
AMENDED & RESTATED SERVICE AGREEMENT

between

COVANTA DELAWARE VALLEY, L.P.

and

THE DELAWARE COUNTY SOLID WASTE AUTHORITY

DATED AS OF MAY 15, 2017

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AMENDED & RESTATED SERVICE AGREEMENT

THIS AMENDED & RESTATED SERVICE AGREEMENT (this "*Agreement*") is entered into as of May 15, 2017 (the "*Contract Date*"), by and between Covanta Delaware Valley, L.P., a Delaware limited partnership (the "*Company*"), and the Delaware County Solid Waste Authority, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "*Authority*"). The Company and the Authority may each be referred to herein as the "*Party*", or together as the "*Parties*", as the usage of such term may require.

Recitals

A. The Authority and the Company are parties to that certain Restated Service Agreement dated as of December 1, 1988 (the "*Restated Service Agreement*"), as amended by the 1992 Amendment to Restated Service Agreement dated as of December 17, 1992, the 1993 Amendment to Restated Service Agreement dated as of December 17, 1993, the 1997 Amendment to Restated Service Agreement dated as of April 8, 1997, the 2001 Amendment to Restated Service Agreement dated as of August 28, 2001, the 2005 Amendment to Restated Service Agreement dated as of June 9, 2005, the 2011 Amendment to Restated Service Agreement dated as of December 31, 2011, the 2012 Amendment to Restated Service Agreement dated as of January 31, 2012, the letter agreement dated as of April 5, 2017 and the letter agreement dated as of April 28, 2017 (the Restated Service Agreement, as so amended, the "*Service Agreement*").

B. The term of the Service Agreement is scheduled to expire on May 15, 2017.

C. The Parties wish to amend and restate in its entirety the Service Agreement to govern performance of the Parties beginning at 12:01 a.m. on the Commencement Date, as more specifically provided for herein.

D. Pursuant to the Service Agreement, the Company (or its predecessor) has designed and built, and currently owns and is operating and maintaining, a resource recovery facility for disposing and Processing of Acceptable Waste (defined below), producing saleable electricity and recovering other Recovered Resources (defined below), which facility is located on real property having a street address of 10 Highland Avenue, Chester, Pennsylvania 19013 (together with all additions, replacements, appurtenant structures, improvements and equipment in connection therewith, the "*Facility*").

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and of the mutual obligations undertaken herein, and other good and valuable consideration, the receipt and

sufficiency of which is hereby acknowledged, and intending to be legally bound, the Company and the Authority hereby agree as follows:

ARTICLE I – DEFINITIONS AND INTERPRETATION

1.01 Incorporation by Reference. The above Recitals are incorporated into this Agreement by this reference. Schedules 1, 2, 3, 4, 5, 6 and 7 attached to this Agreement are incorporated into this Agreement by this reference.

1.02 Definitions.

The following terms shall have the following meaning:

“Acceptable Ash” means Process Residue or process residue resulting from the combustion of Solid Waste normally disposed of at a permitted landfill similar to the Rolling Hills Landfill, including bottom ash, fly ash, grate siftings and other material derived from Acceptable Waste after (a) Processing at the Facility, (b) combustion at another Covanta EfW Facility, or (c) post-combustion recovery of Recovered Resources at one or more Ash Processing Facilities; excluding, however (i) Hazardous Waste, (ii) un-Processed Solid Waste, and (iii) Unacceptable Ash.

“Acceptable Waste” means the Solid Waste normally collected and disposed of in the County; excluding, however, (i) Solid Waste which is recycled or reduced in accordance with any local, County, regional or Commonwealth solid waste management program, (ii) Hazardous Waste, and (iii) Unacceptable Waste.

“Affiliate” means a Person that controls, is controlled by, or is under common control with such Person.

“Annual Capital Cost” means an amount determined by dividing (a) the total capital cost of the capital project necessitated by a Change in Law (including the cost of financing the capital project in accordance with clause (d) of the definition of Direct Cost), subject to Cost Substantiation, by (b) the asset depreciable period for the applicable capital item on a straight-line depreciation basis (not accelerated), as set forth in Section 168 of the Internal Revenue Code.

“Applicable Law(s)” means all applicable federal, Commonwealth, or local statutes, laws, ordinances, rules, regulations and Permits, and any interpretations thereof by Governmental Authorities.

“Ash Processing Facilities” means ash or metals recovery facilities owned and/or operated by the Parent or its Affiliates which process ash produced from EfW Facilities.

“Authority Allocable Share” has the meaning specified in Section 4.08(c)(2)(b).

“Authority Fault” means any act or failure to act on the part of the Authority that constitutes a breach of its obligations under this Agreement or on the part of the Authority or its

employees, agents or subcontractors that constitutes a violation of any duty of the Authority to the Company imposed under Applicable Law.

"Authority Indemnified Party(ies)" has the meaning specified in Section 5.03(a).

"Authority Transfer Stations" means the Solid Waste management facilities owned and/or operated by the Authority used for receiving waste and transferring the material to vehicles for transport to another location, including Transfer Station #1.

"Authority Waste" means Acceptable Waste delivered by, or on behalf of, or under contract, franchise or other arrangement or obligation with the Authority or any of its participating municipalities.

"Billing Period" means each calendar month in each Contract Year, and the partial month at the beginning and end of each Contract Year. For avoidance of doubt, the first Billing Period shall begin May 1, 2017 and end May 31, 2017.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a Legal Holiday.

"By-Pass Ash" means (1) Covanta Ash diverted from the Rolling Hills Landfill in accordance with this Agreement or the Authority's direction, unless such direction results from the application of Section 3.02(a)(1), (2), (3) or (4) and (2) Covanta Ash that the Authority is obligated to accept pursuant to the provisions hereunder but that is rejected upon delivery at the Rolling Hills Landfill or directed by the Authority to be disposed of by alternate disposal methods, for reasons other than Company Fault or Unforeseen Circumstances.

"By-Pass Waste" means (1) Authority Waste delivered to the Facility but not Processed due to Company Fault, (2) Authority Waste diverted from the Facility in accordance with this Agreement or at the Company's direction, unless such direction results from the application of Section 2.06(a), (b) or (c), and (3) Acceptable Waste that the Company is obligated to accept but that is rejected upon delivery at the Facility or directed by the Company to be disposed of by alternate disposal methods, for reasons other than Authority Fault or Unforeseen Circumstances.

"Change in Law" means (a) the enactment, promulgation, amendment or official interpretation or reinterpretation by Governmental Authority after the Commencement Date of (i) any federal statute or regulation not enacted, promulgated, amended, interpreted or reinterpreted on or before the Commencement Date, as applicable, or (ii) any Commonwealth or local statute, ordinance, or regulation that was not so enacted, promulgated, amended, interpreted or reinterpreted on or before the Commencement Date, as applicable, or (b) the imposition of any material conditions in connection with the issuance, renewal, or modification of any Permit after the Commencement Date, which in the case of either (a) or (b) establishes requirements making the ownership, operation or maintenance of the Facility, the Rolling Hills Landfill or the Authority Transfer Stations, or any one or more of the foregoing, more burdensome than the most stringent requirements (x) in effect as of the Commencement Date, (y) agreed to in any applications of the Company or the Authority, as applicable, for Permits, or approvals, or (z) contained in any Permit with respect to the Facility, the Rolling Hills Landfill or the Authority Transfer Stations, or any one or more of the foregoing, obtained as of the

Commencement Date; provided, however, that a change in any income tax or property tax law (whether federal, Commonwealth, County or local) on or after the Commencement Date shall not be a Change in Law.

"Change in Law Credit" has the meaning specified in Section 4.08(c)(4).

"Commencement Date" means the date on which all of the conditions precedent specified in Section 6.01 are satisfied (or waived in writing by the Party entitled to waive such conditions precedent).

"Commonwealth" means the Commonwealth of Pennsylvania and all of its appropriate administrative, contracting and regulatory agencies and offices.

"Company Fault" means any act or failure to act on the part of the Company that constitutes a breach of its obligations under this Agreement or on the part of the Company, its Affiliates, or their respective employees, agents or subcontractors that constitutes a violation of any duty of the Company to the Authority imposed under Applicable Law.

"Company Indemnified Party(ies)" has the meaning specified in Section 5.03(b).

"Contract Date" has the meaning specified in the first paragraph of this Agreement.

"Contract Year" means the annual period beginning on May 1, 2017, and each subsequent annual period during the Service Term, except the last Contract Year shall end concurrently with the date of termination of this Agreement.

"Cost Substantiation" means, with respect to any cost, a certificate signed by an authorized officer of the relevant Party providing cost substantiation, setting forth the amount of cost and the reason why such cost is properly chargeable to the other Party hereunder, and stating that such cost is an arm's length and competitive price for the service or materials supplied.

"County" means Delaware County, Pennsylvania.

"County Guarantee" means that certain Guarantee Agreement dated as of December 17, 1992, from the County for the benefit of the Company (formerly for the benefit of Delaware Resource Management Incorporated), as amended, supplemented or restated from time to time.

"Covanta Ash" has the meaning specified in Section 3.01(a).

"Covanta EfW Facilities" means EfW Facilities owned and/or operated by the Parent or its Affiliates on the Contract Date.

"Direct Cost(s)" means, in connection with any cost or expense incurred by the Company or the Authority, as applicable, the sum of:

- (a) the incremental costs of the applicable Party's employees performing services directly related to the performance of the obligations of the applicable Party for which Direct Costs are to be applied pursuant to the terms hereof, consisting of that incremental portion of

compensation and fringe benefits, including vacation, sick leave, holidays, and worker's compensation insurance not otherwise provided by the applicable Party pursuant to this Agreement, federal and Commonwealth unemployment taxes and all medical and health insurance benefits, excluding retirees medical and health benefits, plus

(b) the sum of payments of reasonable costs to subcontractors of the applicable Party necessary to and in connection with the performance of the applicable Party's work for which Direct Costs are to be applied, plus

(c) the costs of equipment, materials, chemicals, direct rental costs and supplies purchased by the applicable Party relative to such Party's work for which Direct Costs are to be applied (equipment manufactured or furnished by the applicable Party and services, materials and supplies furnished by the applicable 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 for incorporation into or exclusive use at or relative to the Facility, the Landfill or the Authority Transfer Stations, as applicable), plus

(d) interest and transaction costs of financing the items described in the foregoing clauses (b) and (c), plus

(e) subject to Applicable Law, the actual costs of travel and subsistence incurred by any employee of the applicable Party performing such Party's work for which Direct Costs are to be applied.

Further, in no event shall the applicable Party's Direct Costs be duplicative of any other definition or provision providing for the payment by the other Party of any of the itemized costs specified in this definition.

"EfW Facilities" means energy-from-waste facilities that process Solid Waste by combustion technology.

"Escalation Factor" has the meaning specified in Schedule 2.

"Event of Default" has the meaning specified in Sections 7.01 and 7.02.

"Facility" has the meaning set forth in the Recitals.

"Facility Receiving Times" means the hours between 5:00 a.m. and 6:00 p.m., Monday through Friday (except as otherwise provided in this definition), and the hours between 5:00 a.m. and 2:00 p.m. on Saturdays (except as otherwise provided in this definition), Good Friday, Memorial Day, Independence Day and Labor Day, excluding in all such cases Legal Holidays (on which there are no open hours).

"Facility Site" means the real property located in the County upon which the Facility is situated.

"First UCC Notice" has the meaning specified in Section 4.08(b).

"Governmental Authority(ies)" means any federal, Commonwealth, 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, administrative, bureau or court having jurisdiction over, as applicable (a) the Facility, (b) the Facility Site, (c) the Landfill, (d) the Landfill Site, (e) the transactions relative to the Facility or the Landfill, (f) the obligations or the rights, or both, of the Parties hereunder, (g) leases or property rights relative to the Facility Site or Landfill Site, or (h) the sale, purchase or other disposition of commodities consumed, produced or generated by the Facility.

"Guaranteed Process Residue Tonnage" means 450,000 Tons of Covanta Ash per Contract Year, prorated for any Contract Year that is less than twelve (12) full months.

"Guaranteed Tonnage" means 300,000 Tons of Acceptable Waste per Contract Year, prorated for any Contract Year that is less than twelve (12) full months.

"Guaranty" means the Guaranty of the Parent in favor of the Authority, in the form attached hereto as Schedule 3, as amended, supplemented or restated from time to time.

"Hauler" means any Person transporting waste to the Facility by or on behalf of the Authority.

"Hazardous Waste" means any material or substance which, by reason of its composition or characteristics, is: (a) hazardous waste as defined in the Solid Waste Disposal Act, 42 USC §§6901 *et seq.*, and the regulations thereunder, and any similar Commonwealth, local or substituted legislation or regulations or amendments to the foregoing; and (b) any other materials which any Governmental Authority shall determine from time to time is harmful, toxic, or dangerous, or otherwise ineligible for disposal through the Facility or disposal at the Landfill.

"Landfill" means any landfill or other disposal facility designated by the Authority from time to time, including the Rolling Hills Landfill, which is permitted to operate under Applicable Law of the Commonwealth or any contiguous state.

"Landfill Receiving Times" means the hours between 7:00 a.m. and 4:00 p.m., Monday through Friday (except as otherwise provided in this definition), and the hours between 7:00 a.m. and 12:00 p.m. on up to 18 Saturdays per calendar year (to be mutually agreed upon by the Parties from time to time), other than New Year's Day, Good Friday, Memorial Day, Independence Day, Thanksgiving Day and Christmas Day.

"Legal Holidays" means the following holidays: New Year's Day, Martin Luther King, Jr. Day, Thanksgiving Day and Christmas Day.

"Loss" has the meaning specified in Section 5.03(a).

"Maximum Process Residue Tonnage" means 500,000 Tons of Covanta Ash per Contract Year, prorated for any Contract Year that is less than twelve (12) full months.

"Overdue Rate" means five percent (5%) per annum or the maximum rate permitted by law of the Commonwealth, whichever rate is lower.

"Parent" means Covanta Holding Corporation, a Delaware corporation.

"Pass Through Costs" has the meaning specified in Section 4.05(a).

"Permits" 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 to be obtained or maintained, or both, by the Company or Authority with respect to their respective obligations hereunder.

"Person" means a corporation, partnership, limited liability company, political subdivision, municipal corporation, public benefit corporation, public authority, business trust, trust, joint venture, company, firm, other entity or individual.

"Preferential Treatment" means a separate, dedicated lane at the Facility for Authority Haulers only (and no other non-Authority Haulers) providing such Authority Haulers priority queueing, access and weighing over the Facility weigh scales by permitting two (2) Authority Haulers access to the Tipping Floor to tip their entire load for each one (1) non-Authority Hauler permitted access to the Tipping Floor to tip its entire load.

"Process," "Processing," or "Processed," as applicable, means the combustion of Acceptable Waste in the Facility.

"Process Residue" means the material which remains after Acceptable Waste is Processed and to the extent Recovered Resources are removed therefrom.

"Process Residue Shortfall Fee" has the meaning specified in Section 4.09(b)(1).

"Process Residue Tipping Fee" has the meaning specified in Section 4.04.

"Prohibited Ash" means Hazardous Waste or Unacceptable Ash, or both.

"Prohibited Waste" means Hazardous Waste or Unacceptable Waste, or both.

"Prudent Industry Practice(s)" means those practices, methods, techniques, specifications and standards of safety, maintenance and performance, 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 and operation services on (i) in the case of the Facility, municipal Solid Waste and power generation facilities of the type and size similar to the Facility, or (ii) in the case of the Rolling Hills Landfill, municipal Solid Waste landfills of the type and size similar to the Rolling Hills Landfill, as applicable, which in the exercise of reasonable judgment and in light of the facts known at the time the decision was made, are (a) considered good, safe and prudent practice in connection with such services, and (b) commensurate with a prudent standard of safety, performance, dependability and efficiency.

"Recovered Resources" means (i) steam, electric energy, capacity, ancillary services, ferrous and non-ferrous metals, coals, ash and such other materials of whatever nature or description as the Company may from time-to-time recover from Solid Waste, Process Residue

or any other material, whether at the Facility or elsewhere, as determined by the Company in its sole and absolute discretion, and (ii) offsets, credits or benefits of whatever nature or description, for emissions, pollution, greenhouse gas, renewable energy generation, investment, production, taxes or any certificate, grant or intangible entitlement relating to the Facility or its operation.

"Rolling Hills Landfill" means the landfill located at 583 Longview Road, Boyertown, PA 19512.

"Schedule" means an exhibit, schedule or annex which is incorporated in, and made a part of, this Agreement.

"Second UCC Notice" has the meaning specified in Section 4.08(c)(1).

"Service Fee" has the meaning specified in Section 4.02.

"Service Term" has the meaning specified in Section 8.01(a).

"Solid Waste" means all materials or substances discarded or rejected as being spent, useless, worthless, or in excess to the owners at the time of such discard or rejection, including but not limited to garbage, refuse, residential and commercial waste, but excluding sewage and other highly diluted water-carried materials or substances and those in gaseous form, or special nuclear or by-product materials within the meaning of the Atomic Energy Act of 1954, as amended.

"Tipping Floor" means the tipping floor located within the Facility.

"Ton" means a "short ton" of 2,000 pounds.

"Transfer Station #1" means the Authority-owned transfer station located at 2300 Concord Rd., Aston, PA 19014.

"Unacceptable Ash" means (i) overly dry or overly fine ash, in each case, the acceptance of which by the Authority is deemed to be an operational, health or safety issue or hazard, as reasonably determined by the Authority, in consultation with and upon reasonable prior notice to the Company, or (ii) any other material which violates or is prohibited by Applicable Law.

"Unacceptable Waste" means that type of Solid Waste, exclusive of Hazardous Waste, such as, but not limited to: explosives, pathological and biological waste, radioactive materials, ashes, wet cannery waste, foundry sand, cesspool or other human waste, human and animal remains, animal or food processing waste resulting from slaughterhouses and wholesale food processing establishments, motor vehicles, including such major motor vehicles parts as automobile transmissions and blocks, batteries, engines, rear ends, springs, and fenders, trailers, wire and cable, agricultural and farm machinery and equipment, marine vessels and major parts thereof, any other large type of machinery or equipment, substantial quantities of liquid wastes (excluding moisture in Solid Waste resulting from precipitation) or nonburnable construction materials and/or demolition debris, rock, gravel and other earthen materials, or other type of material, the acceptance of which by the Company (a) is deemed to be an operational, health or safety issue or hazard, as reasonably determined by the Company in consultation with and upon

reasonable prior notice to the Authority, or (b) would violate or be prohibited by Applicable Law.

"Unforeseen Circumstance" means any act, event, or condition that has had, or, at the time of the occurrence of such act, event or condition may reasonably be expected to have, a material adverse effect on the rights or the obligations of the Parties under this Agreement, or a material adverse effect on the Facility, the Landfill or any of the Authority Transfer Stations, as applicable, or the ownership, possession, or operation of the Facility, the Landfill or any of the Authority Transfer Stations, as applicable, if such act, event, or condition is 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 this Agreement and is the proximate cause of such failure to perform or comply. Such acts or events may include, but shall not be limited to, the following:

(a) An act of God, including volcanic eruption, landslide, lightning, earthquake, fire, flood (but excluding reasonably anticipated weather conditions for the geographic area of the Facility or the Landfill, as applicable); explosion, sabotage, or similar occurrence; acts of a public enemy, extortion, terrorism, war, blockade, or insurrection, strike (where continued performance would reasonably be expected to result in a breach of the peace), riot or civil disturbance;

(b) The order and/or judgment of any Governmental Authority, excepting decisions of federal courts interpreting the federal income tax laws and decisions of Commonwealth courts interpreting Commonwealth income or property tax laws (or, in the case of ownership of the Facility for income or property tax purposes, excepting the decision of or regulations promulgated by any Governmental Authority), if it is not also the result of the willful or negligent action or inaction of the Party relying thereon; provided that neither the contesting in good faith of any such order and/or judgment nor the failure to so contest shall constitute or be construed as a willful or negligent action or inaction of such Party;

(c) The failure to issue, suspension, termination, interruption, denial or failure of renewal of any Permit essential to the ownership, operation or maintenance of the Facility, the Landfill or any of the Authority Transfer Stations, as applicable, provided that such act or event is the result of the imposition of standards or requirements exceeding those in effect on the Commencement Date; provided further that such act or event shall not be the result of the willful or negligent action or inaction of the Party relying or seeking to rely thereon but that neither the contesting in good faith of any such order nor the failure to so contest shall be construed as a willful or negligent action or inaction of such Party;

(d) A Change in Law;

(e) The failure of any appropriate federal, Commonwealth or local public agency or private utility having operational jurisdiction in the area in which the Facility or the Landfill, as applicable, is located, to provide and maintain utilities, services, water, and sewer lines and power transmission lines to the Facility Site or the Landfill Site, as applicable, which are required for and essential to the ownership, operation or maintenance of the Facility or the Landfill, as applicable;

(f) The failure of any subcontractor or supplier to furnish labor, services, materials, or equipment on the dates agreed to; provided, that (i) such failure is itself caused by an Unforeseen Circumstance and materially adversely affects the Company's or the Authority's ability to perform its obligations hereunder, (ii) the Company or the Authority, as applicable, was not reasonably able to foresee such event and is not reasonably able to obtain substitute labor, services, materials, or equipment on the agreed-upon dates, and (iii) such failure was not due to such subcontractor's or supplier's negligence or willful misconduct; or

(g) The condemnation, taking, seizure, involuntary conversion, or requisition of title to or use of the Facility, the Facility Site, the Landfill, or the Landfill Site, or any material portion or part thereof by the action of any federal, Commonwealth, or local government or governmental agency or authority.

The following acts, events or conditions shall not be an Unforeseen Circumstance for purposes of this Agreement:

(a) any act, event or condition which is caused by the negligence or willful misconduct of (i) the Company, its Affiliates, any of their respective subcontractors, or any of the Company's or Affiliates' agents or employees; or (ii) the Authority or its subcontractors, agents or employees;

(b) any change in or loss of any contract for sale of electric power generated by the Facility, any change in the point of interconnection with the Facility electric distribution system or in the equipment necessary for the Company to make such interconnection;

(c) economic infeasibility, general economic conditions, interest or inflation rates or currency fluctuations;

(d) any impact of prevailing wage or similar law, customs or practices on the work performed by the Company hereunder, except to the extent any impact is due to a Change in Law;

(e) any Change in Law regarding the quality, condition or disposal of municipal Solid Waste or Process Residue, as applicable, the terms and conditions of which do not impose more stringent or burdensome requirements than were imposed on the Commencement Date;

(f) changes in the financial condition of the Authority, the County, the Company, the Parent, its Affiliates or any subcontractor or supplier affecting the affected Party's ability to perform its obligations under this Agreement;

(g) the failure of the Authority to deliver the Guaranteed Tonnage (in any amount or type, including failure to satisfy the Guaranteed Tonnage in one or more Contract Year(s) to the Facility) which affects, either directly or indirectly, the Company's performance of its work hereunder;

(h) the failure of the Company to deliver the Guaranteed Process Residue Tonnage (in any amount or type, including failure to satisfy the Guaranteed Process Residue

Tonnage in one or more Contract Year(s) to the Rolling Hills Landfill) which affects, either directly or indirectly, the Authority's performance of its work hereunder;

(i) pricing, economic or other market fluctuations in the sale of Recovered Resources, including the rates received from the sale of such Recovered Resources and/or the costs involved in marketing, selling or transporting such materials;

(j) equipment failure, except due to acts, events or conditions specifically enumerated herein as an Unforeseen Circumstance;

(k) any subsurface or latent physical condition at or with respect to the Facility Site;

(l) any impact of prevailing wage or similar laws, customs or practices on the applicable Party's costs; and

(m) a labor strike, stoppage, secondary boycott or walkout, except in any such case where continued performance would reasonably be expected to result in a breach of the peace.

"*Wait Time*" has the meaning specified in Section 2.04(b).

"*Wait Time Charge*" has the meaning specified in Section 2.04(b).

"*Wait Time Effective Date*" has the meaning specified in Section 2.04(a).

"*Waste Shortfall Fee*" has the meaning specified in Section 4.09(a)(1).

"*Waste Suppliers*" has the meaning specified in Section 2.12(b).

"*Waste Tipping Fee*" has the meaning specified in Section 4.03.

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

(a) The terms "hereof", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this entire Agreement.

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

(c) The terms "including" and "includes", as used in this Agreement, shall be deemed to be followed by the phrase "without limitation", whether such phrase or words of similar import actually follow or not.

(d) The expression "and/or" when used as a conjunction shall connote "any or all of."

(e) The phrase "delivered by or on behalf of the Authority" and similar phrases shall mean delivered on behalf of the Authority by Haulers under contract, franchise or other arrangement or obligation with the Authority or any of its participating municipalities.

(f) To the extent that there is any conflict between the provisions of the body of this Agreement and the provisions of any Schedule, the body of this Agreement shall govern and control, unless otherwise expressly noted in this Agreement.

ARTICLE II – OPERATION OF THE FACILITY; DELIVERY AND PROCESSING OF AUTHORITY WASTE

2.01 Delivery of Authority Waste to the Facility.

(a) **Guaranteed Tonnage.** On and after the Commencement Date and during the Service Term, the Authority, at its sole cost and expense, shall deliver, or cause to be delivered, Acceptable Waste to the Facility in an amount not less than the Guaranteed Tonnage in each Contract Year. Notwithstanding anything herein to the contrary, the failure of the Authority to deliver, or cause to be delivered, at least the Guaranteed Tonnage in any Contract Year shall not constitute an Event of Default or Unforeseen Circumstance; provided, however, that in such case, the Authority shall pay to the Company the Waste Shortfall Fee as provided in Section 4.09(a), as the Company's sole and exclusive remedy for such failure of the Authority, any contrary provision in this Agreement notwithstanding. The Authority shall have no obligation to deliver Authority Waste to the Facility in excess of the Guaranteed Tonnage.

(b) **Weekly/Monthly/Yearly Limits.** Unless otherwise agreed in writing by the Parties, the Authority shall not deliver, or cause to be delivered, to the Facility, amounts of Acceptable Waste greater than (i) 370,000 Tons of Acceptable Waste in each Contract Year, (ii) 37,000 Tons of Acceptable Waste in each Billing Period, (iii) 8,500 Tons of Acceptable Waste in each calendar week, or (iv) 2,500 Tons of Acceptable Waste in each day. The Company shall have no obligation to accept from or on behalf of the Authority Acceptable Waste in excess of such maximums, but if it does, then the then-existing Waste Tipping Fee shall apply, unless the Parties otherwise agree in writing.

(c) **Composition of Authority Waste.** Nothing in this Agreement shall be construed to mean that the Authority guarantees the composition of any Authority Waste as it pertains to the proportion of any material contained therein (such as Unacceptable Waste), the energy value thereof, or any other aspect thereof. The Authority shall protect, indemnify, defend and hold the Company Indemnified Parties harmless from and against any and all Loss (including any sums paid or expended by the Company to any Governmental Authority as a fine, penalty or damage and, except as provided in Section 3.05(b)(3), to any third Person for any such remediation, clean-up or removal), in connection with or resulting from the delivery of Authority Waste to the Facility which violates, or is alleged to violate, Applicable Law. This Section 2.01(c) shall survive expiration or termination of this Agreement.

2.02 Commitment to Accept and Process Authority Waste. Except as provided herein, the Company shall accept and Process all Acceptable Waste at the Facility delivered by or on behalf of the Authority in accordance with this Agreement, up to the maximums set forth in Section 2.01(b).

2.03 Transfer Trailer Turn-Around Times.

(a) The Company shall use all reasonable commercial efforts to expedite the acceptance of and tipping of Authority Waste at the Facility and reduce turn-around times for the Authority's Haulers utilizing transfer trailer delivery vehicles. If the turn-around time for such Haulers exceeds 45 minutes from the time the Authority Acceptable Waste Hauler enters the Facility until such time as the Hauler exits the Facility, then the Company shall give Preferential Treatment to the receipt of Authority Acceptable Waste arriving by transfer trailer until the daily average turn-around time is reduced to or below 45 minutes; provided, however, the Company shall not be obligated to give Preferential Treatment pursuant to this Section 2.03(a) during times where Authority Hauler(s) are not expeditiously, due to Hauler fault (and expressly excluding delays due to Company or other third Persons), tipping its or their load(s) on the Tipping Floor and exiting the Facility which causes such 45 minute turn-around time to be exceeded. The Authority and the Company agree to reasonably cooperate to schedule deliveries of Authority Acceptable Waste to facilitate reducing turn-around times and agree to have regular communication about the receipt of waste at the Facility.

(b) In addition to (and not in lieu of) the Company's obligations pursuant to this Section 2.03, should the Company be unable to reduce the daily average turn-around to or below 45 minutes, the Authority may elect to direct, at the Facility or not at the Facility, such Haulers to an alternate disposal facility at the Authority's election, and such election shall not be deemed to be Authority Fault. In such case, (i) the Authority shall not be liable to pay the Company the Service Fee relative to such diverted Authority Waste Tons, (ii) the Authority shall be liable for all transportation and alternate facility disposal costs and (iii) if the Authority gives written notice to the Company of such election, if at all, all or any portion of such Authority Waste Tons (as specified by the Authority) shall be credited to the Guaranteed Tonnage amount for the relevant Contract Year.

(c) The Authority shall contemporaneously substantiate to the Company the quantity of Authority Waste diverted pursuant to Section 2.03(b). The Company shall cooperate with the Authority to fulfill the intent and purposes of this Section 2.03 and shall promptly deliver to the Authority and its representatives or make available at the Facility for review all such information, documentation and materials reasonably requested by them to ensure compliance with this Section 2.03.

2.04 Straight Truck Wait Times.

(a) On or before six months following the Commencement Date (the "*Wait Time Effective Date*"), the Company, at its cost and expense, shall have installed, and thereafter shall continuously operate and maintain, a system reasonably acceptable to the Authority to document and record truck Wait Time (specified by day, truck ID, Wait Time and such other information

reasonably requested by the Authority) and shall provide such information in writing to the Authority on a monthly basis.

(b) Beginning on the Wait Time Effective Date, if the time period for a "straight" truck (e.g., residential packer trucks, commercial collection vehicles, rollofs, etc.) to pass the Facility front gate and be weighed by the Company on the inbound Facility scale is 20 minutes or greater (provided no more than eight straight trucks delivering Authority Waste enter the front gate of the Facility per such hour) (the "*Wait Time*"), then the Company shall pay to the Authority \$75 per each such truck (un-escalated) (the "*Wait Time Charge*"). In no event shall the Company be obligated to pay the Wait Time Charge for a straight truck that does not meet the Wait Time, including by leaving the Facility before the Wait Time has passed, whether such truck leaves the Facility loaded or unloaded.

(c) In addition to the Wait Time Charge provided for in Section 2.04(b), when the Company is not meeting the above Wait Time for straight trucks at the Facility, the Authority may elect to divert, at the Facility or not at the Facility and at its own risk and handling, transport and disposal cost, but without obligation to pay to the Company the Service Fee therefor, Authority Waste to an alternate solid waste disposal facility. Such diverted tonnage shall, (i) not count towards the Authority's annual Guaranteed Tonnage if delivered to Transfer Station #1 (provided, if such tonnage is redelivered to the Facility and accepted by the Company, such waste shall be paid for as and counted for purposes of the annual Guaranteed Tonnage), or (ii) not be paid for as, but, at the Authority's election, which shall be provided in writing to the Company, count towards the Authority's annual Guaranteed Tonnage if delivered for ultimate disposal to a location other than the Facility. The Authority shall contemporaneously substantiate to the Company the quantity of Authority Waste diverted pursuant to this Section 2.04(c). The Company shall cooperate with the Authority to fulfill the intent and purposes of this Section 2.04 and shall promptly deliver to the Authority and its representatives or make available at the Facility for review all such information, documentation and materials reasonably requested by them to ensure compliance with this Section 2.04.

2.05 Operation of the Facility; Service Coordinator. The Company shall operate and maintain the Facility in a manner to enable the Facility on a continuous basis in accordance with, and subject to, Prudent Industry Practices and Applicable Law, to receive and Process Acceptable Waste at the Facility and perform its other obligations as required by this Agreement. The Company and the Authority shall each designate in writing a person to act as the service coordinator with respect to matters which may arise during the performance of this Agreement, and such person shall have authority to transmit instructions, receive information and confer with the other Party's service coordinator. Neither service coordinator shall be empowered to (a) change, amend, extend, waive or otherwise modify any right or obligation of its Party hereunder, (b) incur costs, expenses, fees or payments for additional work or services beyond the applicable Party's day-to-day work and services prescribed hereunder, or (c) amend or change this Agreement in any way.

2.06 Waste Rejection Rights. The Company may reject at the Facility tenders delivered by or on behalf of the Authority of the following:

- (a) Hazardous Waste,

(b) Unacceptable Waste, and

(c) Acceptable Waste, if delivered (i) except in accordance with Section 2.08(b), at hours other than the Facility Receiving Times, (ii) in excess, in any applicable period, of the number of Tons set forth in Section 2.01(b) applicable thereto, or (iii) to the extent the Company is unable to accept such Authority Waste as a result of an Unforeseen Circumstance or Authority Fault.

2.07 Company Non-Performance.

(a) If, during any Billing Period, the Company does not accept at the Facility and Process all Authority Waste tendered in accordance with this Agreement (but not greater than the maximums set forth in Section 2.01(b)) for reasons other than Unforeseen Circumstance or Authority Fault, then the Company shall dispose of the By-Pass Waste at its cost and expense, and the Authority shall pay the Service Fee. If the Company fails to so dispose of the By-Pass Waste, then the Authority shall, at its sole cost and expense, transport and dispose of such By-Pass Waste at a Landfill or alternate disposal facility (other than the Facility), and the Company shall pay to the Authority for each Billing Period the sum of the following:

(1) Incremental transportation costs for transportation of Authority Waste to the Landfill or other alternate disposal facility in such Billing Period; plus

(2) The then effective Waste Tipping Fee for By-Pass Waste delivered to and disposed of by the Authority at the Rolling Hills Landfill or, if the Rolling Hills Landfill is unavailable and disposal is accomplished at an alternate location, the then applicable disposal charge at such alternate location.

(b) The Authority shall provide documentation equivalent to Cost Substantiation to the Company for Sections 2.07(a)(1) and (2) above. The Authority shall exercise all commercially reasonable efforts to minimize the transportation and disposal costs of By-Pass Waste.

(c) If the Authority gives written notice to the Company of such election, if at all, all or any portion of such By-Pass Waste Tons (as specified by the Authority) disposed of at the Rolling Hills Landfill or an alternate facility, or both, shall be credited to the Guaranteed Tonnage amount for the relevant Contract Year.

2.08 Receiving and Operating Hours.

(a) The Company shall keep the Facility open for receiving Acceptable Waste delivered by or behalf of the Authority during the Facility Receiving Times.

(b) The Authority may request the Company to accept deliveries of Authority Waste at times other than the Facility Receiving Time upon seven (7) days prior written notice or such shorter notice as may be practicable in the event of the occurrence of a natural disaster or other emergency condition. During such disaster or other emergency condition, the Company shall use reasonable efforts to accommodate the Authority's request, so long as the Company is able to accommodate such request in accordance with Applicable Law. If the Company accepts

Authority Waste pursuant to this Section 2.08(b) at hours other than the Facility Receiving Time, the Authority shall pay (i) such additional costs as the Company and the Authority may mutually agree or (ii) in the absence of such agreement, all additional Direct Costs incurred by the Company as a result of such additional hours of operation requested by the Authority upon submission of Cost Substantiation.

2.09 Title to Authority Waste. Title to all Authority Waste delivered to the Facility and accepted by the Company shall pass to the Company when such Authority Waste is deposited onto the Tipping Floor. Title to Hazardous Waste and Unacceptable Waste not Processed which is delivered by or on behalf of the Authority whether or not accepted by the Company shall remain in the County.

2.10 Weighing of Waste Deliveries. The Company shall operate during Facility Receiving Times accurate weighing facilities at the Facility for determining the Tons of Acceptable Waste delivered to the Facility. The Company shall maintain and calibrate the weighing facilities in accordance with Applicable Law. If all weighing facilities are incapacitated or are being tested, the Company shall reasonably estimate the quantity of Acceptable Waste delivered on the basis of truck volumes and estimated data obtained through historical information. These estimates shall take the place of actual weighing records during the scale outage. The Company shall provide copies of all weigh records pertaining to Authority Waste deliveries to the Facility. Copies of all such daily weigh records shall be maintained by the Company for a period of at least two (2) years. The Authority reserves the right to have its representative present at the scale house on the Facility Site during all operating hours to monitor the Company's compliance with the provisions of this Section 2.10 and for purposes of preparing the Authority's billing ticket for Haulers.

2.11 Regulation of Haulers. The Authority shall require that each Hauler obtain and maintain automobile and commercial general liability insurance in form sufficient to insure against damage to and loss or destruction of property and injury to persons, each in an amount at least equal to \$500,000, and such insurance policy name the Authority or its member community as an additional insured. The Authority shall request that the Haulers comply with all reasonable traffic and safety rules of the Company for the Facility which are applicable to all customers utilizing the Facility.

2.12 Additional Acceptable Waste; Waste Suppliers; Delaware County Exclusivity.

(a) Notwithstanding any other Section of this Agreement, neither the Company, nor any of its Affiliates, shall enter into any contract or arrangement for accepting, Processing and/or disposing of Acceptable Waste at, or for delivery to, the Facility generated in or originating in the County other than Authority Waste without the prior approval by the Authority as to the Person or source of such Acceptable Waste.

(b) The Authority shall approve or disapprove in accordance with the provisions of Section 2.12(c) below Persons and/or sources of waste generated in or originating within the County ("Waste Suppliers") for the Facility under Section 2.12(a) within one calendar week after its receipt of the Company's request therefor and receipt of a completed Waste Hauler Approval Form in the form of Schedule 5. If the Authority fails to respond within such one

calendar week period and such failure is not caused by failure of the Waste Supplier and the Company to respond to information requests of the Authority reasonably related to the criteria in Section 2.12(c) below, which requests the Authority agrees to make to the Company as well as to the Waste Supplier, then the Waste Supplier shall be deemed conditionally approved until the Authority does respond. The Authority always shall have the right to disapprove Waste Suppliers pursuant to Section 2.12(c) below. Approvals or disapprovals shall not alter or affect any other obligations of the Parties under this Agreement.

(c) The Authority may disapprove proposed and previously approved Waste Suppliers for the Facility only in the following circumstances:

(1) The Waste Supplier has within the last three years failed, or after being approved pursuant to Section 2.12(b) does fail, in either case on three or more occasions, to observe and comply with the designated truck routes prescribed by this Agreement and the host community agreement with the City of Chester, as applicable, for delivery of waste to the Facility;

(2) The Waste Supplier has within the last three years delivered, or after being approved pursuant to Section 2.12(b) does deliver, in either case to the Facility on three or more occasions, (A) any waste other than Acceptable Waste or (B) any waste which causes the Process Residue to be materially more dangerous to the environment or to persons who may come in contact therewith; provided, however, that this Section 2.12(c)(2)(B) shall not limit the provisions of this Agreement relating to the required quality of Process Residue;

(3) The Waste Supplier has within the last three years violated, or after being approved pursuant to Section 2.12(b) does violate, a material environmental or safety law, or has within the last three years violated, or after being approved pursuant to Section 2.12(b) does violate, in either case on three or more occasions, any law applicable in County in connection with supplying waste to the Facility;

(4) The Waste Supplier, within the last three years, has been banned from the waste industry in any state;

(5) The waste does not substantially conform to the information on the Waste Hauler Approval Form or based on available information is not Acceptable Waste or is likely to violate Section 2.12(c)(2)(B) above;

(6) The Waste Supplier is more than ninety (90) days in arrears to the Authority and is not challenging the debt in good faith by appropriate proceedings; or

(7) Such other circumstances as the parties may agree in good faith should be grounds for disapproval from time to time.

(d) The Company agrees to deal exclusively with the Authority with respect to waste originating in the County. In furtherance thereof, unless otherwise agreed, the Company shall reject at the Facility any load which the Authority reasonably claims, or the Company through normal inspection procedures discovers, contains more than an immaterial amount of waste originating in the County, if not received from or on behalf of the Authority.

2.13 Authority's Visitation and Inspection of the Facility; Record Keeping and Reporting.

(a) The Authority, its agents and its representatives shall have, at any reasonable time during the Service Term and upon prior reasonable notice to the Company, the right to visit and to take visitors through the Facility in order to observe and to permit others to observe, the various services which the Company performs; provided that such visitations shall not interfere with the Company's obligations under this Agreement.

In connection with such visitations, the Authority shall, on behalf of itself, its agents and representatives, comply, and cause its agents and representatives to comply, with all reasonable rules and regulations adopted by the Company, including a requirement that each person inspecting or visiting the Facility sign a statement agreeing (i) to assume the risk of the inspection or visitation but not the risk of injury due to the intentional or negligent acts of the Company and (ii) not to disclose or use, consistent with Applicable Law, any confidential information of the Company other than for the purpose for which it was furnished.

In accordance with Applicable Law, inspections by federal, Commonwealth or County officials pertaining to compliance with licensed or permitted activities may be conducted without notice to the Company.

(b)

(1) The Company shall establish and maintain an information system to provide storage and ready retrieval of Facility operating data, including all information necessary to verify calculations made pursuant to this Agreement.

(2) The Company shall prepare and maintain proper, accurate, and complete books and records and accounts of all transactions related to the Facility.

(3) The Company shall provide the Authority, together with the bill for each Billing Period, the following operating data: (i) the quantity of Authority Waste received at the Facility on each day during such Billing Period; (ii) the quantity of Acceptable Waste received from other Persons, if any, during such Billing Period; (iii) the total quantity of Process Residue generated at the Facility during such Billing Period; (iv) the quantity of Acceptable Waste other than Authority Waste delivered to the Facility but not Processed, if any, By-Pass Waste, Unacceptable Waste and Hazardous Waste delivered to the Landfill or other disposal site as the Authority shall, from time to time, designate during such Billing Period; (v) the anticipated operating schedule for the next Billing Period; and (vi) the anticipated quantity of Covanta Ash to be delivered to the Rolling Hills Landfill for the next Billing Period. These reports shall present the data in a form reasonably acceptable to the Authority.

(4) The Company shall provide the Authority, its auditors and agents with reasonable access, including, where feasible, access by computer, to scale house and Facility records relating to quantities of Acceptable Waste (with separate records for Authority Waste) delivered to the Facility and By-Pass Waste and Process Residue leaving the Facility.

**ARTICLE III – DISPOSAL OF PROCESS
RESIDUE AND BY-PASS, HAZARDOUS AND UNACCEPTABLE WASTE**

3.01 Commitment to Deliver and Accept Process Residue.

(a) Guaranteed Process Residue Tonnage. On and after the Commencement Date and throughout the Service Term, the Company, at its sole cost and expense, shall load, haul and deliver, or cause to be loaded, hauled and delivered, Acceptable Ash to the Rolling Hills Landfill in an amount not less than the Guaranteed Process Residue Tonnage in each Contract Year. The failure of the Company to deliver, or cause to be delivered, at least the Guaranteed Process Residue Tonnage in any Contract Year shall not constitute an Event of Default or Unforeseen Circumstance; provided, however, that in such case, the Company shall pay to the Authority the Process Residue Shortfall Fee as provided in Section 4.08(b) as the Authority's sole and exclusive remedy for such failure of the Company, any contrary provision of this Agreement notwithstanding. The material delivered under this Section 3.01(a) shall consist entirely of Process Residue generated by the Facility, or process residue generated as a result of combustion of Solid Waste by other Covanta EfW Facilities or as a result of processing by Ash Processing Facilities (collectively, "*Covanta Ash*"), and shall be directly delivered by the Company, its Affiliates or contractors, from the Facility or such other Covanta EfW Facilities or Ash Processing Facilities, as applicable, to the Rolling Hills Landfill. The Company shall have the sole and absolute right, at the Company's option, and pursuant to such terms and conditions as the Company determines in its sole and absolute discretion, to sell, trade, donate or otherwise alienate any and all Recovered Resources, exclusively for the account of the Company; provided, with respect to Covanta Ash, the foregoing applies prior to acceptance by the Authority at the Landfill. The Company shall have no obligation to deliver Covanta Ash to the Rolling Hills Landfill in excess of the Guaranteed Process Residue Tonnage.

(b) Weekly/Monthly/Yearly Limits. Unless otherwise agreed in writing by the Parties, the Company shall not deliver, or cause to be delivered, to the Rolling Hills Landfill, amounts of Covanta Ash greater than (i) the then-applicable Maximum Process Residue Tonnage in each Contract Year, (ii) 50,000 Tons in each Billing Period, (iii) 10,500 Tons in each calendar week or (iv) 2,500 Tons in each day. The Authority shall have no obligation to accept from or on behalf of the Company Covanta Ash in excess of such maximums, but if it does, then the then-existing Process Residue Tipping Fee shall apply, unless the Parties otherwise agree in writing.

(c) Composition; Compliance with Laws. The Company shall deliver to the Rolling Hills Landfill only Covanta Ash which is non-hazardous material. The Company shall substantiate to the Authority promptly at any time and from time to time upon reasonable written request by the Authority, in detail reasonably satisfactory to the Authority, that the delivered material is non-hazardous by providing periodic toxicity characteristics leaching procedure (TCLP) test results and other information about the material required or requested by the Pennsylvania Department of Environmental Protection or in accordance with Applicable Law. The Company shall, at its sole cost and expense, transport and dispose of Covanta Ash in accordance with all Applicable Law. The Company shall protect, indemnify, defend and hold the Authority Indemnified Parties harmless from and against any and all Loss (including any

sums paid or expended by the Authority to any Governmental Authority as a fine, penalty or damage and, except as provided in Section 3.05(c)(3), to any third Person for any such remediation, clean-up or removal), in connection with or resulting from the delivery of Covanta Ash to the Rolling Hills Landfill which violates, or is alleged to violate, Applicable Law. This Section 3.01(c) shall survive expiration or termination of this Agreement.

(d) Authority Acceptance of Covanta Ash. Subject to the terms of this Agreement and Applicable Law, the Authority shall accept at the Rolling Hills Landfill and dispose of all Covanta Ash delivered by or on behalf of the Company in accordance with this Agreement, up to the maximums set forth in Section 3.01(b). Such disposal shall be performed by the Authority at the Authority's sole cost and expense and in accordance with all Applicable Law.

3.02 Process Residue Rejection Rights.

(a) The Authority may reject at the Rolling Hills Landfill tenders of Covanta Ash delivered by or on behalf of the Company of the following:

(1) Hazardous Waste,

(2) Unacceptable Ash,

(3) Covanta Ash, (i) the acceptance of which does not meet or otherwise satisfy requirements for disposal under Applicable Law or would violate or conflict with Applicable Law, the existing Permits or any of the provisions herein, including Section 3.02(a), or (ii) where its unburned combustibles content is substantiated by the Authority to be greater than fifteen percent (15%), or

(4) Covanta Ash, (i) if delivered at hours other than the Landfill Receiving Time, (ii) in excess, in any applicable period, of the number of Tons set forth in Section 3.01(b) applicable thereto, (iii) to the extent the Authority is unable to accept such Covanta Ash as a result of an Unforeseen Circumstance or Company Fault, or (iv) if the acceptance of which by the Authority would cause the Authority to exceed its daily Permit limit, but only in the event where the Company or its contractor has not telephonically notified the Authority's designated representative at the Rolling Hills Landfill by 1:00 p.m. (local time) in such day of the number of trucks containing Covanta Ash the Company reasonably believes will be delivered to the Rolling Hills Landfill during the afternoon of such particular day.

3.03 Operation of the Landfill. The Authority shall operate and maintain the Rolling Hills Landfill in a manner to enable it on a continuous basis, in accordance with, and subject to, Prudent Industry Practices and Applicable Law, to receive and dispose of Covanta Ash as required by this Agreement. The Authority shall keep the Rolling Hills Landfill open for receiving Covanta Ash during the Landfill Receiving Times. The Authority shall operate during Landfill Receiving Times accurate weighing facilities at the Rolling Hills Landfill for determining the Tons of Covanta Ash delivered by or on behalf of the Company. The Authority shall maintain and calibrate the weighing facilities in accordance with Applicable Law. If all weighing facilities are incapacitated or are being tested, the Authority shall reasonably estimate the quantity of Covanta Ash delivered on the basis of truck volumes and estimated data obtained through historical information. These estimates shall take the place of actual weighing records

during the scale outage. The Authority shall provide copies of all weigh records pertaining to Covanta Ash deliveries to the Landfill. Copies of all such daily weigh records shall be maintained by the Authority for a period of at least two years. The Company reserves the right to have its representative present at the scale house on the Landfill Site during all operating hours to monitor the Authority's compliance with the provisions of this Section 3.03.

3.04 Regulation of Covanta Ash Haulers. The Company shall use commercially reasonable efforts to require that each hauler delivering Covanta Ash to the Rolling Hills Landfill by or on behalf of the Company require that (a) such hauler obtain and maintain automobile and commercial general liability insurance in form sufficient to insure against damage to and loss or destruction of property and injury to persons, each in an amount at least equal to \$2,000,000 for each occurrence, and (b) such insurance policy (i) name the Company and the Authority as additional insureds and (ii) provide that such policy shall not be cancelled, terminated, amended, or permitted to lapse upon less than ten (10) days' prior written notice to the Company and the Authority. The Company shall request that the haulers delivering Covanta Ash by or on behalf of the Company comply with all Applicable Law and all reasonable traffic and safety rules of the Authority for the Rolling Hills Landfill.

3.05 Deliveries of Prohibited Waste to the Facility and Prohibited Ash to the Rolling Hills Landfill.

(a) Acceptable Waste and Acceptable Ash Deliveries. The Authority shall use commercially reasonable efforts in good faith to cause only Acceptable Waste to be delivered to the Facility. The Company shall use commercially reasonable efforts in good faith to cause only Acceptable Ash to be delivered to the Rolling Hills Landfill. However, the Parties acknowledge and agree that inadvertent deliveries of Prohibited Waste by or on behalf of the Authority to the Facility or Prohibited Ash by or on behalf of the Company to the Rolling Hills Landfill, as applicable, shall not constitute a breach of the respective Party's obligations hereunder, an Unforeseen Circumstance, Authority Fault or Company Fault, as the case may be. If a delivery by or on behalf of (i) the Authority of Solid Waste composed of both Acceptable Waste and Hazardous Waste or Unacceptable Waste, or both, the Company shall separate and accept the Acceptable Waste portion thereof, to the extent such separation can be achieved without unreasonable expense or the use of unreasonable effort, and such Acceptable Waste shall be credited to the Guaranteed Tonnage, and (ii) the Company of Covanta Ash composed of both Acceptable Ash and Hazardous Waste or Unacceptable Ash, the Authority shall separate and accept the Acceptable Ash portion thereof, to the extent such separation can be achieved without unreasonable expense or the use of unreasonable effort, and such Acceptable Ash shall be credited to the Guaranteed Process Residue Tonnage. If the Prohibited Waste portion cannot be reasonably separated from such Acceptable Waste or if the Prohibited Ash portion cannot be reasonably separated from such Acceptable Ash, as applicable, without the use of unreasonable efforts or unreasonable expense of the applicable Party, then the entire load shall constitute Hazardous Waste, Unacceptable Waste or Unacceptable Ash, as applicable.

(b) Removal of Prohibited Waste from the Facility.

(1) If the Authority delivers or causes to be delivered Prohibited Waste to the Facility, the Company may, if it clearly identifies the Hauler that delivered such Prohibited Waste (by or on behalf of the Authority), reject acceptance and Processing of such Prohibited Waste and require such Hauler to make arrangements for proper removal, transportation and disposal of such waste. If, however, the Company does not discover such Prohibited Waste in time to reject and reload such waste at the Facility, the Company shall, at its sole cost and expense, be exclusively responsible for all costs and expenses, including the handling, loading, removal, transport and disposal of such Prohibited Waste.

(2) Notwithstanding the first sentence of Section 3.05(b)(1), if any such Hauler refuses to remove or unreasonably delays the removal of Prohibited Waste for transport and disposal, the Company shall give telephonic notice to the Authority of such situation. Upon receipt of such notice, the Authority shall be provided a minimum period of four (4) hours to make a determination as to whether (i) the Authority will arrange for the removal and disposition of such Prohibited Waste at the Authority's sole cost and expense, or (ii) the Company shall arrange for the removal and disposition of such Prohibited Waste at the Authority's sole cost and expense, except as provided in Section 3.05(b)(3). If the Authority does not give notice to the Company within such allotted time frame stating that the Authority will proceed in accordance with clause (i) above, then the Company may proceed in accordance with clause (ii) above. Subject to Section 3.05(b)(3) below, all costs and expenses incurred by the Company pursuant to clause (ii) above shall be at the Company's Direct Costs, subject to Cost Substantiation, exclusive of overhead and profit. The Company shall provide reasonable and verifiable evidence and documentation to the Authority establishing that such Prohibited Waste was delivered by or on behalf of the Authority. The Company shall not knowingly accept Prohibited Waste for Processing at the Facility from the Authority or any other Person.

(3) With respect to the costs of Authority-delivered Prohibited Waste accepted inadvertently at the Facility in accordance with Section 3.05(b)(2) above, the Company shall pay all such costs in any Contract Year up to \$250,000, escalated in accordance with the Escalation Factor, and the Authority shall pay to the Company (as a Pass Through Cost) the Direct Costs incurred by the Company as a result of the removal and disposition of such Prohibited Waste delivered by or on behalf of the Authority in any Contract Year in excess of the \$250,000 escalated amount.

(4) The Company shall exercise due care in the handling and storage of Hazardous Waste or Unacceptable Waste delivered to the Facility (regardless of by whom such Waste was delivered). Removal, transportation and disposal of Hazardous Waste, and Unacceptable Waste, shall be accomplished in accordance with all Applicable Law.

(c) Removal of Prohibited Ash from the Rolling Hills Landfill.

(1) If the Company delivers or causes to be delivered Prohibited Ash to the Rolling Hills Landfill, the Authority may, if it clearly identifies the hauler that delivered such Prohibited Ash (by or on behalf of the Company), reject acceptance of such Prohibited Ash and require such hauler to make arrangements for proper removal, transportation and disposal of such material. If, however, the Authority does not discover such Prohibited Ash in time to reject and reload such waste at the Rolling Hills Landfill prior to disposal, the Authority shall, at its sole cost and expense, be exclusively responsible for the handling, loading, removal, transport and disposal of such Prohibited Ash.

(2) Notwithstanding the first sentence of Section 3.05(c)(1), if any such hauler refuses to remove or unreasonably delays the removal of Prohibited Ash for transport and disposal, the Authority shall give telephonic notice to the Company of such situation. Upon receipt of such notice, the Company shall be provided a minimum period of four (4) hours to make a determination as to whether (i) the Company will arrange for the removal and disposition of such Prohibited Ash at the Company's sole cost and expense, or (ii) the Authority shall arrange for the removal and disposition of such Prohibited Ash at the Company's sole cost and expense, except as provided in Section 3.05(c)(3). If the Company does not give notice to the Authority within such allotted time frame stating that the Company will proceed in accordance with clause (i) above, then the Authority may proceed in accordance with clause (ii) above. Subject to Section 3.05(c)(3) below, all costs and expenses incurred by the Authority pursuant to clause (ii) above shall be at the Authority's Direct Costs, subject to Cost Substantiation, exclusive of overhead and profit. The Authority shall provide reasonable and verifiable evidence and documentation to the Company establishing that such Prohibited Ash was delivered by or on behalf of the Company. The Authority shall not knowingly accept Prohibited Ash for disposal at the Rolling Hills Landfill from the Company or any other Person.

(3) With respect to the costs of Company-delivered Prohibited Ash accepted inadvertently at the Rolling Hills Landfill in accordance with Section 3.05(c)(2) above, the Authority shall pay all such costs in any Contract Year up to \$250,000, escalated in accordance with the Escalation Factor, and the Company shall pay to the Authority (as a Pass Through Cost) the Direct Costs incurred by the Authority as a result of the removal and disposition of such Prohibited Ash delivered by or on behalf of the Company in any Contract Year in excess of the \$250,000 escalated amount.

(4) The Authority shall exercise due care in the handling and storage of Hazardous Waste delivered to the Rolling Hills Landfill (regardless of by whom such waste was delivered). Removal, transportation and disposal of Hazardous Waste shall be accomplished in accordance with all Applicable Law.

(d) Inspection. The Company, in its sole discretion, shall have the right to inspect on the Facility Site the contents of any Hauler delivering Solid Waste to the Facility by or on behalf of the Authority, including the right to direct the operator of such vehicle to unload at a location at the Facility Site, to determine if such vehicle contains Authority-delivered Prohibited Waste. The Authority, in its sole discretion, shall have the right to inspect on the Rolling Hills Landfill the contents of any hauler delivering Covanta Ash to the Rolling Hills Landfill by or on

behalf of the Company, including the right to direct the operator of such vehicle to unload at a location at the Rolling Hills Landfill, to determine if such vehicle contains Company-delivered Prohibited Waste.

3.06 Removal of Waste other than Hazardous and Unacceptable Waste. The Company shall remove and transport Process Residue, Acceptable Waste which is not Processed at the Facility, and By-Pass Waste removed from the Facility for disposal at the Landfill in covered or totally enclosed vehicles. The Company shall comply with all Applicable Law regulating such materials, its transportation and its disposal.

3.07 Authority Non-Performance.

(a) If, during any Billing Period, the Authority does not accept for disposal at the Rolling Hills Landfill all Covanta Ash tendered in accordance with this Agreement (but not greater than the maximums set forth in Section 3.01(b)) for reasons other than Unforeseen Circumstance or Company Fault, then the Authority shall dispose of the By-Pass Ash at its cost and expense, and the Company shall pay the Process Residue Tipping Fee. If the Authority fails to accept the By-Pass Ash at the Rolling Hills Landfill during the Landfill Receiving Time of such particular day in accordance with the provisions herein, the Company shall, at its sole cost and expense, transport and dispose of such By-Pass Ash at an alternate disposal facility (other than the Rolling Hills Landfill), and the Authority shall pay to the Company for each Billing Period the sum of the following:

(1) Incremental transportation costs for transportation of Covanta Ash to an alternate disposal facility in such Billing Period; plus

(2) The applicable disposal charge at such alternate disposal facility incurred by the Company for By-Pass Ash delivered to and disposed of by the Company at such facility.

(b) The Company shall provide documentation equivalent to Cost Substantiation to the Authority for Sections 3.07(a)(1) and (2) above. The Company shall exercise all commercially reasonable efforts to minimize the transportation and disposal costs of By-Pass Ash.

(c) If the Company gives written notice to the Authority of such election, if at all, all or any portion of such By-Pass Ash Tons (as specified by the Company) disposed of at an alternate facility, shall be credited to the Guaranteed Process Residue Tonnage amount for the relevant Contract Year.

ARTICLE IV – SERVICE FEE AND OTHER PAYMENTS

4.01 General. Subject to the limitations contained in this Agreement, commencing with the first Billing Period and for each Billing Period thereafter, the Company shall be paid the Service Fee by the Authority in accordance with Section 4.02. For the period beginning on May 1, 2017 until the Commencement Date, the Service Fee hereunder shall be applicable and be in lieu of, and not in addition to, any amounts payable under the prior Service Agreement.

4.02 Service Fee Formula. The monthly payment (the "*Service Fee*") shall be calculated as follows:

$$SF = WTF - PRTF + PTC - BWF/WTC + BAF +/- CLC$$

Where: WTF = Waste Tipping Fee (Section 4.03)

PRTF = Process Residue Tipping Fee (Section 4.04)

PTC = Pass Through Costs (Section 4.05)

BWF/WTC = By-Pass Waste Fee and Wait Time Charge (Section 4.06)

BAF = By-Pass Ash Fee (Section 4.07)

CLC = Change in Law Charge (Section 4.08(c)(2)) *minus* Change in Law Credit (Section 4.08(c)(4))

4.03 Waste Tipping Fee. Commencing with the first Billing Period and for each Billing Period thereafter, the Authority shall pay to the Company a waste tipping fee of \$38.75 per Ton of Acceptable Waste delivered by or on behalf of the Authority to the Facility and accepted and Processed or disposed by the Company, escalated annually in accordance with the Escalation Factor, using an initial base date of January 1, 2017 (the "*Waste Tipping Fee*").

4.04 Process Residue Tipping Fee. Commencing with the first Billing Period and for each Billing Period thereafter, the Company shall pay to the Authority a tipping fee of \$18.00 per Ton of Covanta Ash delivered by or on behalf of the Company to, and accepted by the Authority at, the Rolling Hills Landfill, escalated annually in accordance with the Escalation Factor, using an initial base date of January 1, 2017 (the "*Process Residue Tipping Fee*").

4.05 Pass Through Costs.

(a) The Authority shall pay to the Company, as an adjustment to the Service Fee, in the Billing Period following the Company invoicing, and providing Cost Substantiation to the Authority, for the following costs (collectively, the "*Pass Through Costs*"):

(1) Host community fees actually incurred and paid by the Company from time to time to the City of Chester on all Authority Acceptable Waste Tons delivered to and accepted by the Company at the Facility, pursuant to contract or statute (or both), including without limitation, pursuant to the Host Community Agreement dated January 30, 1989, as amended or extended, among the City of Chester, the County and the Company, and capped at \$2.00 per Ton (provided, if such fees are otherwise waived or reduced by the City of Chester to a level below \$2.00 per Ton, then the pass through costs payable by the Authority to the Company relative to the host community fees will be waived or reduced to that same level);

(2) County and local taxes which are discriminatory in nature to resource recovery, large scale burning, or steam generation facilities actually incurred and paid by the Company;

(3) Subject to Section 3.05, the cost of removal, transportation and disposal of Authority delivered Unacceptable Waste or Hazardous Waste, provided that the Company shall include with the Cost Substantiation provided to the Authority, evidence that such waste was delivered by or on behalf of the Authority; and

(4) The incremental Process Residue (resulting from the Processing of Authority Acceptable Waste only) hauling cost if the haul distance exceeds 60 miles, one-way, from the Facility to the Landfill.

4.06 By-Pass Waste Fee; Wait Time Charge(s). If, in any Billing Period, any By-Pass Waste costs or fees or Wait Time Charge(s), or both, are incurred hereunder, the Service Fee shall be adjusted and credited for such costs and fees.

4.07 By-Pass Ash Fee. If, in any Billing Period, any By-Pass Ash costs or fees are incurred hereunder, the Service Fee shall be adjusted and increased for such costs and fees.

4.08 Unforeseen Circumstances; Change in Law Charge/Credit.

(a) General. The obligations of the Company and of the Authority, respectively, to perform under this Agreement (other than an obligation to pay money due and owing) shall be excused due to the occurrence of one or more Unforeseen Circumstances, and the Service Fee shall be subject to potential adjustment for Change in Law Costs or Change in Law Credit, as provided in this Section 4.08.

(b) Excuse of Performance. Neither the Authority nor the Company shall be liable to the other for any failure or delay in performance of any obligation under this Agreement (other than an obligation to pay money due and owing) if such failure or delay in performance is a result of the occurrence of an Unforeseen Circumstance. The Party whose performance under this Agreement has been, or is imminently expected to be, affected by an Unforeseen Circumstance shall provide prompt written notice (the "*First UCC Notice*") to the other Party of (i) the Unforeseen Circumstance; and (ii) in the case of the Company and with respect to Unforeseen Circumstance that is a Change in Law, a preliminary, non-binding estimate of the Change in Law Charge or Change in Law Credit (each, as defined below) and the ways and manner that the Change in Law Charge might be mitigated or reduced. Whenever an Unforeseen Circumstance shall occur, the Party claiming to be adversely affected thereby shall, as quickly as reasonably possible, mitigate the cause thereof, undertake alternative performance if commercially reasonable under the circumstances, and shall to the extent commercially reasonable under the circumstances, reduce costs. The affected Party shall, without limitation, also pursue applicable insurance proceeds and shall resume performance under this Agreement, as quickly as reasonably possible. The Company shall limit costs incurred in anticipation of a Change in Law to those reasonably calculated to prevent or diminish the loss or damage. Any insurance proceeds shall be applied to offset incurred Change in Law Costs.

(c) Cost Recovery.

(1) Second UCC Notice. Within one hundred eighty (180) days after the occurrence of a Change in Law affecting the Facility, (i) the Company shall determine whether, and to what extent, the Change in Law is reasonably expected to permanently reduce the ability of the Facility to accept or Process Acceptable Waste, the estimated net Annual Capital Costs of any necessary repairs, additions or reconstruction to the Facility, and the estimated net cost increase or decrease in any operation or maintenance costs, in each case, caused by the Change in Law, and (ii) the Company shall provide written notice thereof to the Authority providing the information, in reasonable detail, specified in clause (i) heretofore (the "**Second UCC Notice**"). Subject to the provisions of Sections 4.08(c)(2) and (3), and Section 4.08(e) below, the Company shall, at its sole cost and expense, diligently perform the additional operation and maintenance and complete the necessary repairs, additions or reconstruction of the Facility. Upon the Authority's request, the Company shall make available to the Authority and its representatives at the Facility all records and work product used in preparing the Second UCC Notice.

(2) Change in Law Charge. Subject to Section 4.08(c)(3) and Section 4.08(e), if an Unforeseen Circumstance shall occur on and after the Commencement Date that is a Change in Law affecting the Facility, then, subject to this Section 4.08, the Service Fee shall be adjusted and the Authority's share of the cost of such Change in Law (the "**Change in Law Charge**") for the Billing Period shall be calculated as follows:

(a) the sum of (1) the total increased Direct Costs, subject to Cost Substantiation, of the Company in operating and maintaining the Facility after the Commencement Date resulting from the Change in Law as determined on a Billing Period basis, plus (2) the quotient resulting from dividing (x) the Annual Capital Cost for such Contract Year (prorated for a Contract Year less than a full twelve (12) calendar months by (y) twelve (12) for a full Contract Year or, as applicable, the number of Billing Periods in a Contract Year that is less than a full twelve (12) month Contract Year), and in the case of both (x) and (y), through the end of the earlier to occur of (i) in the case of the immediately preceding clause (1), the conclusion, repeal or change in the monetary impact of such Change in Law (provided, with respect to a capital improvement to the Facility made as a result of such Change in Law, such capital improvement can be removed without material expense to the Company), or (ii) in the case of the immediately preceding clause (1) or (2), the expiration or termination of this Agreement, with the sum of clause (1) and (2) multiplied by

(b) a fraction, the numerator of which is the total number of Authority Tons accepted for Processing at the Facility during the immediately preceding twelve (12) Billing Periods (including Billing Periods prior to the Commencement Date that would have been a Contract Year if falling after the Commencement Date) and the denominator of which is the greater of (i) 1,095,000 or (ii) the total number of Tons of Acceptable Waste accepted for Processing at the Facility from all sources (including those delivered by or on behalf of the Authority) during the immediately preceding twelve (12) Billing Periods (including Billing Periods prior to the Commencement Date that would have been a Contract Year if falling after the Commencement Date) (such fraction, the "**Authority Allocable Share**").

(3) Maximum Change in Law Charge. Notwithstanding anything herein to the contrary, the Authority shall have no obligation to reimburse or pay the Company for any Change in Law Cost(s) for any Billing Period to the extent in excess of \$9.24 (un-escalated) per Ton.

(4) Change in Law Credit. Notwithstanding anything herein to the contrary, if after the Commencement Date, an Unforeseen Circumstance occurs that is a Change in Law, and such Change in Law results in a decrease in the Company's Direct Costs in operating and maintaining the Facility after the Commencement Date, then the Company shall provide the Authority on and after the Commencement Date a credit to the Service Fee (a "*Change in Law Credit*") each Billing Period in an amount equal to the product of (i) the total decreased Direct Costs of the Company for such Billing Period (prorated for a Billing Period less than a full calendar month) through the earlier to occur of (1) the repeal or change in the monetary impact of such Change in Law or (2) the earlier to occur of the expiration of the Service Term or termination of this Agreement, multiplied by (ii) the Authority Allocable Share.

(d) Exclusion of Unforeseen Circumstance Costs. Notwithstanding anything herein to the contrary, in no event shall the Authority be liable to the Company, monetarily or otherwise, for (i) any Unforeseen Circumstance that is not a Change in Law, or (ii) any decrease in the Company's tipping fees, revenues or benefits, or any or all of the foregoing, resulting from or arising out of or relating to an Unforeseen Circumstance, inclusive of a Change in Law. Further, in no event shall the Authority have any liability for the Company's increased costs as a consequence of the impact of a Change in Law after the end of the Term or upon termination of this Agreement.

(e) Termination for Unforeseen Circumstance. If an Unforeseen Circumstance occurs relative to a material obligation of the Company or the Authority hereunder, and such Unforeseen Circumstance or the effect thereof prevents or is reasonably anticipated to prevent the performance of such obligation for a period of one hundred eighty (180) days or more, then either Party may, upon written notice to the other Party, in such Party's sole discretion, terminate this Agreement forthwith without payment, damage or penalty as a result of such termination and each Party waives any right to any such damage, penalty or payment. Upon termination under this Section 4.08(e), the Authority shall be obligated to pay the Company the Service Fee that the Company has earned or incurred under this Section 4, and vice versa, through the date of such termination but that has not been paid.

(f) Change in Law Cost/Credit Documentation. The Parties shall fully cooperate with each other to fulfill the intent and purposes of this Section 4.08 and shall promptly deliver to the other Party and its representatives or make available for review all such information, documentation and materials reasonably requested by the other Party to ensure compliance with this Section 4.08.

4.09 Shortfall Fees; Annual Reconciliation.

(a) Waste Shortfall Fee.

(1) If, at the end of each Contract Year, the Authority fails to deliver or cause to be delivered to the Facility Authority Waste in an aggregate amount of at least the Guaranteed Tonnage (taking into account credited Tons), then, as the Company's sole and exclusive remedy for such failure of the Authority, the Authority shall pay to the Company a shortfall fee (the "*Waste Shortfall Fee*") equal to the product of:

(i) the positive difference, if any, between (A) the Guaranteed Tonnage, minus (B) the sum of, in each case for such pertinent Contract Year, (1) the Tons of Authority Waste delivered or caused to be delivered by the Authority to the Facility, plus (2) the Tons of By-Pass Waste credited to the Authority pursuant to the provisions hereof, plus (3) the Tons of Authority Waste diverted as a result of Company Fault or an Unforeseen Circumstance affecting the Facility or its operations; multiplied by

(ii) the Waste Tipping Fee for such pertinent Contract Year.

(2) Beginning for the Contract Year starting on May 1, 2020 and for each Contract Year thereafter for the remainder of the Service Term, the Waste Shortfall Fee, if any, calculated in accordance with Section 4.09(a)(1), shall be further multiplied by 33%.

(b) Process Residue Shortfall Fee.

(1) If, at the end of each Contract Year, the Company fails to deliver or cause to be delivered to the Rolling Hills Landfill an amount of Covanta Ash equal to at least the Guaranteed Process Residue Tonnage (taking into account credited Tons), then, as the Authority's sole and exclusive remedy for such failure of the Company, the Company shall pay to the Authority a shortfall fee (the "*Process Residue Shortfall Fee*") equal to the product of:

(i) the positive difference, if any, between (A) the Guaranteed Process Residue Tonnage, minus (B) the sum of, in each case for such pertinent Contract Year, (1) the Tons of Covanta Ash delivered or caused to be delivered by the Company to the Rolling Hills Landfill, plus (2) the sum of, in each case for such pertinent Contract Year, the Tons of By-Pass Ash credited to the Company pursuant to the provisions hereof, plus (3) the Tons of Covanta Ash diverted as a result of Authority Fault or an Unforeseen Circumstance affecting the Rolling Hills Landfill or its operations; multiplied by

(ii) the Process Residue Tipping Fee for such pertinent Contract Year.

(2) Beginning for the Contract Year starting on May 1, 2020 and for each Contract Year thereafter for the remainder of the Service Term, the Process Residue Shortfall Fee, if any, calculated in accordance with Section 4.09(b)(1), shall be further multiplied by 33%.

(c) Payment of Waste Shortfall Fee and/or Process Residue Shortfall Fee. The Authority shall make payment of the Waste Shortfall Fee, if any, to the Company, and the

Company shall make payment of the Process Residue Shortfall Fee, if any, to the Authority, within sixty (60) days following the end of each Contract Year.

(d) Shortfall Fee Damages. The Parties agree that (i) it would be difficult to identify the exact waste replacing the shortfall in Authority Acceptable Waste and to otherwise determine the damage to the Company of the shortfall and that the Waste Shortfall Fee is intended to reasonably compensate the Company for such damage and is not intended as a penalty, and (ii) it would be difficult to identify the exact material and compaction ratios replacing the shortfall in Covanta Ash and to otherwise determine the damage to the Authority of the shortfall and that Process Residue Shortfall Fee is intended to reasonably compensate the Authority for such damage and is not intended as a penalty.

4.10 Billing and Payments.

(a) Invoice. The Company shall send its invoice to the Authority setting forth the calculation of the Service Fee pursuant to this Article IV as soon as practicable after the last day of each Billing Period which statement shall set forth the calculation of the net amount owed for the Billing Period. In preparing its invoice, the Company shall use and comply with the form and content of the Company's invoice attached hereto as Schedule 6 and as otherwise required by the terms of this Agreement. The Parties may, by mutual agreement, revise the form and content of such invoice form. The Company shall attach all documentation and information necessary, and as otherwise required by this Agreement, to justify payment by the Authority to the Company or credit from the Company to the Authority. The Authority shall reasonably cooperate by providing timely written confirmation of (i) the Tons of Covanta Ash received from or on behalf of the Company at the Rolling Hills Landfill during the Billing Period and (ii) the Tons of By-Pass Waste or Authority Waste diverted in accordance with this Agreement. The Company shall reasonably cooperate by providing timely written confirmation of the Tons of By-Pass Ash diverted in accordance with this Agreement.

(b) Payment. The Party owing the net balance shall pay to the other Party the statement balance within thirty (30) days of receipt of such statement, properly formatted and containing the required documentation and completed invoices, consistent with Schedule 6 and free from errors. If either Party disputes any item in an invoice for any reason, including lack of supporting documentation or data, such Party shall delete the amount of the disputed item and pay the remainder of the invoice. Either Party shall promptly notify the other Party of the disputed item(s) and request resubmittal on the next Billing Period invoice, if applicable. If the due date for payment is not a Business Day, payment is due on the next Business Day following that date.

(c) Estimates. To the extent that the actual value of any item in any Billing Period statement cannot be accurately determined at the Billing Period statement date, such item shall be billed on a best estimated basis and an adjustment shall be made to reflect the difference between such estimated amount and the actual amount of such item on the Billing Period statement next following the date on which the Company or the Authority, as applicable, learns the exact amount of such item.

(d) Invoicing and Payment of Annual Reconciliation. Within sixty (60) days following the end of each Contract Year, the Company or, as applicable, the Authority, or both, shall prepare an annual statement or reconciliation statement and invoice setting forth any amounts due either Party pursuant to this Agreement, and in accordance with this Section 4.10(d). The annual reconciliation invoice shall include documentation sufficient to justify payment by the Authority to the Company, or the Company to the Authority. Payment of the annual reconciliation shall be made pursuant to the procedures set forth in Section 4.10(a) and (b).

ARTICLE V – FURTHER AGREEMENTS

5.01 Licenses, Approvals and Permits. The Company, at its sole cost and expense, shall obtain and maintain all Permits required to be obtained and maintained by the Company in connection with the ownership, operation and maintenance of the Facility. The Authority, at its sole cost and expense, shall obtain and maintain all Permits required to be obtained and maintained by the Authority in connection with the ownership, operation and maintenance of the Rolling Hills Landfill.

5.02 Insurance. The Company (or its Affiliate), at its sole cost and expense, shall arrange, purchase and maintain insurance policies with the coverages specified on Schedule 1 in respect of the Facility, and shall cause the Authority to be an additional insured under the following liability coverages: (a) commercial general liability, (b) excess liability, (c) environmental liability, and (d) automobile liability. The Company shall deliver to the Authority certificates evidencing the insurance policies and coverages in respect of the Facility. The Authority, at its sole cost and expense, shall arrange, purchase and maintain insurance policies with the coverages specified on Schedule 1 in respect of the Rolling Hills Landfill, and shall cause the Company to be an additional insured under the following insurance coverages: (i) general liability, (ii) environmental liability, and (iii) automobile liability. The Authority shall deliver to the Company certificates evidencing the insurance policies and coverages in respect of the Rolling Hills Landfill.

5.03 Indemnification.

(a) Company Indemnity. The Company shall protect, indemnify and hold harmless the Authority and its officials, officers, members, employees, subcontractors and agents (each, an "*Authority Indemnified Party*," or collectively, the "*Authority Indemnified Parties*") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits and reasonable attorneys' fees (collectively, "*Loss*"), and shall defend the Authority Indemnified Parties in any suit, including appeals, for personal injury or death, or loss of, or damage to, property arising out of the negligent acts, negligent omissions or intentional torts of the Company or any of its Affiliates, or any of the Company's or Affiliates' officials, agents, subcontractors or employees in connection with its or their performance or failure to perform its or their obligations under this Agreement. The Company is not required, however, to reimburse, indemnify or defend any Authority Indemnified Party for any Loss to the extent due to the negligent acts, negligent omissions or intentional torts of any Authority Indemnified Party.

(b) Authority Indemnity. The Authority shall protect, indemnify and hold harmless the Company and its officials, officers, members, employees, subcontractors and agents (each, a "*Company Indemnified Party*," or collectively, the "*Company Indemnified Parties*") from and against all Losses, and shall defend the Company Indemnified Parties in any suit, including appeals, for personal injury or death, or loss of, or damage to, property arising out of the negligent acts, negligent omissions or intentional torts of the Authority or any of the Authority's officials, agents, subcontractors or employees in connection with its or their performance or failure to perform its or their obligations under this Agreement. The Authority is not required, however, to reimburse, indemnify or defend any Company Indemnified Party for any Loss to the extent due to the negligent acts, negligent omissions or intentional torts of any Company Indemnified Party.

(c) Waiver of Subrogation. Each Party hereby waives any and every claim for recovery from the other Party for any and all loss or damage to the waiving Party's property resulting from the other Party's performance or failure to perform this Agreement, to the extent such loss or damage is recovered by the waiving Party under its own property insurance policies.

5.04 Limit of Liability. Each Party's overall limit of liability for payment of civil damages to the other Party under this Agreement in the aggregate throughout the entire Service Term shall be capped at \$25,000,000, as escalated in accordance with the Escalation Factor using a base date of January 1, 2017. Payments made by one Party to the other Party (i) pursuant to an obligation to indemnify pursuant to Section 5.03(a) or 5.03(b), as applicable, against third-party tort claims for personal injury or death, or (ii) for disposal services performed by that other Party under this Agreement, shall in either such case, not count toward the paying Party reaching its overall limit of liability.

5.05 Exclusion of Liability.

(a) IN NO EVENT, WHETHER BECAUSE OF A BREACH, EVENT OF DEFAULT OR ANY OTHER CAUSE, WHETHER BASED IN CONTRACT, TORT, WARRANTY, OR OTHERWISE, ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT, SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR, OR BE OBLIGATED IN ANY MANNER TO PAY, SPECIAL, INCIDENTAL, CONSEQUENTIAL, LOST PROFIT OR INDIRECT DAMAGES, EXCEPT TO THE EXTENT THE FOREGOING DAMAGES COMPRISE THE CLAIM OF A THIRD PARTY BEING INDEMNIFIED AGAINST UNDER SECTION 5.03.

(b) THE REMEDIES PROVIDED TO EACH PARTY IN THIS AGREEMENT SHALL BE EXCLUSIVE OF ANY OTHER REMEDIES AVAILABLE AT LAW OR IN EQUITY.

**ARTICLE VI – CONDITIONS PRECEDENT TO
COMMENCEMENT DATE**

6.01 Commencement 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:

(1) each Party shall have executed and delivered this Agreement to the other Party hereto;

(2) the Company has delivered to the Authority the Guaranty, in form and substance as attached hereto as Schedule 3, duly executed by the Parent;

(3) the Authority or the County has delivered to the Company the County Reaffirmation of Guaranty, in form and substance as attached hereto as Schedule 4, duly executed by the County; and

(4) the Authority or the County has delivered to the Company a full release of the Guaranty of Covanta ARC, LLC dated as of August 28, 2001, in form and substance as attached hereto as Schedule 7, duly executed by the Authority and the County; and

(b) the obligations of the Parties hereunder shall not begin until the Commencement Date.

ARTICLE VII – DEFAULT AND TERMINATION

7.01 Events of Default by the Company. The following shall constitute “*Events of Default*” on the part of the Company:

(a) Failure of the Company to make any undisputed payment that is owed to the Authority and past due hereunder within thirty (30) days following receipt of the Authority’s written notice of non-payment to the Company;

(b) Failure of the Company to accept for more than ten (10) consecutive Business Days Authority Waste that the Company is obligated to accept pursuant to the terms of this Agreement;

(c) Persistent and repeated failure of the Company to timely perform any material obligation under this Agreement, other than as set forth in Section 7.01(a), (b), (d), (e), (f) or (g);

(d) The delivery to the Landfill, over any period of twenty-four (24) consecutive months after the Commencement Date, of By-Pass Waste in an amount equal to or greater than 93,000 Tons;

(e) Failure of Parent to comply with its obligations under the Guaranty in accordance with the terms and conditions therein and, in the case of immaterial obligations of

Parent under the Guaranty (e.g., delivery of financial statements or notice), such failure is not remedied within five (5) Business Days after written notice thereof;

(f) Failure of the Company to maintain the required insurance in accordance with Section 5.02 and such failure is not remedied within five (5) Business Days after written notice thereof; or

(g) (i) the Company or the Parent being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature, or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee, or liquidator for the Facility or for any substantial part of its property, or (ii) a bankruptcy, winding up, reorganization, insolvency arrangement, or similar proceeding instituted by or against the Company or the Parent under the laws of any jurisdiction, which proceeding has not been stayed or dismissed within sixty (60) days, or (iii) any action or answer by the Company or the Parent approving of, consenting to, or acquiescing in any such proceeding, or (iv) the levy of any distress, execution, or attachment upon the property of the Company which shall substantially interfere with its performance hereunder.

7.02 Events of Default by Authority. The following shall constitute "*Events of Default*" on the part of the Authority:

(a) Failure of the Authority to make any undisputed payment that is owed to the Company and past due hereunder within thirty (30) days following receipt of the Company's written notice of non-payment to the Authority;

(b) Failure of the Authority to accept for more than ten (10) consecutive Business Days Covanta Ash that the Authority is obligated to accept pursuant to the terms of this Agreement;

(c) Persistent and repeated failure of the Authority to timely perform any material obligation under this Agreement, other than as set forth in Section 7.02(a), (b), (d), (e), (f) or (g);

(d) The delivery to an alternate disposal facility (other than the Rolling Hills Landfill), over any period of twenty-four (24) consecutive months after the Commencement Date, of By-Pass Ash in an amount equal to or greater than 139,500 Tons;

(e) Failure of the County to comply with its obligations under the County Guaranty in accordance with the terms and conditions therein and, in the case of immaterial obligations of the County under the County Guaranty (e.g., delivery of notice), such failure is not remedied within five (5) Business Days after written notice thereof;

(f) Failure of the Authority to maintain the required insurance in accordance with Section 5.02 and such failure is not remedied within five (5) Business Days after written notice thereof; or

(g) (i) The Authority or the County being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee, or liquidator

for a substantial part of its property, or (ii) a bankruptcy, winding up, reorganization, insolvency arrangement, or similar proceeding instituted by or against the Authority or the County under the laws of any jurisdiction, which proceeding has not been stayed or dismissed within sixty (60) days, or (iii) any action or answer by the Authority or the County approving of, consenting to, or acquiescing in, any such proceeding, or (iv) the levy of any distress, execution, or attachment upon the property of the Authority which shall substantially interfere with its performance hereunder.

7.03 Event of Default Remedies.

(a) Company Opportunity to Cure. If a Company Event of Default described in Section 7.01(c) has occurred, the Company shall have an opportunity to cure such Event of Default by commencing to cure within thirty (30) days after the Authority shall have given the Company written notice of such Event of Default in reasonable detail. If such Event of Default cannot be cured within thirty (30) days through the exercise of due diligence, the Company shall take expeditious and substantive steps within said thirty (30) day period to cure the Event of Default and thereafter pursue such cure with due diligence to completion. An Event of Default described in Section 7.01(a), (e) or (f) shall require prior written notice and provide an opportunity to cure only as provided therein. An Event of Default described in Sections 7.01(d) or (g) shall not require any written notice by the Authority and, with respect to Section 7.01(g) only, shall provide an opportunity to cure only as provided in clause (ii) therein. Notwithstanding this Section 7.03(a) to the contrary, if repeated cures (no more than two (2) in any Contract Year or three (3) over any rolling three (3) consecutive Contract Year period) are undertaken to address Events of Default under Section 7.01(c), the Authority may, notwithstanding Sections 7.03(a) and (c) to the contrary and in the Authority's sole judgment, exercise its right to immediately terminate this Agreement by written notice to the Company.

(b) Authority Opportunity to Cure. If an Authority Event of Default described in Section 7.02(c) has occurred, the Authority shall have an opportunity to cure such Event of Default by commencing to cure within thirty (30) days after the Company shall have given the Authority written notice of such Event of Default in reasonable detail. If such Event of Default cannot be cured within thirty (30) days through the exercise of due diligence, the Authority shall take expeditious and substantive steps within said thirty (30) day period to cure the Event of Default and thereafter pursue such cure with due diligence to completion. An Event of Default described in Section 7.02(a), (e) and (f) shall require prior written notice and provide an opportunity to cure only as provided therein. An Event of Default described in Section 7.02(d) or (g) shall not require any notice by the Company and, with respect to Section 7.02(g) only, shall provide an opportunity to cure only as provided in clause (ii) therein. Notwithstanding this Section 7.03(b) to the contrary, if repeated cures (no more than two (2) in any Contract Year or three (3) over any rolling three (3) consecutive Contract Year period) are undertaken to address Events of Default under Section 7.02(c), the Company may, notwithstanding Section 7.03(b) and (c) to the contrary and in the Company's sole judgment, exercise its right to immediately terminate this Agreement by written notice to the Authority.

(c) Direct Damages and Termination. Except where a specific remedy is expressly provided elsewhere in this Agreement, including Section 7.03(d) below, Events of Default shall give the non-defaulting Party the right to pursue the defaulting Party for direct, actual damages,

and the right, subject to Sections 7.03(a) and (b) above, to terminate this Agreement by providing at least thirty (30) days written notice of termination to the other Party. The calculation of direct, actual damages for the remainder of the stated Service Term following termination of this Agreement for an Event of Default shall be discounted to present value at the Overdue Rate.

(d) Authority Specific Performance. If there is an Event of Default on the part of the Company in performing its obligations relative to accepting and Processing the Authority Waste at the Facility in accordance with the terms and conditions of this Agreement, then the Parties agree that specific performance is an appropriate remedy and the Authority shall have the right to seek injunctive relief giving effect to its 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 Authority's and its participating municipalities' solid waste management plans and, in the interest of public health and safety, the Company's continuing and uninterrupted acceptance and Processing of the Authority's Acceptable Waste at the Facility throughout the Service Term is a fundamental obligation of the Company, and such obligation of the Company serves as the basis upon which the Authority is entering into this Agreement to enable the Authority to provide for the disposal of Acceptable Waste generated within the County without landfilling. Accordingly, the Parties acknowledge and agree that (i) any such Event of Default or breach by the Company of any of its obligations under this Agreement relative to the acceptance and Processing of Authority Waste would cause irreparable injury to the Authority, (ii) the remedies at law for any such Event of Default or breach, including monetary damages, are inadequate compensation for the Authority, (iii) the Company's continued and uninterrupted accepting and Processing of Authority Waste at the Facility are in the best interest of the public, and (iv) any defense that a remedy at law would be adequate to compensate the Authority for an Event of Default by the Company is waived by the Company in any action for specific performance.

(e) Company Specific Performance. If there is an Event of Default on the part of the Authority in performing its obligations relative to accepting Covanta Ash at the Rolling Hills Landfill in accordance with the terms and conditions of this Agreement, then the Parties agree that specific performance is an appropriate remedy and the Company shall have the right to seek injunctive relief giving effect to its rights under this Agreement, in addition to any and all other rights and remedies provided hereunder. The Parties agree that since, *inter alia*, the Rolling Hills Landfill is critical to the Company's business management plans, the Authority's continuing and uninterrupted acceptance and disposal of Covanta Ash at the Landfill throughout the Service Term is a fundamental obligation of the Authority and such obligation of the Authority serves as the basis upon which the Company is entering into this Agreement. Accordingly, the Parties acknowledge and agree that (i) any such Event of Default or breach by the Authority of any of its obligations under this Agreement relative to the acceptance of Covanta Ash would cause irreparable injury to the Company, (ii) the remedies at law for any such Event of Default or breach, including monetary damages, are inadequate compensation for the Company, and (iii) any defense that a remedy at law would be adequate to compensate the Company for an Event of Default by the Authority is waived by the Authority in any action for specific performance.

ARTICLE VIII – MISCELLANEOUS

8.01 Term.

(a) Service Term. This Agreement shall begin on the Commencement Date and, unless sooner terminated in accordance with the terms of this Agreement or extended in accordance with Section 8.01(b), shall expire at 11:59 p.m. (local time) on April 30, 2022 (the “*Service Term*”).

(b) Extension of Service Term. At any time during the first sixty (60) days of the last Contract Year, the Company shall give written notice to the Authority as to whether or not it intends to continue to operate the Facility for the Processing of Acceptable Waste. If the Company intends to continue operation, the Authority shall have a right of first refusal to contract for an amount of the available capacity of the Facility not exceeding the Guaranteed Tonnage at a price not to exceed the market price for such capacity and on such other terms and conditions as the Parties may agree, which right of first refusal shall be deemed waived by the Authority unless exercised by the Authority in writing within sixty (60) days following such notice. This Section 8.01(b) shall survive the expiration of the initial Service Term.

8.02 Assignment.

(a) This Agreement may not be assigned by any Party without the prior written consent of the other Party.

(b) This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the Parties hereto pursuant to this Section 8.02. Any attempted assignment made contrary to this Section 8.02 shall be void *ab initio*.

8.03 Effect of Termination. Upon the expiration or earlier termination of this Agreement, pursuant to the terms of this Agreement, the obligations of the Company and the Authority for the payment of money or indemnification, arising from the conduct of the Parties pursuant to this Agreement prior to such expiration or earlier termination of this Agreement, shall survive such expiration or earlier termination.

8.04 Overdue Obligations to Bear Interest. All amounts due hereunder, whether as damages, credits or reimbursements, that are not paid when due shall bear interest at the Overdue Rate on the amount outstanding from time to time, on the basis of a 360-day year, counting the actual number of days elapsed, and all such interest accrued at any time shall, to the extent permitted by Applicable Law, be deemed added to the amount due, as accrued.

8.05 Representations.

(a) Authority's Representations. The Authority represents and warrants to the Company that:

(1) The Authority is duly organized and existing in good standing under the laws of the Commonwealth and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(2) The Authority has the power, authority and legal right, to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof (a) have been duly authorized by the Authority's Board, (b) have all requisite approvals of all governmental officers or bodies, (c) do not require any consent or referendum of voters, (d) will not violate any judgment, order, law or regulation applicable to the Authority or any provisions of the Authority's charter or bylaws and (e) do not constitute a default under or result in the creation of any lien, charge, encumbrance or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

(3) This Agreement has been duly entered into and delivered and, as of the Contract Date, constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium and similar laws and general principles of equity.

(4) There is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the best of the Authority's knowledge, threatened against the Authority, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the Authority of its obligations hereunder or the other transactions contemplated hereby, or which, in any way, would adversely affect the validity or enforceability of this Agreement, or any other agreement or instrument entered into by the Authority in connection with the transactions contemplated hereby.

(b) Company's Representations. The Company hereby represents and warrants to the Authority that:

(1) The Company is duly organized and existing in good standing under the laws of State of Delaware and is duly qualified to do business in the Commonwealth and wherever necessary to carry on the business and operations contemplated by this Agreement.

(2) The Company has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (a) have been duly authorized, (b) have all requisite approval of all governmental officers or bodies, (c) will not violate any judgment, order, law or regulation applicable to the Company and (d) do not constitute a default under or result in the creation of any lien, charge, encumbrance or security interest upon any assets of the Company under any agreement or instrument to which the Company is a party or by which the Company or its assets may be bound or affected.

(3) The Company holds, or is expressly authorized under, the necessary patent rights, licenses and franchises to operate and manage the Facility pursuant to the terms of this Agreement.

(4) This Agreement has been duly entered into and delivered and, as of the Contract Date, constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium and similar laws and general principles of equity.

8.06 Relationship of the Parties. Except as otherwise expressly provided herein, no Party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations assumed by any other Party. Nothing in this Agreement shall be deemed to constitute any Party a partner, franchisee, franchisor, agent, or legal representative of any other Party or to create any fiduciary relationship between or among the Parties.

8.07 Notices. Any notices or communication required or permitted hereunder shall be in writing and shall be sufficiently given if (i) delivered in person, (ii) sent by overnight courier and evidence of delivery is obtained, (iii) sent by e-mail with evidence of receipt of such email, or (iv) sent by certified or registered mail, return receipt requested, postage prepaid, in each case properly addressed as provided below. Notice addresses for the Parties are as follows:

If to the Company:

445 South Street
Morristown, NJ 07960
Attention: Executive Vice President
E-Mail: dveenhof@covanta.com

With a copy to (which shall not constitute notice or service of process):

Covanta Energy, LLC
445 South Street
Morristown, NJ 07960
Attention: Vice President & Deputy General Counsel
E-Mail: kbily@covanta.com

If to the Authority:

Delaware County Solid Waste Authority
1521 N. Providence Road
Media, PA 19063
Attention: Executive Director
E-Mail: jwvrt@comcast.net

With a copy to (which shall not constitute notice or service of process):

Michael F. X. Gillin & Associates, P.C.
230 North Monroe Street
Media, PA 19063
Attn: Michael F. Gillin, Esq.
E-Mail: mgillin@gillinlawoffice.com

Changes in the respective addresses to which such notices may be directed may be made from time to time by any Party by written notice to the other Party.

8.08 No Waiver. The waiver by either Party of an Event of Default or a breach of any provision of this Agreement by the other Party shall not operate or be construed to operate as a waiver of any other provision or any subsequent Event of Default or breach. The making, or acceptance, of a payment by either Party with knowledge of the existence of an Event of Default or breach shall not operate or be construed to operate as a waiver of that or any subsequent Event of Default or breach.

8.09 Entire Agreement; Modifications. The provisions of this Agreement, including the Schedules hereto, shall (a) constitute the entire agreement between the Parties on the subject matter hereof, superseding all prior agreements and negotiations, and (b) be modified only by written agreement duly executed by the Parties.

8.10 Headings. Captions, headings, titles, the table of contents and the list of schedules in this Agreement are for ease of reference only, and do not constitute a part of this Agreement.

8.11 Governing Law. This Agreement and any question concerning its validity, construction, or performance shall be governed by the laws of the Commonwealth of Pennsylvania.

8.12 Consent of Jurisdiction. Each Party, by execution of this Agreement, (a) hereby irrevocably submits to the exclusive jurisdiction of the Delaware County's Court of Common Pleas 32nd Judicial District for the Commonwealth of Pennsylvania 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 and agrees that service of process by registered or certified mail, return receipt requested, at the address specified pursuant to Section 8.07 hereof is reasonably calculated to give actual notice.

8.13 Liability of Officers and Employees. No member of the either Party's board of directors (or equivalent), nor any director, officer, agent, consultant, trustee, representative or employee of either Party shall be charged personally by the other or held contractually liable thereto under any term or provision hereunder, 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.

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

8.15 Severability. In the event that any provision of this Agreement shall for any reason be determined to be invalid, illegal, or unenforceable in any respect, the Parties hereto shall negotiate in good faith and agree to such amendments, modifications, or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the Parties as reflected herein, and the other provisions of this Agreement shall, as so amended, modified, or supplemented, or otherwise affected by such action, remain in full force and effect.

8.16 Further Assurances. The Company and the Authority further covenant to cooperate with one another in all reasonable respects, as may be reasonably necessary to insure the successful consummation of the transactions contemplated by this Agreement that are not inconsistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, and each will take all actions within its authority to insure reasonable cooperation of its officials, officers, agents, and other third Persons within its control.

8.17 Sovereign Immunity. The Authority, to the extent permitted by Applicable Law, hereby irrevocably waives and renounces any and all rights it may have to the defense of sovereign immunity and agrees not to raise such defense to any claim, suit or proceeding based on or arising out of this Agreement which is brought against the Authority by the Company.

8.18 Extension Period Fees Waiver. For the period beginning on May 1, 2017 until the Commencement Date, each Party waives all tipping fees and Pass Through Costs (as defined in the Service Agreement) payable to the other Party under the prior Service Agreement.

[Signatures appear next page]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement, as of the day and year first above written.

COVANTA DELAWARE VALLEY, L.P.

By: Covanta ARC, LLC, its general partner

KJB By: [Signature]

Name: Timothy L. Simpson

Title: Exec. Vice Pres., gen. counsel

DELAWARE COUNTY SOLID WASTE
AUTHORITY

By: _____

Name: _____

Title: _____

[Signature Page to Amended & Restated Service Agreement]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement, as of the day and year first above written.

COVANTA DELAWARE VALLEY, L.P.

By: _____, its general partner

By: _____

Name: _____

Title: _____

DELAWARE COUNTY SOLID WASTE
AUTHORITY

By: Joseph W. Vasturia

Name: JOSEPH W. VASTURIA

Title: CEO / Chairman

[Signature Page to Amended & Restated Service Agreement]

SCHEDULE 1

INSURANCE

Company Insurance:

[Attached]

Authority Insurance:

General Liability:

- \$2,000,000 Aggregate
- \$1,000,000 Personal Injury Each Person Limit
- \$2,000,000 Products & Completed Ops
- \$500,000 Premises Damage Limit
- Excluded – Medical Payments
- Employee Benefit Liability –
- \$1,000,000 Each Claim
- \$3,000,000 Aggregate

Employment Practices Liability:

- \$1,000,000 Aggregate Limit
- \$1,000,000 Each Wrongful Employment Practice
- Offense Limit
- \$10,000 Deductible
- 4/13/1997 Retroactive Date
- Claims-Made Form

Commercial Automobile:

- \$1,000,000 Combined Single Limit
- Composite Auto
- Uninsured/Underinsured Motorists Coverage
- Hired/Non-Owned Liability
- \$500 – Comprehensive Deductible – Per Schedule
- \$1,000 – Collision Deductible - Per Schedule

Environmental Liability:

- \$5,000,000 Each Pollution Event
- \$15,000,000 Aggregate
- \$50,000 Crisis Management Expense Aggregate
- \$50,000 Green Remediation Aggregate
- \$50,000 Green Standards Aggregate
- \$25,000 – Each Pollution Event Deductible
- Claims-Made Form

Workers' Compensation:

- \$500,000 Each Accident
- \$500,000 Disease – Policy Limit
- \$500,000 Disease – Each Employee

Umbrella Liability:

- \$10,000,000 Each Occurrence
- \$10,000,000 Personal/Advertising Injury
- \$10,000,000 General Aggregate

Schedule 1

Insurance to be Secured and Maintained by Company with Respect to Facility

1. Workers Compensation & Employers Liability Insurance
 - a. Workers' Compensation and Employer's Liability Insurance in compliance with the Applicable Laws of the State of Pennsylvania. Employer's liability insurance with limits not less than \$1,000,000 per accident or employee disease.
2. Commercial General Liability Insurance
 - a. Commercial General Liability Insurance in the minimum amount of \$1,000,000 per occurrence/aggregate or amount sufficient to support the required excess liability limit for bodily injury and property damage.
3. Automobile Liability Insurance
 - a. Automobile Liability Insurance with a combined single limit in the minimum amount of \$1,000,000 per occurrence/aggregate or amount sufficient to support the required excess liability limit for bodily injury and property damage.
4. Excess Liability Insurance
 - a. Excess Liability Insurance with limits, that when combined with the primary liability limits, will not be less than \$100,000,000 per occurrence/aggregate. Such coverage is to be as broad as the primary or underlying policy or policies and shall apply to the Company's general liability, employer's liability and automobile liability insurance.
5. Professional Liability Insurance
 - a. Professional Liability Insurance with limits of \$10,000,000.00 per claim/aggregate.
6. All-Risk Property Damage Insurance (First Party)
 - a. All Risk Property Damage Insurance insuring against physical damage to the Facility under an "All Risk" policy form in an amount equal to the replacement cost of the facility. Subject to reasonable sub-limits, policy shall cover property damage caused by earthquake and flood.
7. Business Interruption and Extra Expense Insurance
 - a. Business Interruption and Extra Expense Insurance covering a) lost revenue less discontinued expenses and b) extra expenses resulting from property damage to the Facility covered by the required all risk property damage insurance.
8. Environmental Liability Insurance
 - a. Environmental Impairment Liability Insurance for bodily injury, property damage, clean up and/or remediation costs resulting from both the sudden and accidental and non-sudden gradual type occurrences, including damages on and off-site in the minimum amount of \$25,000,000 per claim/\$50,000,000 aggregate.

SCHEDULE 2

ESCALATION FACTOR

The Escalation Factor in any year shall be determined by using the following formula to reflect an appropriate mix of labor and material costs:

$$EF = .65 L/L_b + .35M/M_b$$

65% weighing factor for Labor

35% weighing factor for Material

EF – Escalation Factor

L – Current period SIC-49 index

L_b – Base period SIC-49 index*

M – Current period PPI-114 index

M_b – Base period PPI-114 index*

} CEU 4422000000

LABOR – “Final average hourly earnings, Electric, Gas and Sanitary Services (SIC-49)” as published by the U.S. Department of Labor, Bureau of Labor Statistics.

MATERIAL – Producer Price Index for Electric Power Generation (Series ID PCU221110221110) as published by the U.S. Department of Labor, Bureau of Labor Statistics.

* The date used for the base period shall be the applicable date specified in the Agreement to which the Escalation Factor is applied.

SCHEDULE 3

PARENT GUARANTY AGREEMENT

GUARANTEE AGREEMENT dated as of May 15, 2017 (the "*Guarantee Agreement*"), from COVANTA HOLDING CORPORATION, a Delaware corporation (together with successors and assigns) (the "*Guarantor*"), in favor of the DELAWARE COUNTY SOLID WASTE AUTHORITY (the "*Beneficiary*").

COVANTA DELAWARE VALLEY, L.P., a Delaware limited partnership (the "*Company*"), and the DELAWARE COUNTY SOLID WASTE AUTHORITY, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "*Authority*"), are parties to that certain Amended and Restated Service Agreement dated as of May 15, 2017 (as so amended, the "*Service Agreement*"). As an inducement to the Beneficiary to enter into and consent to the Service Agreement, the Guarantor is entering into this Guarantee Agreement and extending to the Beneficiary the guarantee provided for herein.

NOW, THEREFORE, intending to be legally bound hereby, the Guarantor covenants and agrees as follows:

1. Definitions. Unless the context shall otherwise require, the capitalized terms used herein shall have the meanings assigned to them in the Service Agreement, and this Guarantee Agreement shall be construed in accordance with the conventions set forth therein.

2. Guarantee. The Guarantor, as primary obligor and not as surety, hereby unconditionally and irrevocably guarantees to the Beneficiary, the due, prompt and faithful performance of, payment of and compliance with, all obligations of the Company contained in the Service Agreement, including without limitation, the indemnity obligations set forth in Section 5.03 thereof, on the terms and conditions set forth therein, as amended from time to time in accordance with its terms and with Section 8 hereof (such obligations being hereinafter called the "*Obligations*"). Notwithstanding any other provision of this Guarantee Agreement to the contrary, the Guarantor shall be entitled to assert any counterclaim, set-off, deduction, diminution, abatement, recoupment, suspension, deferment, reduction or defense available to the Company under the Service Agreement. Except as provided in Section 13(b) below, the total cumulative liability of the Guarantor to the Beneficiary under this Guarantee Agreement arising from or in any way connected with the performance or breach of this Guarantee Agreement shall in no event exceed the liability of the Company to the Beneficiary under the Service Agreement. This guarantee is a continuing guarantee of payment, performance of and compliance with the Obligations in accordance with their terms and conditions and not of collectibility, is in no way conditioned or contingent upon any attempt to collect from or enforce performance or compliance by the Company, or upon any other event, contingency or circumstance whatsoever. The Beneficiary shall not be obliged to take any action against the Company before enforcing this Guarantee Agreement including without limitation, (i) to make

any demand of the Company, (ii) to take proceedings or obtain judgment against the Company in any court, (iii) to make or file any claim in a bankruptcy or liquidation of the Company, or (iv) to enforce any other security to which the Beneficiary may be entitled in respect of the Obligations.

If for any reason the Company shall fail or be unable duly, punctually and fully to pay any Obligation as and when the same shall become due and payable, or to perform or comply with any Obligation, the Guarantor will immediately pay or cause to be paid such Obligation to the Beneficiary under the terms of the Service Agreement, together with interest on any amount due and owing from the Company at the rate specified in Section 8.04 of the Service Agreement as applicable to overdue payments, from the date the same shall have become due and payable to the date of payment, or perform or comply with any such Obligation, or cause the same to be performed or complied with. The promise to perform herein includes all Obligations whether now or hereafter incurred, whether direct, indirect or contingent, and whether otherwise guaranteed or secured.

The guarantee herein remains fully enforceable irrespective of any accord and satisfaction between the Beneficiary and the Company.

3. Waiver and Agreement. The Guarantor hereby expressly waives:

(a) any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Beneficiary upon this Guarantee Agreement or acceptance of this Guarantee Agreement, and the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee Agreement; and

(b) notice of and any defense based upon (i) any renewals or extensions of time for payment or performance of the Obligations, any changes in the terms of the Obligations, or any other changes in the guaranteed payment and performance, or (ii) surrender, release, exchange, substitution, dealing with or taking any collateral or abstaining from taking advantage of or realizing upon any security interest or other guarantee.

The Guarantor agrees that this Guarantee Agreement shall continue to be effective or shall be automatically reinstated, as the case may be, if and to the extent that for any reason any payment by or on behalf of the Company is rescinded or must be otherwise restored by the Beneficiary.

No delay on the part of Beneficiary in exercising any right hereunder or any failure to exercise the same shall operate as a waiver of such right.

4. Subrogation. The Guarantor agrees that unless and until all the Obligations of the Company under the Service Agreement for which payment is due and owing and which has been requested under this Guarantee Agreement have been paid, discharged, performed or satisfied in full, the Guarantor will not exercise or take the benefit of any rights of subrogation

or indemnity or by any means or on any ground claim any set-off or counterclaim against the Company or prove a claim in competition with the Beneficiary in respect of any payment or performance of the Obligations by the Guarantor under this Guarantee Agreement and that the Guarantor will not be entitled in competition with the Beneficiary to claim or have the benefit of any other guarantee or any security held by the Beneficiary; and provided that until all of the Obligations of the Company under the Service Amendment have been paid, discharged, performed or satisfied in full all claims, counterclaims or set-offs of the Guarantor against the Company will be subordinated in right of payment to claims of the Beneficiary regardless of where such claims arise. Guarantor further agrees to take no action pursuant to its subrogation rights which would cause the Company to default in its Obligations to others.

5. Guarantor Representations and Warranties. The Guarantor represents and warrants as follows:

(a) under the laws of the State of Delaware and the Commonwealth of Pennsylvania, Guarantor has the necessary rights, capabilities, power and authority to enter into and perform its Obligations under this Guarantee Agreement, and

(b) the Guarantor has adequate means to obtain from the Company information concerning the Company's financial condition and capability of performing the Obligations and the Guarantor is not relying and will not rely on the Beneficiary to provide such information either now or in the future; and

(c) this Guarantee Agreement has been duly entered into and delivered and, as of the date set forth above, constitutes a legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium and similar laws and general principles of equity.

6. Third Party Rights. This Guarantee Agreement is made for the benefit of, and shall be enforceable by, the Beneficiary and by Delaware County, Pennsylvania (the "*County*"), as third party beneficiary. This Guarantee Agreement shall not be construed to create any right in any Person other than the Beneficiary or the County, or to be a contract in whole or in part for the benefit of any Person other than the Beneficiary or the County.

7. Remedies. All rights and remedies of the Beneficiary hereunder shall be cumulative and may be exercised singly or concurrently. The Guarantor waives presentment, demand, protest, notice of protest, notice of dishonor, notices of default and all other notices of any type now or hereafter provided by agreement, statute or rule of law. The Guarantor shall not be released from the terms of this Guarantee Agreement by any act or thing which might, but for this provision, be deemed a legal or equitable discharge of a surety or by reason of any waiver, extension, modification, forbearance, delay or other act or omission of the Beneficiary.

Notwithstanding any other provision to the contrary, the Beneficiary agrees that it will give a copy of any written notice given to the Company under the Service Agreement to the Guarantor.

8. Amendment of Guarantee. No term or provision of this Guarantee Agreement shall be amended, modified, altered, waived, supplemented or terminated except in a writing signed by the Beneficiary and the Guarantor.

9. Term of Guarantee Agreement. This Guarantee Agreement and all guarantees, covenants and agreements of the Guarantor contained herein shall continue in full force and effect and shall not be discharged until such time as the Service Agreement expires or is terminated in accordance with its terms, at which time this Guarantee Agreement shall terminate; provided, however, that the Guarantor shall continue to be liable for any claims under this Guarantee which have arisen on or before such date of termination notwithstanding any liquidation, composition, insolvency, or other incapacity or any alteration in the corporate existence of the Company or Guarantor.

10. Notices etc. All notices and other communications required or permitted by the terms hereof to be given to any Person shall be deemed to have been properly given if given as provided for in Section 8.07 of the Service Agreement; and the address for notices or communications hereunder shall be:

If to the Guarantor:

Covanta Holding Corporation
445 South Street
Morristown, NJ 07960
Attention: Executive Vice President
E-Mail: dveenhof@covanta.com

With a copy to (which shall not constitute notice or service of process):

Covanta Energy, LLC
445 South Street
Morristown, NJ 07960
Attention: Vice President & Deputy General Counsel
E-Mail: kbily@covanta.com

If to the Beneficiary:

Delaware County Solid Waste Authority
1521 N. Providence Road
Media, PA 19063
Attention: Executive Director
E-Mail: jwvrt@comcast.net

Delaware County Council
201 West Front Street
Media, Pennsylvania 19063
Attn: Executive Director

With copies to (which shall not constitute notice or service of process):

Michael F. X. Gillin & Associates, P.C.
230 North Monroe Street
Media, PA 19063
Attn: Michael F. Gillin, Esq.
E-Mail: mgilllin@gilllinlawoffice.com

In addition, the Beneficiary and the Company shall provide notice to the Guarantor of all proposed amendments and modifications to the Service Agreement, and no amendments or modifications shall be binding upon either the Company or the Guarantor unless approved in writing by the Guarantor prior to adoption by the Company.

11. Severability of this Agreement. In case any provisions of this Guarantee Agreement or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and statements and any other application thereof shall not in any way be affected or impaired thereby.

12. Further Assurances. The Guarantor hereby agrees to execute and deliver all such instruments and take all such action as the Beneficiary may from time to time reasonably request in order to fully effectuate the purposes of this Guarantee Agreement.

13. Liability.

(a) The Guarantor's liability under this Guarantee Agreement shall not be impaired, affected or discharged:

(i) by reason of any time or other indulgence granted by the Beneficiary to the Company or any forbearance (whether as to payment, time, performance or otherwise howsoever) which might but for this provision have any such effect;

(ii) by reason of any modification or variation in the terms or conditions of the Obligations or any waiver or release under the Service Agreement; or

(iii) any deficiency in the power of the Company to undertake the Obligations.

(b) The Guarantor will reimburse the Beneficiary on demand any reasonable costs and expenses whatsoever incurred by the Beneficiary, including but not limited to attorney's fees and expenses, in the enforcement of any final, non-appealable award in arbitration or judgment for the alleged nonperformance by the Company of any Obligation which is obtained by the Beneficiary against the Company or Guarantor, or the Beneficiary's representation or participation in proceedings for the reorganization of the Company.

(c) It is understood and agreed to by the Beneficiary that nothing contained herein shall create any obligation of or right to look to any director, officer or employee of the Guarantor for the satisfaction of the Obligations of the Guarantor under this Guarantee Agreement and that no judgment, order or execution entered in any suit, action or proceeding, whether legal or equitable, with respect to or in connection with this Guarantee Agreement shall be taken, against any director, officer or employee of the Guarantor for the purpose of obtaining satisfaction and payment of any claim arising under or in connection with this Guarantee Agreement.

14. Miscellaneous. This Guarantee Agreement shall in all respects be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania applicable to agreements made and to be performed entirely within such Commonwealth, including all matters of construction, validity and performance. This Guarantee Agreement shall be binding upon, inure to the benefit of and be enforceable by the successors and assigns of the Beneficiary. This Guarantee Agreement embodies the entire agreement and understanding between the Guarantor and the Beneficiary and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Guarantee Agreement are for purposes of reference only, and shall not limit or otherwise affect the meaning hereof.

15. Third Party Beneficiary. The County shall be a third party beneficiary of this Guarantee Agreement.

16. Successors. The Guarantor will not consolidate with any person or entity or merge into any person or entity or sell or otherwise dispose of all or substantially all of its property and assets to any person or entity unless the person or entity (if other than the Guarantor) resulting from any consolidation or merger or to which such sale or other disposition shall have been made, immediately upon such consolidation, merger, or sale, or other disposition, expressly assumes the due and punctual performance of all of the obligations and liabilities of the Guarantor hereunder (whether arising prior to, at the time of, or after such assumption) and executes and delivers to the Beneficiary a valid and legally binding proper instrument, in form and substance reasonably satisfactory to the Beneficiary (which, however, shall not be under any liability or responsibility for the validity or enforceability thereof), together with an opinion of counsel to the effect that such instrument has been duly authorized, executed, and delivered by such successor person or entity and constitutes the valid obligation of such person or entity enforceable in accordance with its terms subject to applicable bankruptcy, moratorium, and similar laws and general principles of equity, whereby such successor person or entity shall so assume all such obligations and liabilities of the Guarantor. Upon the assumption of the Guarantor's obligations and liabilities hereunder by a successor

person or entity in accordance with the terms hereof, the Guarantor shall be deemed automatically and immediately released from all of its obligations and liabilities under this Guarantee Agreement and this Guarantee Agreement shall be returned by the Beneficiary to the Guarantor simultaneously with such assumption of the Guarantor's obligations and liabilities hereunder. In case of any consolidation, merger, sale or other disposition authorized by the provisions of this Section 16 and after delivery of the instrument and opinion referred to above, the person or entity resulting therefrom or, as the case may be, the person or entity to which such sale or other disposition shall have been made, shall, for all purposes of this Guarantee Agreement be deemed to be the Guarantor.

17. Substitution. The Guarantor may at any time substitute as the guarantor with respect to its obligations hereunder any person or entity: (i) to which the Guarantor has directly or indirectly sold at least fifty percent (50%) of its interest in the Company; (ii) which has by merger, consolidation, sale or otherwise become the direct or indirect owner of a majority of the Company's equity or all or substantially all of the Company's assets (a "Successor"), or (iii) which is the direct or indirect owner of all of the equity of such Successor; provided, that any guarantor to be substituted for the Guarantor pursuant to any clauses (i), (ii) and (iii) above shall (A) have the same or better credit rating as the existing Guarantor by each of Standard and Poor's Corporation and Moody's Investors Service, Inc., or if such ratings agencies are succeeded, as rated by two (2) other nationally recognized ratings agencies, in each case, not more than 30 days prior to such substitution (which shall be confirmed in writing by each rating agency, if any, which rates such debt, in each case, after giving effect to the assumption of this Guarantee Agreement) and (B) have a Consolidated Net Worth (as defined below) of at least Two Hundred Fifty Million (\$250,000,000.00); provided, further (whether such substituted guarantor is the owner of the Successor or is, itself, the Successor), that a new corporate guarantee agreement in substantially the form and substance of this Guarantee Agreement is executed and delivered by such substituted guarantor to the Beneficiary, together with an opinion of counsel to the effect that the new corporate guarantee agreement has been duly authorized, executed, and delivered by such substituted guarantor and constitutes the valid and legally binding obligation of such substituted guarantor enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium and similar laws and general principles of equity. Upon satisfaction of the requirements set forth in the preceding sentence, this Guarantee Agreement shall be deemed automatically and immediately released by Beneficiary and shall be returned to the Guarantor.

18. Default. Notwithstanding anything contained in this Guarantee Agreement or in the Service Agreement to the contrary, Guarantor shall be in default under this Guarantee Agreement (each, a "Default") upon the making by Guarantor of an assignment for the benefit of creditors, or the appointment of a trustee or receiver for Guarantor, or for any property of Guarantor, or the voluntary commencement of any proceeding by Guarantor, or the failure to convert in a timely and appropriate manner any proceeding involuntarily commenced against Guarantor under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, or if any representation or warranty made by Guarantor in this Guarantee Agreement is incorrect in any material respect or fails to state a material fact which is necessary to make the representation or warranty not misleading, or if Guarantor fails to perform

any of its obligations under this Guarantee Agreement or breaches any of its covenants under this Guarantee Agreement, if Guarantor causes or suffers to occur a diminution in its Consolidated Net Worth to less than Two Hundred Fifty Million Dollars (\$250,000,000.00) and Guarantor fails to deliver and maintain the Performance Bond in accordance with Section 19. For purposes of this Guarantee Agreement, the term (a) "*Consolidated Net Worth*" shall mean, as of the date of any determination thereof, the total amount of all assets of the Guarantor determined on a consolidated basis in accordance with GAAP as of such date less the sum of (i) all consolidated liabilities (excluding intangible liabilities) of the Guarantor determined in accordance with GAAP, and (ii) assets properly classified as intangible assets in accordance with GAAP, and (b) "*GAAP*" means generally accepted accounting principles in the in effect from time to time in the United States, applied on a consistent basis. After a Default has occurred hereunder, the Authority shall have the termination rights set forth in the Service Agreement.

19. Performance Bond. If Guarantor causes or suffers to occur a diminution in its Consolidated Net Worth to less than Two Hundred Fifty Million Dollars (\$250,000,000.00), then within five (5) Business Days following such event, Guarantor shall deliver to the Authority, and shall maintain thereafter, a performance bond, in substantially the form attached hereto as Exhibit A (the "*Performance Bond*"), in the face amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000) from one or more sureties that are rated at least A- or the equivalent thereof by a nationally recognized credit rating agency (which shall be confirmed in writing by such rating agency) to secure payment of Guarantor's obligations hereunder.

20. Consent to Jurisdiction. This Guarantee Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania without regard to the principles of conflict of laws. The parties hereto hereby irrevocably submit to the jurisdiction of Delaware County's Court of Common Pleas 32nd Judicial District for the Commonwealth of Pennsylvania for the purposes of any suit, action or other proceeding arising out of or based upon this Guarantee Agreement. Each party to the extent permitted by applicable law hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding brought in such courts, any claim that it is not subject personally to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this agreement or any of the other operative documents or the subject matter hereof or thereof may not be enforced in or by such court. Each party hereby consents to service of process by mail at its address to which notices are to be given pursuant to Section 10 of this Guarantee Agreement. A final nonappealable judgment against a party in any such action, suit or proceedings shall be conclusive, and may be enforced in any other jurisdiction (a) by suit, action or proceeding on the judgment, a certified or true copy of which shall be conclusive evidence of the fact and the amount of indebtedness or liability of the party therein described or (b) in any other manner provided by or pursuant to the laws of such other jurisdiction provided, however, that a party may at its option bring suit or institute other judicial proceedings against a party found liable or any of its assets in any state or federal court of the United States or of any country or place where the liable party or its assets may be found.

21. Financial Statements. During the term of this Guarantee Agreement and so long as Guarantor is not a public company, Guarantor shall deliver to the Authority and the Company quarterly financial statements and annual financial statements. The quarterly financial statements shall be delivered to the Authority and Company when they become available but no later than sixty (60) days after the end of each fiscal quarter. The annual financial statements shall be: (a) audited (but uncertified by auditors); (b) certified by the Guarantor's Chief Financial Officer as prepared in accordance with GAAP; (c) the same as those sent to the trustee for the bondholders of Guarantor's debt; and (d) shall be delivered to the Authority and the County when they become available but no later than ninety (90) days after the end of the Guarantor's fiscal year. In the event that such annual financial statements ever are certified by Guarantor's auditors, then Guarantor shall promptly provide copies of such certified and audited statements to the Authority and the County.

22. Effectiveness. Notwithstanding anything contained in this Guarantee Agreement to the contrary, the effectiveness of this Guarantee Agreement shall be conditioned on and subject to the Commencement Date occurring under the Service Agreement. If the Commencement Date does not come into effect for any reason, this Guarantee Agreement shall terminate and be of no further force or effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Guarantee Agreement to be executed as of the day and year first above written.

COVANTA HOLDING CORPORATION

By: [Signature]
Name: Timothy J. Schaefer
Title: Exec. Vice Pres., Gen Counsel

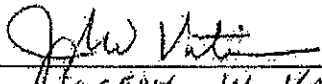
ATTEST:

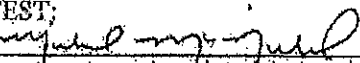
By: [Signature]
Name: Kirk J. Bily
Title: VP + Deputy Gen.

[Signature Page to Guarantee Agreement]

Accepted and agreed to this 15th day of May, 2017:

DELAWARE COUNTY SOLID
WASTE AUTHORITY

By: 
Name: JOSEPH W. VASTURIA
Title: CEO/Chairman

ATTEST:
By: 
Name: Michael McNichol
Title: Asst. Secretary

COUNTY OF DELAWARE, PENNSYLVANIA

By: Council of the County of Delaware,
Pennsylvania

By: Maria J. Cipriani
Name: Maria J. Cipriani
Title: CHAIRMAN

ATTEST:

By: [Signature]
Name: Michael Mc Nichol
Title: Asst. Secretary

[Signature]
Colleen P. Morrone, Vice Chairman

ATTEST:

By: [Signature]
Name: Michael Mc Nichol
Title: Asst. Secretary

[Signature]
John P. McBlain, Member

ATTEST:

By: [Signature]
Name: Michael Mc Nichol
Title: Asst. Secretary

[Signature]
David J. White, Member

ATTEST:

By: [Signature]
Name: Michael Mc Nichol
Title: Asst. Secretary

[Signature]
Michael Culp, Member

ATTEST:

By: [Signature]
Name: Michael Mc Nichol
Title: Asst. Secretary

[Signature Page to Guarantee Agreement]

Exhibit A

FORM OF PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS: That Covanta Holding Corporation, a Delaware corporation ("*Principal*"), and _____ a corporation of the state of _____ and whose principal office is located in the City of _____ ("*Surety*"), are held and firmly bound unto the Delaware County Solid Waste Authority, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania ("*Obligee*"), in the full and just sum of **Seven Million Five Hundred Thousand Dollars (\$7,500,000)** to the payment of which sum, well and truly to be made, the said Principal and Surety bind ourselves, their and each of their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain Guarantee Agreement dated as of May 15, 2017 in favor of Obligee (as amended, the "*Guarantee Agreement*"), which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein; and

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if the above bounded Principal shall well and truly keep, do and perform, each and every, all and singular, the matters and things in said contract set for and specified to be by the said Principal kept, done and performed, at the time and in the manner in said contract specified during the term of this bond, and shall pay over, make good and reimburse to the above-named Obligee, all payments required to be made to the Obligee under the Guarantee Agreement, all loss and damage which said Obligee may sustain by reason of failure or default on the part of said Principal, then this obligation shall be void otherwise to be and remain in full force and effect. The Obligee shall be entitled to draw in full on this Performance Bond on the third (3rd) business day prior to the expiration date of this Performance Bond, unless the Principal shall have delivered a substitute performance bond in accordance with Section 19 of the Guarantee Agreement.

Provided, however, that this bond is subject to the following conditions and provisions:

1. The bond is for the term beginning _____ and ending on the first anniversary thereof.
2. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless same be brought or instituted and process served upon the Surety within six (6) months after the completion of the Guarantee Agreement.

3. The Obligee shall have no obligation to make a claim against the Principal before making a claim under this Performance Bond.
4. This bond may be extended for additional terms at the option of the Surety by Continuation Certificate executed by the Surety.
5. The liability of the Surety under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.

Signed and sealed this _____ day of _____, 20__.

Covanta Holding Corporation, as Principal

By: _____
Name: _____
Title: _____

Surety

By: _____
Name: _____
Title: _____

SCHEDULE 4
COUNTY REAFFIRMATION OF GUARANTY

May 15, 2017

Covanta Delaware Valley, L.P.
445 South Street
Morristown, NJ 07960

Ladies and Gentlemen:

Reference is made to (i) that certain Amended and Restated Service Agreement dated as of May 15, 2017 (the "*Service Agreement*"), by and between the Delaware County Solid Waste Authority, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "*Authority*"), and Covanta Delaware Valley, L.P., a Delaware limited partnership (the "*Company*"), and (ii) that certain Guarantee Agreement, dated as of December 17, 1992 (the "*County Guaranty*"), executed by the County of Delaware, Pennsylvania, a political subdivision organized and existing under the laws of the Commonwealth of Pennsylvania (the "*County*"), in favor of the Company, a copy of which is attached hereto. Capitalized terms that are used herein and not otherwise defined herein shall have the respective meanings assigned thereto under the Service Agreement.

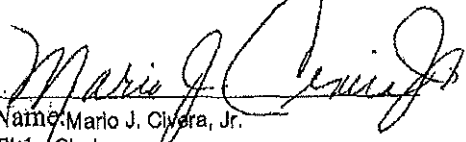
The County (i) reaffirms all of its obligations under the County Guaranty, (ii) acknowledges that the Company enjoys the benefits of the County Guaranty, and (iii) acknowledges and agrees that the County Guaranty remains in full force and effect (including, without limitation, after giving effect to the Service Agreement, as amended and restated on May 15, 2017) in favor of the Company.

[Signature page follows]

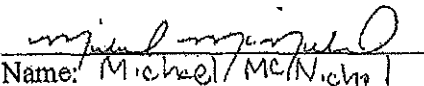
Very truly yours,

Delaware County, Pennsylvania

By:


Name: Mario J. Civera, Jr.
Title: Chairman

ATTEST:


Name: Michael McNichols
Title: Asst. Secretary

COUNTY GUARANTEE

[Attached]

SCHEDULE 5

WASTE HAULER APPROVAL FORM

[Attached]

SCHEDULE 5

Covanta Delaware Valley, L.P. Waste Hauler Approval Form																																																																																							
Section 1: Hauler Information (must be complete)																																																																																							
Company: _____	Service Area: _____																																																																																						
Address: _____	The Company may be contacted by representatives of the Delaware County Solid Waste Authority to verify this information. The Company agrees to cooperate with such verification.																																																																																						
Contact: _____																																																																																							
Phone: _____																																																																																							
Section 2: Waste Sources (check as many as apply)																																																																																							
Residential <input type="checkbox"/> Office <input type="checkbox"/> Commercial <input type="checkbox"/>	Institutional <input type="checkbox"/> Construction Debris <input type="checkbox"/> Other <input type="checkbox"/>	Other Solid Waste: <input type="checkbox"/> Residual <input type="checkbox"/> Municipal Like <input type="checkbox"/>	Form R & U Form S																																																																																				
For Forms R & U Waste hauler approval attach PADEP documentation																																																																																							
Section 3: Contract Waste includes (check as many as apply)																																																																																							
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Section 5: Certification																																																																																							
I certify that to the best of my knowledge, the above is true and complete characterization of the waste materials to be disposed of under the term of this agreement. To the best of my knowledge the Company has not been banned from the waste industry in any state nor is the Company in violation of a material environmental or safety law nor within the last three years has the Company been in violation of any such law.																																																																																							
By: _____ Title: _____ Company: _____																																																																																							
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Approved <input type="checkbox"/>		Disapproved <input type="checkbox"/>																																																																																					
Signed _____		Date: _____																																																																																					

SCHEDULE 6

FORM OF INVOICE

[Attached]

FORM OF INVOICE

Covanta Delaware County, L.P.
10 Highland Avenue
Chester, PA 19013

Date _____, 20____
Invoice Number XXXXX
Billing Period [Month/Year]
Due Date Net 30 Days

Bill to:

Delaware County Solid Waste Authority
1521 N. Providence Road
Media, PA 19063
Attention: Accounts Payable

Customer Number XXXXX

Billing Period Operating Data			
Authority Waste Accepted by Covanta (Tons)			30,000.0
Process Residue Accepted by Authority (Tons)			
	Delaware Valley		20,000.0
	Plymouth		8,000.0
	Other		2,000.0
	Total		30,000.0
By-Pass Waste (Tons)			500.0
By-Pass Ash (Tons)			

Escalation Factor Calculation			
Index	Base Index	Escalated Index	Weighting
Labor Cost	225.200	236.800	35.0%
Material Cost	234.600	238.100	65.0%
Base Escalation Factor			231.310
Escalation Applied			237.645
Escalation Factor Applied			2.67%

SERVICE FEE			Amount	
Tipping Fee		Base Rate	Escalated Rate	
Waste Tipping Fee (WTF)		\$38.75	\$39.78	→ \$ 1,193,489.24
Process Residue Tipping Fee (PRTF) (Credit)		\$18.00	\$18.48	→ \$ (554,395.00)
Pass Through Costs (PTC)			Host Fee (\$/ton)	
Host Community Fees (per Ton Authority Waste Delivered)			\$2.00	→ \$ 60,000.00
Other pursuant to Section 4.05(a) (to be specified/documentation attached)				→ \$ -
By-Pass Waste Fees (BWF) (Credit)		Base Rate	Escalated Rate	
By-Pass Waste Disposal Charge (Rolling Hills)		\$38.75	\$39.78	→ \$ (19,891.49)
By-Pass Waste Disposal Charge (Other than Rolling Hills)				
By-Pass Waste Transportation Cost (Invoices attached)				→ \$ -
Wait Time Charges (WTC) (Credit)		# of Trucks	Per Truck Charge	
		0	\$75.00	→ \$ -
By-Pass Ash Fees (BAF)				
By-Pass Ash Disposal Charge (Invoices attached)				→ \$ -
By-Pass Ash Transportation Cost (Invoices attached)				→ \$ -
Change in Law Charges (calculation/Invoices attached) (Per Ton)				→ \$ -
Change in Law Credit (calculation/Invoices attached) (Credit) (Per Ton)				→ \$ -
Total Service Fee Due for Billing Period			→ \$	679,202.75

SCHEDULE 7

RELEASE OF COVANTA ARC GUARANTY

May 15, 2017

Covanta Delaware Valley, L.P.
445 South Street
Morristown, NJ 07960

Ladies and Gentlemen:

Reference is made to (i) that certain Amended and Restated Service Agreement dated as of May 15, 2017 (the "*Service Agreement*"), by and between the Delaware County Solid Waste Authority, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "*Authority*"), and Covanta Delaware Valley, L.P., a Delaware limited partnership (the "*Company*"), and (ii) that certain Guarantee Agreement, dated as of August 28, 2001 (the "*Covanta ARC Guaranty*"), executed by Covanta ARC LLC, a Delaware limited liability company (formerly, American Re-Fuel Company L.L.C.) ("*Covanta ARC*"), in favor of the Authority and Delaware County, Pennsylvania, as a third party beneficiary (the "*County*", and together with the Authority, the "*Beneficiaries*" or each, a "*Beneficiary*"), a copy of which is attached hereto. Capitalized terms that are used herein and not otherwise defined herein shall have the respective meanings assigned thereto under the Service Agreement.

In connection with the Service Agreement, the Covanta ARC Guaranty is being terminated and released. Accordingly, the Beneficiaries hereby agree as follows:

1. The Covanta ARC Guaranty is hereby terminated effective as of the Commencement Date of the Service Agreement, and is and shall be of no further force or effect except for such obligations, duties or liabilities that by the terms of the Covanta ARC Guaranty survive the expiration or termination of the Covanta ARC Guaranty.

2. Except for such Claims (as defined below) arising from any obligations, duties or liabilities that by the terms of the Covanta ARC Guaranty survive the expiration or termination of the Covanta ARC Guaranty, the Beneficiaries hereby release and discharge Covanta ARC from all claims, debts, actions, causes of action, suits, damages and demands (collectively, "*Claims*") that either Beneficiary has now had or may have in the future relating to the Covanta ARC Guaranty.

3. This release shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania. This release may be executed in counterparts that together shall constitute the original, and a facsimile signature shall be valid as an original signature. This Release constitutes the entire agreement between the parties hereto with respect to the matters contemplated herein and supersedes all prior discussions, undertakings,

agreements and negotiations between the parties hereto. This release may be modified only by written instrument duly executed by the parties hereto. This release shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

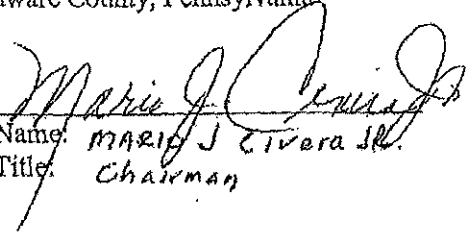
4. Notwithstanding anything contained in this release to the contrary, the effectiveness of this release shall be conditioned on and subject to the effectiveness of the Service Agreement. If the Service Agreement does not come into effect for any reason, this Release shall terminate and be of no further force or effect.

[Signature Page Follows]

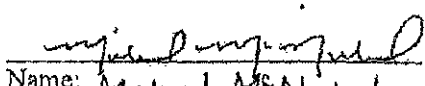
Very truly yours,

Delaware County, Pennsylvania

By:

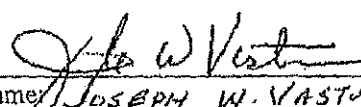

Name: MARIA J. CIVERA JR.
Title: Chairman

ATTEST:

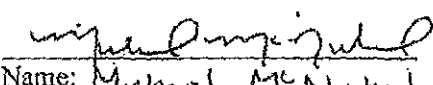

Name: Michael McNichol
Title: Asst. Secretary

Delaware County Solid Waste Authority

By:


Name: JOSEPH W. VASTURIA
Title: CEO/Chairman

ATTEST:


Name: Michael McNichol
Title: Asst. Secretary