE ACCEPTED.
SCAVENGING	ABSOLUTELY NO SCAVENGING IS PERMITTED. NOTHING MAY BE REMOVED FROM THE DUMPSTER OR TIPPING FLOOR
CONTRACTORS	CONTRACTORS OR BUSINESS OWNERS CAN NOT USE THE RESIDENTIAL DUMPSTER FOR BUSINESS USE.

The Resident Area Rules and Regulations may be amended or modified by the Company only pursuant to Section 3.6 of the Waste Disposal and Service Agreement.

Exhibit D

Guaranty

[Attached]

Execution Version

GUARANTY

THIS GUARANTY made as of the 24th day of January, 2012, **COVANTA HOLDING CORPORATION**, a Delaware corporation ("Guarantor"), having its principal place of business in Morristown, New Jersey, to and for the benefit of the **CITY OF ALEXANDRIA, VIRGINIA** (the "City") and **ARLINGTON COUNTY, VIRGINIA** (the "County", and together with the City, the "Jurisdictions"). Guarantor and the Jurisdictions are referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, the Jurisdictions contracted with Covanta Alexandria/Arlington, Inc. ("Company"), a wholly owned subsidiary of the Guarantor, for Solid Waste disposal and Processing services at the waste-to-energy facility located in Alexandria, Virginia (the "Project"), pursuant to that certain Waste Disposal and Service Agreement, dated as of January 24, 2012 (as amended, supplemented or otherwise modified from time to time) (the "Service Agreement");

WHEREAS, the Jurisdictions are willing to enter into the Service Agreement only upon the condition that Guarantor execute this agreement;

WHEREAS, the Guarantor has agreed to guarantee payment and performance of the Company's covenants, agreements and obligations under the Service Agreement and any amendment(s) thereto; and

WHEREAS, the Guarantor will benefit from the transactions contemplated by the Service Agreement.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Guarantor for the purpose of inducing the Jurisdictions to enter into the Service Agreement, the Guarantor hereby makes the following guarantees to and agreements with the Jurisdictions:

Section 1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings assigned them in the Service Agreement.

Section 2. Guaranty. Beginning on the Effective Date, Guarantor absolutely, irrevocably and unconditionally guarantees to the Jurisdictions: (a) the due and punctual payment of (i) each payment required to be made by Company under the Service Agreement, when and as due, including payments in respect of reimbursement of disbursements and interest thereon and (ii) all other monetary obligations of the Company under the Service Agreement, including without limitation all indemnities, fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, whether such obligations now exist or arise hereafter (all such obligations referred to in this clause (a) being collectively referred to as the "Monetary Obligations"); and (b) the due and punctual performance and observance of, and compliance with, all covenants, agreements and obligations of the Company under or pursuant to the Service Agreement, or any other agreement or instrument entered into by the Company in connection

with the Service Agreement, whether such obligations now exist or arise hereafter (all such obligations referred to in the preceding clauses (a) and (b) being collectively referred to as the "Obligations"). Guarantor agrees that the Obligations may be extended, amended, modified or renewed, in whole or in part, without notice to or further assent of Guarantor, and that of Guarantor will remain bound by and will honor its guarantee hereunder notwithstanding any extension, amendment, modification or renewal of any Obligation by any Jurisdiction and the Company. This Guaranty shall remain in full force and effect until expiration of the Service Agreement.

Section 3. Obligations Not Waived. To the fullest extent permitted by Applicable Law, Guarantor waives all notices whatsoever with respect to this Guaranty and the Service Agreement or with respect to the Obligations, including presentment to, demand of payment from and protest to the Company of any of the Obligations, and notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by Applicable Law, the Obligations of Guarantor hereunder shall not be affected by (a) the failure of any Jurisdiction to assert any claim or demand or to enforce or exercise any right or remedy against the Company in respect of the Obligations or otherwise under the provisions of the Service Agreement, or otherwise, or, in each case, any delay in connection therewith, or (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of the Service Agreement, or any other agreement to which the Company is a party.

Section 4. Continuing Guaranty of Payment and Performance. Guarantor further agrees that its guaranty constitutes a continuing guaranty of payment and performance when due, and not of collection, and Guarantor further waives any right to require that any resort be had by any Jurisdiction to any security.

Section 5. No Discharge or Diminishment of Guaranty.

(a) The obligations of Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination, or be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever, or otherwise be affected, for any reason (other than the performance in full of all Obligations, including the indefeasible payment in full of all Monetary Obligations, or the termination of all the Obligations), including: any claim of waiver, release, surrender, alteration or compromise of any of the Obligations; the invalidity, illegality or unenforceability of the Obligations; the occurrence or continuance of any event of bankruptcy, reorganization, insolvency, receivership or other similar proceeding with respect to the Company or any other person (for purposes hereof, "person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization or Governmental Authority), or the dissolution, liquidation or winding up of the Company or any other person; any permitted assignment or other transfer of this Guaranty by any Jurisdiction or any permitted assignment or other transfer of the Service Agreement; any sale, transfer or other disposition by Guarantor of any direct or indirect interest it may have in the Company or any other change in ownership or control of the Company; or the absence of any notice to, or knowledge on behalf of, Guarantor of the existence or occurrence of any of the matters or events set forth in the foregoing clauses.

(b) Without limiting the generality of the foregoing, the Obligations of Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Jurisdictions to assert any claim or demand or to enforce any remedy under the Service Agreement, by any waiver or modification of any provision thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of Guarantor or that would otherwise operate as a discharge of Guarantor as a matter of law or equity (other than the performance in full of all Obligations, including the indefeasible payment in full in cash of all Monetary Obligations, or the termination of all the Obligations).

Section 6. Defenses Waived. A Jurisdiction may compromise or adjust any part of the Obligations, make any other accommodation with the Company or exercise any other right or remedy available to it against the Company, without affecting or impairing in any way the liability of Guarantor hereunder except to the extent all the Obligations have been fully and finally performed, including the indefeasible payment in full of all Monetary Obligations, or terminated. To the fullest extent permitted by Applicable Law, Guarantor waives any defense arising out of any such Jurisdiction's election even though such election operates, pursuant to Applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against the Company or any security. Guarantor waives all defenses to which it may be entitled under Applicable Law as in effect or construed from time to time.

Section 7. Representations and Warranties of Guarantor. Guarantor represents and warrants to the Jurisdictions as follows:

(a) Organization. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as is now being conducted.

(b) Authority Relative to this Guaranty. Guarantor has all necessary corporate power and authority to execute and deliver this Guaranty and to perform its obligations hereunder. The execution and delivery by Guarantor of this Guaranty and performance by Guarantor of its obligations hereunder have been duly and validly authorized by and on behalf of the Guarantor and no other corporate proceedings on the part of Guarantor are necessary to authorize this Guaranty or performance by Guarantor of its obligations hereunder. This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes a valid and binding agreement of Guarantor, enforceable against Guarantor in accordance with its terms.

(c) Consents and Approvals; No Violation.

(i) Neither the execution and delivery of this Guaranty by Guarantor nor performance by Guarantor of its obligations hereunder will (x) conflict with or result in any breach of any provision of the organizational or governing documents or instruments of Guarantor, (y) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage,

indenture, license, agreement, lease or other instrument or obligation to which Guarantor or any of its subsidiaries is a party or by which any of their respective assets may be bound or (z) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Guarantor, or any of its assets, except in the case of clauses (y) and (z) for such failures to obtain a necessary consent, defaults and violations which would not, individually or in the aggregate, have a material adverse effect on the ability of Guarantor to discharge its obligations under this Guaranty (a "Guarantor Material Adverse Effect").

(ii) No declaration, filing or registration with, or notice to, or authorization, consent or approval of any Governmental Authority is necessary for performance by Guarantor of its obligations hereunder, other than such declarations, filings, registrations, notices, authorizations, consents or approvals which, if not obtained or made would not, individually or in the aggregate, have a Guarantor Material Adverse Effect.

Section 8. Agreement to Perform and Pay Subordination. In furtherance of the foregoing and not in limitation of any other right that any Jurisdiction has at law or in equity against Guarantor by virtue hereof, upon the failure of the Company, to perform or pay any Obligation when and as the same shall become due, Guarantor hereby promises to and will forthwith, as the case may be, (a) perform, or cause to be performed, such unperformed Obligations and (b) pay, or cause to be paid, to the Jurisdictions the amount of such unpaid Monetary Obligations. Upon payment by Guarantor of any sums to the Jurisdictions as provided above, all rights of Guarantor against the Company, arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full of all the Monetary Obligations. If any amount shall erroneously be paid to Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Company, such amount shall be held in trust for the benefit of the Jurisdictions and shall forthwith be paid to the Jurisdictions to be credited against the payment of the Monetary Obligations or performance in accordance with the terms of the Service Agreement.

Section 9. Information. Guarantor assumes all responsibility for being and keeping itself informed of the Company's financial condition and assets, and of all other circumstances bearing upon the risk of nonperformance of the Obligations (including the nonpayment of Monetary Obligations) and the nature, scope and extent of the risks that Guarantor assumes and incurs hereunder, and agrees that the Jurisdictions do not have any duty to advise Guarantor of information known to it regarding such circumstances or risks.

Section 10. Termination and Reinstatement. This Guaranty shall be effective as of the Effective Date (a) shall terminate when all the Obligations have been (i) performed in full, including the indefeasible payment in full of the Monetary Obligations or (ii) terminated and (b) shall continue to be effective or be reinstated, as the case may be, if at any time any payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Jurisdictions upon the bankruptcy or reorganization of the Company or Guarantor or for any other reason.

Section 11. Assignment; No Third Party Beneficiaries. This Guaranty and all of the provisions hereunder shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, and nothing herein express or implied will give or be construed to give any entity any legal or equitable rights hereunder. Neither this Guaranty nor any of the rights, interests and obligations hereunder shall be assigned by Guarantor, including by operation of law, without the prior written consent of the Jurisdictions; provided, however, that no assignment or transfer of rights or obligations by Guarantor shall relieve it from the full liabilities and the full financial responsibility, as provided for under this Guaranty, unless and until the transferee or assignee shall agree in writing to assume such obligations and duties and the Jurisdictions have consented in writing to such assumption.

Section 12. Amendment and Modification, Extension; Waiver. This Guaranty may be amended, modified or supplemented only by an instrument in writing signed on behalf of each of the Parties. Any agreement on the part of a Party to any extension or waiver in respect of this Guaranty shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of a Party to this Guaranty to assert any of its rights under this Guaranty or otherwise shall not constitute a waiver of such rights.

Section 13. Governing Law. It is the express intention of the Parties that all legal actions and proceedings related to this Guaranty or to any rights or any relationship between the Parties arising therefrom shall be solely and exclusively initiated and maintained in the courts of the Commonwealth of Virginia and the laws of the Commonwealth of Virginia shall govern the validity, interpretation, construction and performance of this Guaranty, excluding any conflict-of-law rules which would direct the application of the law of another jurisdiction.

Section 14. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (as of the time of delivery or, in the case of a facsimile communication, of the times of confirmation) if delivered personally, sent by overnight courier (providing proof of delivery) or electronic mail (with follow up copy sent by any of the aforesaid means) to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to the City:

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: City Manager
Email: rashad.young@alexandriava.gov

With a copy to (which shall not constitute notice):

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: Director of Transportation and Environmental Services
Email: rich.baier@alexandriava.gov

With a copy to (which shall not constitute notice):

City of Alexandria, Virginia
City Hall
301 King Street
Alexandria, Virginia 22313
Attention: City Attorney
Email: james.banks@alexandriava.gov

If to the County:

Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attention: Director, Department of Environmental Services
Email: des@arlingtonva.us

With a copy to (which shall not constitute notice):

Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attention: County Manager
Email: countymanager@arlingtonva.us

With a copy to (which shall not constitute notice):

Arlington County, Virginia
2100 Clarendon Boulevard, Ste 403
Arlington, Virginia 22201
Attention: County Attorney
Email: cao@arlingtonva.us

If to the Guarantor:

Covanta Holding Corporation
445 South Street
Morristown, NJ 07960
Attention: Timothy J. Simpson, General Counsel
Email: tsimpson@covantaenergy.com

Section 15. Jurisdiction and Enforcement.

(a) Each of the Parties irrevocably submits to the exclusive jurisdiction of (i) the United States District Court for the Eastern District of Virginia, Alexandria Division, or (ii) any other Virginia court sitting in Alexandria, Virginia or Arlington, Virginia for the purposes of any suit, action or other proceeding arising out of this Guaranty or any transaction contemplated hereby. Each of the Parties agrees to commence any action, suit or proceeding relating hereto either in the United States District Court for the Eastern District of Virginia, Alexandria Division. Each of the Parties further agrees that service of process, summons, notice or document by hand delivery or U.S. registered mail at the address specified for such Party in Section 14 (or such other address specified by such Party from time to time pursuant to Section 14) shall be effective service of process for any action, suit or proceeding brought against such Party in any such court. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Guaranty or the transactions contemplated hereby in (i) the United States District Court for the Eastern District of Virginia, Alexandria Division or (ii) any other Virginia court sitting in Alexandria, Virginia or Arlington, Virginia and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Guaranty were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled equitable relief, including without limitation, an injunction or injunctions to prevent breaches of this Guaranty and to specifically enforce the terms and provisions of this Guaranty, this being in addition to any other remedy to which they are justly entitled to, whether at law or in equity.

Section 16. Survival of Guaranty. All covenants, agreements, representations and warranties made by Guarantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Guaranty shall be considered to have been relied upon by the Jurisdictions and shall unconditionally survive the consummation of the transactions contemplated by the Service Agreement, regardless of any investigation made by the Jurisdictions or on their behalf, and shall continue in full force and effect as long as any Obligations remain outstanding.

Section 17. Effectiveness; Counterparts. This Guaranty shall become effective when executed by Guarantor. This Guaranty may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

Section 18. Rules of Interpretation. The rules of interpretation specified in Section 1.2 of the Service Agreement shall be applicable to this Guaranty.

Section 19. Severability.

(a) If any term or other provision of this Guaranty is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Guaranty shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Guaranty so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by Applicable Law, in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(b) In the event that the provisions of this Guaranty are claimed or held to be inconsistent with any other agreement or instrument evidencing the Obligations, the terms of this Guaranty shall remain fully valid and effective.

Section 20. Entire Guaranty. This Guaranty embodies the entire agreement and understanding of the Parties in respect of the matters contemplated hereby. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein. This Guaranty supersedes all prior agreements and understandings between the Parties with respect to the matters contemplated hereby.

[Signature Page Follows]

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IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered by the Guarantor as of the date first above written.

COVANTA HOLDING COMPANY

By: _____

Name: Anthony J Orlando

Title: Chief Executive Officer

Exhibit E

Form of Confidentiality Agreement

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is made as of _____ ___, 20__, by and between Covanta Alexandria/Arlington, Inc., a Virginia corporation ("Covanta"), and _____, a _____ ("Recipient").

WHEREAS, Covanta has technical, business, financial and/or other information which it is prepared to disclose to Recipient, in reliance upon and subject to the terms and conditions of this Agreement, for the purpose of preparing reports and other materials for, and on behalf of, the Jurisdictions (as defined below) (the "Purpose"); and

WHEREAS, this Agreement is being entered into pursuant to the Waste Disposal and Service Agreement dated as of January ___, 2012 among Covanta and the City of Alexandria, Virginia and the County of Arlington, Virginia (collectively, the "Jurisdictions").

NOW THEREFORE, in consideration of the mutual agreements of the parties, the parties agree as follows:

1. For purposes of this Agreement, "Confidential Information" means any written information supplied by Covanta, any of its affiliates or any of their agents or representatives to Recipient relating to the business of Covanta or affiliated entities and which has been expressly or implicitly protected from unrestricted use by persons not associated with Covanta or such affiliated entities and includes, but is not limited to, operating data, facility design drawings and information, customer lists, business plans, projections, research, financial data or information, marketing materials, and information pertaining to any of the foregoing; provided, however, that "Confidential Information" shall not include information that:

(i) at the time of disclosure or thereafter is generally known or available to the public (other than as a result of a disclosure by Recipient in breach hereof);

(ii) was available to Recipient on a non-confidential basis prior to its disclosure to Recipient by Covanta;

(iii) becomes available to Recipient on a non-confidential basis from a source other than Covanta who Recipient believes is not bound by a confidentiality agreement with respect to such information; or

(iv) has been independently acquired or developed by Recipient without breaching any of its obligations under this Agreement.

All information which is identified or marked "confidential" or "proprietary" shall be presumed to be Confidential Information; provided that, the failure of any information to be so identified or marked shall not create a presumption that such information is not Confidential Information.

2. Recipient recognizes that Covanta and its affiliates have developed and acquired valuable Confidential Information as defined above. Recipient acknowledges that Covanta may suffer irreparable harm if Recipient or its agents or representatives, after having access to any Confidential Information, make any unauthorized disclosures or communication of any Confidential Information wrongfully or in competition with Covanta.

3. Recipient acknowledges and agrees that, subject to Section 4 below:

(a) Recipient will treat as confidential all Confidential Information which may be made or become available to Recipient or any personnel, affiliates or related entities of Recipient in connection with any review conducted by any of them;

(b) Recipient will limit access to the Confidential Information to those personnel, affiliates or related entities of Recipient to whom it is necessary to disclose the Confidential Information in furtherance of the Purpose;

(c) Recipient will prevent disclosure of any Confidential Information by any personnel, affiliates or related entities of Recipient to unauthorized parties and assume liability for any breach of this Confidentiality Agreement, or for any other unauthorized disclosure or use of Confidential Information, by it or any of its personnel, affiliates or related entities; and

(d) Recipient and its personnel, affiliates and related entities will not use any Confidential Information in any way other than in connection with the Purpose.

In addition, except in connection with the Purpose or as required by law, rule, regulation, judicial or administrative process, or in accordance with applicable professional standards or rules, Covanta and Recipient will not, and will not direct such personnel, affiliates and related entities to, without the prior written consent from the other party, disclose to any person either the fact that discussions or negotiations are taking place concerning the Confidential Information or any of the terms, conditions or other facts, including the status thereof. Notwithstanding anything herein contained to the contrary, in connection with the Purpose, Recipient may disclose Confidential Information to the Jurisdictions as Recipient deems necessary in order for Recipient to provide its services to the Jurisdictions and Recipient will not be responsible for the disclosure, use or other treatment of such Confidential Information by the Jurisdictions; provided, Recipient shall not provide copies or written summaries to the Jurisdictions of Confidential Information without Covanta's consent, which shall not be unreasonably withheld.

4. In the event that Recipient or anyone to whom Recipient transmits Confidential Information pursuant to this Agreement become required to disclose Confidential Information by law, rule, regulation, judicial or administrative process, or in accordance with applicable professional standards or rules, to the extent not prohibited by applicable law or regulation, Recipient will provide Covanta with prompt written notice thereof so that Covanta may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that Covanta waives compliance with the provisions of this Agreement, Recipient may disclose Confidential

Information, but only that portion of the Confidential Information which Recipient is advised by counsel is required. In addition, Confidential Information is disclosed by Recipient in connection with any litigation or arbitration involving Recipient, the Jurisdictions or Covanta relating to this Agreement or the Purpose.

5. Upon the written request of Covanta at any time, Recipient shall promptly redeliver to Covanta all written Confidential Information (whether prepared by Covanta, its personnel, affiliates and related entities or otherwise) and will not retain any copies, extracts or other reproductions in whole or in part of such written material. All documents, memoranda, notes and other writings whatsoever prepared by Recipient or its personnel, affiliates, or related entities based on the information in the Confidential Information shall be destroyed, and such destruction shall be confirmed in writing to Covanta by an authorized representative supervising such destruction. Notwithstanding any foregoing provision to the contrary, Recipient may (a) if it so elects, retain one copy of the Confidential Information for archival purposes (it being understood that any Confidential Information so retained shall be subject to the terms of this Agreement), and (b) disclose Confidential Information in any report(s) being prepared in connection with the Purpose.

6. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns. This Agreement may not be assigned by Recipient without the express prior written consent of Covanta.

7. The parties agree that Covanta may not have an adequate remedy at law for any breach or nonperformance of the terms of this Agreement by Recipient and that this Agreement, therefore, may be enforced in equity by seeking specific performance or a seeking temporary restraining order and/or injunction. Covanta's right to such equitable remedies shall be in addition to all other rights and remedies which Covanta may have hereunder or under applicable law.

8. No modification or waiver of any of the provisions hereof, or any representation, promise or addition hereto, or waiver of any breach hereof, will be binding upon either party unless made in writing and signed by the party to be charged thereby. No waiver of any particular breach will be deemed to apply to any other breach, whether prior or subsequent to a waiver.

9. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws.

10. The term of this Agreement and the obligations set forth herein with respect to Confidential Information shall be five (5) years from the date hereof; provided, however, as between the parties, that patent, pending patent, proprietary, license, and other rights of Covanta to said Confidential Information shall in any event remain the property of Covanta.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in the manner appropriate to each as of the date first above written.

COVANTA ALEXANDRIA/ARLINGTON, INC.

By:_____
Name: _____
Title: _____

[_____]

By:_____
Name: _____
Title: _____