

**AMENDMENT # 1 TO
TRANSPORTATION AND DISPOSAL AGREEMENT**

This Amendment #1 dated as of March 10, 2014 amends the Transportation and Disposal Agreement dated as of June 1, 2012 (the "**Agreement**") by and between Covanta 4Recovery, L.P. ("**Contractor**") and the Mayor and City Council of Ocean City, Maryland (the "**Town**".)

The terms used herein with the initial letter capitalized, unless otherwise defined herein, shall have the meanings therefore set forth in the Agreement.

THEREFORE, in consideration of their mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree to amend the Agreement as follows:

1. Recitals C is hereby deleted and replaced with the following:

C. The Town requires Contractor to provide transportation and disposal service of Municipal Solid Waste (MSW) to fully licensed Energy-from-Waste disposal facilities.

2. Section 2.1(c) is hereby modified by adding the following as the last sentence in the paragraph:

All Acceptable Waste shall be delivered to an Energy-from-Waste facility.

3. The first and third sentences of Section 3.1 are hereby deleted and replaced with the following:

The service fee for transportation and disposal services of MSW shall be \$55.50 per ton, as may be adjusted pursuant to Section 3.3 (the "**Contract Price**".)

4. A new Section 3.8 is hereby added:

Contractor shall have the right to increase the Contract Price from time to time by the pro-rata amount (determined by relative tonnage of Acceptable Waste delivered by the Town and accepted by Contractor divided by the total tonnage processed at the disposal facility) of any increase in operating costs or capital costs of the disposal facility as a result of a change in applicable laws ("**CIL Increase**"); provided, however, that Contractor shall absorb the first \$5.00 per ton of the aggregate of all CIL Increases and the Town shall pay CIL Increases in excess of such \$5.00 per ton. Any such CIL Increase shall be effective immediately upon written notice by Contractor to the Town. On

or about December 31st of each year, Contractor shall provide the Town with email notice of any CIL Increases that will be applied toward the initial \$5.00 per ton to be absorbed by Contractor, including reasonably cost substantiation. Notwithstanding anything stated in this Agreement to the contrary, if the Town does not agree to a CIL Increase, the Town may terminate this Agreement by providing Contractor written notice of such termination within 30 days of receipt of notice of a CIL Increase and termination will be effective twelve months from the date of the notice of a CIL Increase; if the Town elects to so terminate, the Town shall pay the CIL Increase for tons delivered during the twelve month period prior to the termination date.

5. Section 8.1 is hereby deleted and replaced with the following:

Section 8.1 The term of this Agreement shall commence on June 17, 2012 (the "**Commencement Date**") and shall continue through December 31, 2021.

The following changes are effective as of June 17, 2015:

1. The first two sentences of Section 3.1 are hereby deleted and replaced with the following:

The service fee for transportation and disposal services of MSW shall be \$62.00 per ton, as may be adjusted pursuant to Section 3.3 (the "**Contract Price**").

2. Section 3.4 is hereby deleted and replaced with the following:

Section 3.4 The fees to paid to Contractor for the transportation and disposal services under this Agreement shall be adjusted each January 1st, beginning on January 1, 2016, to match the percentage increase/decrease determined by the published Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers South (1982 – 84), of the Department of Labor for the October Consumer Price Index.

All terms and conditions set forth in the Agreement not specifically amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment #1 to Transportation and Disposal Agreement the date first above written.

MAYOR AND CITY COUNCIL OF OCEAN CITY, MARYLAND

By: _____

^{OIC}
5/1/14 Name: David L. Recor, ICMA-CM

Title: City Manager

COVANTA 4RECOVERY, L.P.

**BY ITS GENERAL PARTNER,
COVANTA 4RECOVERY I, LLC**

By: _____

Name: Derek Veenhof

Title: EVP