
SCHEDULES
TO
REFUSE DERIVED FUELS AND WASTE TO ENERGY FACILITIES
SERVICE AGREEMENT

dated as of

September 9, 2009

by and between

SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

and

WHEELABRATOR TECHNOLOGIES INC.

SCHEDULE 1

DESCRIPTION OF THE FACILITIES

The Facilities consist of two components that are located across the street from each other. One component, the WTE Facility, is located on a 17-acre parcel of the Norfolk Naval Shipyard bordered by Elm Avenue and Victory Boulevard. The other component, the RDF Facility, is located on a 21.3-acre parcel across the street from the steam plant on Victory Boulevard. The street address is 3809 Elm Avenue. The Facilities are located on the Facilities Site and are generally depicted and identified in Schedule 2 (Facilities Site).

1. RDF Facility

Waste from SPSA Transfer Stations, as well as from municipal, business and residential haulers is delivered to the RDF Facility and tipped on SPSA's Tipping Floor. Designed to sort and process as much as two-thousand (2,000) Tons per day, the RDF Facility consists of three identical process lines capable of producing eighty (80) Tons of refuse-derived fuel per hour. Each individual line contains a primary and secondary trommel, magnetic separators, a shredder, a disc screen, an aluminum separation station, a dust collection system, and an array of conveyors. The RDF Facility is also equipped with four fixed cranes, one hopper, and a series of chutes for Non-Processible Waste and ferrous metals removed during sorting or Processing (or both). The RDF Facility does not include:

- SPSA's Truck Maintenance Facility;
- SPSA's Roadways;
- SPSA's Scales and Scalehouses;
- SPSA's Tipping Floor.

2. WTE Facility

The WTE Facility is an electric power plant located nearby the RDF Facility that Processes Waste delivered from the RDF Facility to generate Steam Energy and electric energy and capacity. The WTE Facility is capable of Processing approximately fifteen hundred (1,500) Tons of refuse-derived fuel per Day. The WTE Facility is comprised of four (4) independent eighty-thousand (80,000) pound per hour steam generating boilers. Waste transferred from the RDF Facility to the WTE Facility is achieved with a dedicated conveyor system connecting the two (2) components of the Facilities. The conveyor system is underground from the RDF Facility under Victory Boulevard to a transfer house which is part of the conveyor system; from the transfer house to the WTE Facility Waste is transferred by overhead conveyor (all as further identified in Schedule 2 (Facilities Site)).

SCHEDULE 2

FACILITIES SITE

The Facilities Site consists of the following distinct parcels:

1. The RDF Facility refers to and comprises the 8.345 acre parcel of land shown and designated as Parcel '2B' on the plat attached as Sheet 1 to this Schedule 2 upon which the RDF Facility is located.
2. The SPSA RDF Assets refers to and comprises the 3.201 acre parcel of land shown and designated as Parcel '2C' on the plat attached as Sheet 1 to this Schedule 2 consisting of SPSA's Tipping Floor (designated as "Tipping Floor"), SPSA's Scales and Scalehouses (each designated as "Scale House") and SPSA's Roadways (which are the remaining portions of Parcel '2C' other than SPSA's Tipping Floor and SPSA's Scales and Scalehouses).
3. Parcel 4 refers to and comprises the 0.1414 acre parcel of land shown and designated as Parcel 4 on the plat attached Sheet 1 to this Schedule 2 upon which a portion of the transfer house is situated.
4. 60' Strip refers to and comprises that certain portion of the sixty foot (60') wide parcel of land shown and designated as "Virginia Electric and Power Company (60' R/W)" on the plat attached as Sheet 1 to this Schedule 2 to be conveyed by the City of Portsmouth, Virginia, upon which a portion of the transfer house is situated.
5. Triangle Parcel refers to and comprises that certain 0.6675 acre parcel of land shown and designated as Tax Parcel 0387-0051 on the plat attached as Sheet 1 to this Schedule 2 upon which a portion of the transfer house and overhead conveyor are situated.
6. WTE Facility refers to and comprises that certain 15.7104 acre parcel of land shown and designated as "Parcel B" on the plat attached as Sheet 2 to this Schedule 2 upon which the WTE Facility is located.
7. Water Storage and Pump Site refers to and comprises that certain 0.3730 acre parcel of land shown and designated as "Parcel B" on the plat attached as Sheet 3 to this Schedule 2 upon which the water storage and pump are situated that are part of the WTE Facility.

SCHEDULE 3

SPSA TRUCK MAINTENANCE FACILITY

The SPSA Truck Maintenance Facility refers to and comprises the 9.808 acre parcel of land depicted and shown as Parcel '2A' on the plat attached to this Schedule 3.

SCHEDULE 4

SPSA TRANSFER STATIONS

1. Chesapeake Transfer Station
901 Hollowell Lane
Chesapeake, VA 23320
2. Isle of Wight Transfer Station
13191 Four Square Road
Smithfield, Virginia 23430
3. Norfolk Transfer Station
3136 Woodland Avenue
Norfolk, Virginia 23504
4. Franklin Transfer Station
30521 General Thomas Highway
Franklin, Virginia 23851
5. Landstown Transfer Station
1825 Concert Drive
Virginia Beach, Virginia 23453
6. Oceana Transfer Station
2025 Virginia Beach Boulevard
Virginia Beach, VA 23462
7. Suffolk Transfer Station
#1 Bob Foeller Drive
Suffolk, VA 23434

SCHEDULE 5

SPSA TRANSFER STATION RECEIVING TIMES

<u>Location</u>	<u>Monday-Friday</u>	<u>Saturdays</u>
Chesapeake Transfer Station	7 am - 3 pm	7 am - 12 pm
Norfolk Transfer Station	5 am – 5 pm	7 am - 12 pm
Landstown Transfer Station	5 am – 5 pm	7 am - 12 pm
Oceana Transfer Station	6 am – 3 pm	7 am - 12 pm
Franklin Transfer Station	8 am – 3 pm	8 am - 12 pm
Isle of Wight Transfer Station	8 am – 3 pm	8 am - 12 pm
Suffolk Transfer Station	7 am – 4 pm	7 am - 12 pm

Holidays – Schedule

New Year’s Day	January 1st
Lee-Jackson Day*	Friday preceding the 3 rd Monday in January
Martin Luther King, Jr. Day*	Third Monday in January
President’s Day *	Third Monday in February
Memorial Day*	Last Monday in May
Independence Day	July 4th
Labor Day*	First Monday in September
Columbus Day*	Second Monday in October
Veteran’s Day*	November 11th
Thanksgiving Day	Fourth Thursday in November
Friday following Thanksgiving Day*	Fourth Friday in November
Christmas Day	December 25th

° If any of New Year’s Day, Independence Day, Veteran’s Day, Christmas Eve, or Christmas Day Falls on a Sunday, when a facility is otherwise closed, then that date shall be observed on the date designated for its observation as a holiday by the Federal Government. For those holidays marked above with an asterisk (*), all SPSA Transfer Stations shall operate under the schedule for Saturday hours, i.e. they will be open for one-half day (either 0700-1200 or 0800-1200 as shown under hours of operation listed above).

SCHEDULE 6

SPSA TRANSFER STATION HAULING RATES

<u>SPSA Transfer Station</u>	<u>Rate per Ton*</u>
Chesapeake Transfer Station 901 Hollowell Lane Chesapeake, VA 23320	\$10.22
Isle of Wight Transfer Station 13191 Four Square Road Smithfield, Virginia 23430	\$19.44
Norfolk Transfer Station 3136 Woodland Avenue Norfolk, Virginia 23504	\$9.58
Franklin Transfer Station 30521 General Thomas Highway Franklin, Virginia 23851	\$19.92
Landstown Transfer Station 1825 Concert Drive Virginia Beach, Virginia 23453	\$12.03
Oceana Transfer Station 2025 Virginia Beach Boulevard Virginia Beach, VA 23462	\$13.05
Suffolk Transfer Station #1 Bob Foeller Drive Suffolk, VA 23434	\$9.89

* Each SPSA Transfer Station Hauling Rate shall be adjusted by the Adjustment Factor as of the first Billing Month of each Billing Year.

SCHEDULE 7

FUEL COST SURCHARGE

A Fuel Cost Surcharge shall be applied in any month that the Current Fuel Index is greater than the Base Fuel Index (i.e. Fuel Cost Surcharge = Base Fuel Cost x Fuel Factor).

Where:

1. Base Fuel Cost =

<i>SPSA Transfer Station</i>	<i>Base Fuel Cost</i>
Norfolk Transfer Station	\$1.75
Chesapeake Transfer Station	\$1.83
Landstown Transfer Station	\$2.04
Suffolk Transfer Station	\$1.79
Oceana Transfer Station	\$2.17
Isle of Wight Transfer Station	\$2.93
Franklin Transfer Station	\$2.99

2. Fuel Factor = the greater of zero or [Current Fuel Index / Base Fuel Index minus one (1)]
3. Fuel Index = the weighted average monthly price per gallon paid by SPSA for #2 Diesel Fuel Oil in any given month as calculated by SPSA using receipts from SPSA's fuel supplier
4. Current Fuel Index = the Fuel Index for the applicable Billing Month.
5. Base Fuel Index = the Fuel Index for the calendar month of March 2009.

Example 1:

Haul from Norfolk to the RDF Facility

Base Fuel Cost = \$1.75 per ton

Assume Base Fuel Index is 2.00

Assume Current Fuel Index is 2.20

Fuel Factor = $[2.20/2.00] - 1 = 0.10$

Fuel Cost Surcharge = $\$1.75 \times 0.10 = \$ 0.175$ per ton

Example 2:

Haul from Chesapeake to the RDF Facility

Base Fuel Cost = \$1.83 per ton

Assume Base Fuel Index is 2.00

Assume Current Fuel Index is 1.80

Fuel Factor = $[1.80/2.00] - 1 = -0.10$, Set to 0.00

Fuel Cost Surcharge = $0.12 \times \$15.22 \times 0.00 = \0.00 per ton

SCHEDULE 8

AUTHORIZED HAULERS

1. All Virginia Environmental Solutions
2. Alliance Waste Disposal Co., Inc.
3. Allied Waste Services
4. Bay Disposal
5. Meeks Disposal Company, Inc.
6. Recycling Disposal Solutions RDS
7. TFC Recycling
8. Waste Industries, LLC
9. Taylor Waste Services

SCHEDULE 9

AUTHORIZED HAULER ACCEPTABLE WASTE CAP

<u>SPSA Transfer Station</u>	<u>Daily Limit</u>	<u>Weekly Limit</u>	<u>Consecutive Four (4) Week Period</u>	<u>Yearly Limit</u>
Chesapeake Transfer Station 901 Hollowell Lane Chesapeake, VA 23320	200	1,100	4,400	52,800
Isle of Wight Transfer Station 13191 Four Square Road Smithfield, Virginia 23430	100	550	2,200	26,400
Norfolk Transfer Station 3136 Woodland Avenue Norfolk, Virginia 23504	700	3,850	15,400	184,800
Franklin Transfer Station 30521 General Thomas Highway Franklin, Virginia 23851	100	550	2,200	26,400
Landstown Transfer Station 1825 Concert Drive Virginia Beach, Virginia 23453	600	3,300	13,200	158,400
Oceana Transfer Station 2025 Virginia Beach Boulevard Virginia Beach, VA 23462	100	550	2,200	26,400
Suffolk Transfer Station #1 Bob Foeller Drive Suffolk, VA 23434	300	1,650	6,600	79,200

* All Acceptable Waste Caps are measured in Tons.

SCHEDULE 10

PERMITS

1. Federal Operating Permit based on the requirements of the Federal Clean Air Act and Chapter 80, Article 1, of the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution.
2. Authorization to Discharge under the Virginia Pollutant Discharge Elimination System and the Virginia State Water Control Law.
3. Hampton Roads Sanitation District Industrial Wastewater Discharge Permits.
4. Permit by Rule of energy recovery and incineration facilities.
5. Any other Permits required under Applicable Law.

[NOTE: ALL APPLICABLE COMPANY PERMITS, TITLES AND IDENTIFICATION NUMBERS SHALL BE ADDED TO THIS SCHEDULE ON OR BEFORE THE CLOSING DATE.]

SCHEDULE 11

SPSA PERMITS

1. Permit-by-Rule No. 500 issued by the Commonwealth of Virginia Department of Environmental Quality.

SCHEDULE 12

PERFORMANCE GUARANTEES

1. Annual Processing Guarantee.

The Company guarantees to SPSA, that during each Billing Year the Company will Process not less than eighty percent (80%) of all Acceptable Waste delivered to the RDF Facility (including all waste diverted pursuant to Section 7.1.2, but excluding any and all SPSA Acceptable Waste that is properly rejected by the Company pursuant to Section 7.1.3 of the Agreement). The Company's compliance with its Annual Processing Guarantee shall be calculated following the end of each Billing Year in accordance with the procedures and formulas set forth in Section 8.4 and Schedule 13.

2. Steam Energy Delivery Guarantee.

The Company guarantees to SPSA that during each Billing Year the Company shall provide Steam Energy to the U.S. Navy from the WTE Facility meeting all minimum quality and quantity delivery requirements under the Navy Contract. The Company's compliance with its Steam Energy Delivery Guarantee shall be calculated at the end of each Billing Year in accordance with the procedures and formulas set forth in Schedule 13 to this Agreement.

SCHEDULE 13

PERFORMANCE CALCULATIONS AND TEST PROCEDURES

This Schedule 13 establishes the procedures and formulas for determining whether the Company has satisfied the (A) Annual Processing Guarantee and (B) the Steam Delivery Guarantee.

PART A. ANNUAL PROCESSING PERFORMANCE CALCULATIONS

This Part A sets forth the calculations to be used to determine whether the Company has satisfied its Annual Processing Guarantee in any Billing Year.

The total Tons of Acceptable Waste delivered to the RDF Facility during the Billing Year shall be the base amount of Waste Tons used to calculate whether the Annual Processing Guarantee has been satisfied for such Billing Year. No Prohibited Waste delivered to the RDF Facility during the Billing Year shall be included in calculating the base amount of Waste Tons used for purposes of this Part A.

The following formula shall be used to calculate the percentage of Acceptable Waste Processed by the Company during the Billing Year:

$$W_P = \frac{W_D - W_{NP}}{W_D}$$

Where:

W_P = The percentage of Acceptable Waste Processed at the Facilities during such Billing Year;

W_D = The total Tons of Acceptable Waste delivered to the RDF Facility during the Billing Year;

W_{NP} = The total Tons of Processible Waste and Non-Processible Waste transported out of the RDF Facility during the Billing Year

If the percentage of Acceptable Waste Processed (W_p) at the Facilities during the Billing Year is equal to or greater than eighty percent (80%), then the Company has satisfied its Annual Processing Guarantee for the Billing Year.

PART B. ANNUAL STEAM DELIVERY PERFORMANCE CALCULATIONS

This Part B sets forth the procedures for determining whether the Company has satisfied its Steam Delivery Guarantee in any Billing Year.

For each Billing Month, the Company shall record the quantity and quality of all deliveries of Steam Energy (1) requested by the U.S. Navy for delivery pursuant the Steam Agreement, and (2) generated by the Facilities and delivered to the U.S. Navy at the delivery point (as such point is defined in the Navy Contract) during the applicable Billing Month (hereinafter "Monthly Steam Data"). Such Monthly Steam Data shall be provided to SPSA as a Monthly Report pursuant to Schedule 15 and Section 5.1 of the Agreement.

In addition, during the first Billing Month of each Billing Year (except for the first Billing Year), the Company shall provide SPSA with an annual report of total Monthly Steam Data for the prior Billing Year just ended.

If, during every Billing Month of the applicable Billing Year, the Company delivered Steam Energy in the amounts and quality requested by the U.S. Navy pursuant to the Navy Contract, the Company has satisfied its Steam Energy Delivery Guarantee obligation for the applicable Billing Year.

SCHEDULE 14

ADJUSTMENT FACTOR

The Adjustment Factor for Billing Year “n” shall be the greater of (a) 1.0 or (b) the number determined as follows:

- 0.6 x Labor Index for Billing Year “n” divided by the Labor Index for the second quarter of 2009

- plus 0.35 x Machinery and Equipment Index for Billing Year “n” divided by Machinery and Equipment Index for June, 2009

- plus 0.05 x Chemical Index for Billing Year “n” divided by Chemical Index for June, 2009

Where:

- (a) The index for any Billing Year is the index published for July, or the third quarter of the preceding year, as applicable;

- (b) The Labor Index is the Employment Cost Index, Wages and Salaries, Private Industry, Utilities, Series ID CIU2024400000000I, published quarterly by the U.S. Department of Labor, Bureau of Labor Statistics. The not seasonally adjusted value of this index as of the second quarter of 2009 is 112.0.

- (c) The Machinery and Equipment Index is the Producer Price Index - Commodities, Machinery and Equipment, General Purpose Machinery and Equipment, Series ID WPU114 published monthly by the U.S. Department of Labor, Bureau of Labor Statistics. The not seasonally adjusted value of this index as of June 2009 is 199.5.

- (d) The Chemical Index is the Producer Price Index- Commodities, Chemicals and Allied Products, Industrial Chemicals Series ID WPU061 published monthly by the U.S. Department of Labor, Bureau of Labor Statistics. The not seasonally adjusted value of this index as of June 2009 is 229.8.

If, at the commencement of any Billing Year, any index is not available for the above stated month or quarter, the most recently published value of such index shall be utilized to estimate the Adjustment Factor for each Billing Month in such Billing Year until such time that all of the above stated indices are available for the above stated month or quarter. When all of the above stated indices are available for the above stated month or quarter, the final Adjustment Factor shall be calculated for such Billing Year, and all Billing Months in such Billing Year where the estimated Adjustment Factor was used will be adjusted using the final Adjustment Factor, and the Company shall submit an invoice for either (i) an additional payment to the Company by

SPSA to correct for underpayments, or (ii) a credit to SPSA to correct for overpayments. The final Adjustment Factor shall be used for all the remaining Billing Months in such Billing Year. If any index defined above shall not be determined and published or if any index as it is construed on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and announced on a basis substantially similar to the index being replaced as shall be mutually agreed upon by SPSA and the Company. If one or more indices are substituted due to the preceding sentence, the base indices (the denominator for each index) used in this Schedule 14 in the Fiscal Year the substitution is made, and all subsequent Fiscal Years, shall be changed to the value from the third quarter or September, as the case may be, for the Fiscal Year prior to the Fiscal Year the substitution is being made.

SCHEDULE 15

REPORTING REQUIREMENTS

1. Monthly Report

The Monthly Report prepared and submitted by the Company to SPSA's Authorized Representative pursuant to Section 5.1 of the Agreement shall include at least the following sections and information. It is recognized that the data supplied in each Monthly Report may differ from invoices for billings and revenues since many of those items are not read at the beginning and end of each month. The Monthly Report shall be submitted in hardcopy and electronic form acceptable to SPSA's Authorized Representative, and all the data contained in the Monthly Report shall also be submitted in a database format acceptable to SPSA's Authorized Representative.

1.1 Monthly Operating Data

The Company shall include in the Monthly Report a summary of operating data for the prior Billing Month. The data shall include monthly totals, calendar year-to-date totals, Billing Year-to-date totals and 12-month rolling averages and shall be summarized in a spreadsheet format. The operating data shall include all of the data in Section 1.1 of this Schedule 15 plus the estimated heating value of Processible Waste (Btu/pound Processible Waste Processed).

1.2 Monthly Operations Status

The Company shall include in the Monthly Report for each Billing Month, the following information at a minimum:

- (a) Description of all scheduled and unscheduled outages during the reporting period for the boilers, turbine-generators and metal recovery equipment including unit identification, start date, outage duration and a detailed description of the reason for each outage.
- (b) Description of any partial or total shutdowns for maintenance and repairs anticipated during the next three (3) Billing Months.
- (c) Description of any repairs performed to equipment, buildings and/or the site during the reporting period including any deficiencies identified by the SPSA's Authorized Representative or the Consulting Engineer in accordance with Section 6 of the Agreement.
- (d) Description of all environmental testing conducted during the reporting period including air emission, CEM and Residue tests and/or any of those tests that are anticipated to be performed during the next three (3) Billing Months.
- (e) Description of any regulatory or insurance inspections and any inspections of

major equipment performed by the Company or outside party during the reporting period.

- (f) Description of any major safety issues during the reporting period including all OSHA accidents.
- (g) Processible Waste higher heating value (HHV) for the reporting period calculated in accordance with Schedule 5 of the Service Agreement including the calculation worksheet and the daily data used as input to the calculation.
- (h) Spare 13.8 kV transformer maintenance log (and the annual maintenance log for the month in which annual maintenance was performed on such transformer).
- (i) The date(s) on which Processible Waste was turned over in the refuse storage pit and/or standing water removed from the refuse storage pit, if any, pursuant to the Agreement.
- (j) The dates and descriptions of any reasonably reportable air quality violations and Process upsets.
- (k) The Punch List Items that were Cured during the reporting period shall be listed.
- (l) The maintenance that was performed on the Existing Pump Station and Existing Lime Softening System.
- (m) Monthly Steam Data identifying total Steam Energy (1) requested for delivery by the U.S. Navy pursuant to the Navy Contract and (2) delivered by the Company from the WTE Facility.
- (n) Total Tons of Third Party Acceptable Waste delivered to the Facilities.
- (o) Total Tons of Out-of-State Waste delivered to the Facilities
- (p) Total Tons of Outside-Area Waste delivered to the Facilities.
- (q) Total Tons of Prohibited Waste delivered to the Facilities.
- (r) Total Tons of Processible and Non-Processible Waste removed from the RDF Facility.
- (s) Total Tons of Waste diverted to one or more Landfill(s).

1.3 Monthly Deliveries of Reagents And Other Chemicals

The Company shall include in the Monthly Report the quantity of each of the Reagents and other chemicals listed below that was delivered to the Facility during the

previous month. If such monthly data is unavailable by the time such Monthly Report is to be submitted, such data shall be included in the Monthly Report submitted for the next month and referenced that such deliveries were made in the previous reporting period.

- (a) Carbon delivered (Tons)
- (b) Pebble lime delivered (Tons)
- (c) Urea delivered (gallons)
- (d) Sodium bicarbonate delivered (gallons)
- (e) Hydrated lime delivered (Tons)
- (f) Sulfuric acid delivered (gallons)
- (g) Ferric Chloride delivered (gallons)
- (h) Softener polymer delivered (gallons)
- (i) Caustic Soda (Sodium Hydroxide)
- (j) The quantities of any other chemicals used in the Existing Pump Station and Existing Lime Softening System

SCHEDULE 16

FORM OF IRREVOCABLE LETTER OF CREDIT

_____, 2009

Letter of Credit No.: _____

Amount: Five Million Dollars (U.S. \$5,000,000)

Account Party: _____ (the "Company")

Payee: Southeastern Public Service Authority of Virginia ("Payee")
723 Woodlake Drive
Chesapeake, Virginia 23320
Attn: Rowland L. Taylor

Gentlemen:

At the request and on instructions of Wheelabrator Technologies, Inc. (the "Company"), _____ ("Issuing Bank") hereby establishes in favor of Southeastern Public Service Authority of Virginia ("Payee") this Irrevocable Letter of Credit ("LOC") in the aggregate amount of Five Million Dollars (\$5,000,000) (the "Face Amount"). We understand this LOC is furnished in connection with and pursuant to that certain Service Agreement dated as of _____, 2009 between the Company and the Payee (the "Service Agreement") pursuant to which the Company has agreed to secure its performance and payment obligations thereunder, in part, by this LOC.

Demands for payment hereunder may be made in whole or in part from time to time by, and the Issuing Bank shall pay upon, presentation to the Issuing Bank one or more drafts at sight, each of which shall be in the form of Attachment 1 attached hereto, signed by an officer of Payee (or one describing himself/herself therein as such). All such drafts hereunder together shall not exceed the Face Amount in the aggregate.

All demands for payment hereunder, together with any documents presented to Issuing Bank in connection therewith, as well as all notices and other communications to Issuing Bank in respect of this LOC, shall be in writing, shall make specific reference to this LOC by number, and shall be addressed and presented or personally delivered to the Issuing Bank, Address: _____ Attn _____, with copies to: (i) _____, Attn: _____ and (ii) _____, Attn: _____. Such documents, notices, and other communications shall be personally delivered or mailed by U.S. Registered Mail to Issuing Bank. Issuing Bank reserves the right to change the address for notices hereunder by delivering written notice of any such change to the Payee at the address above. Payments hereunder will be made without any requirement of prior notice to the Company.

Conforming draft and certificates presented to and received by the Issuing Bank before 12:00 noon on any business day will be paid that day.

THE MAXIMUM LIABILITY OF THE ISSUING BANK UNDER THIS LOC IS EXPRESSLY LIMITED TO AND SHALL NOT EXCEED THE SUM OF FIVE MILLION DOLLARS (\$5,000,000).

This LOC is irrevocable and shall terminate or expire upon (and may not be modified, amended or terminated by the Issuing Bank prior to) the “Acceptance Date”, which shall be denoted by our receipt of the original LOC, including any amendments, accompanied by your statement indicating that the Acceptance Date has occurred and that you are returning the LOC for termination.

This LOC shall become null and void and be of no further force and effect upon the earlier to occur of: (i) the Issuing Bank’s payment in full of its obligations hereunder, or (ii) the expiration of this LOC in accordance with its terms, whereupon, in either case, the Payee shall deliver to the Issuing Bank the executed original hereof; provided, however, failure to return such executed original of the LOC shall have no effect on the application of this LOC.

This LOC may not be transferred in whole or in part.

We hereby agree to provide prompt written notice to the Payee of the occurrence of any downgrade, withdrawal or suspension of the rating or ratings applicable to the Issuing Bank or its ultimate parent corporation from any such rating in place on the date of issuance hereof by any one or more of Standard and Poor’s, Moody’s Investors Service or Fitch Ratings.

This LOC sets forth in full the terms of Issuing Bank’s undertaking, and this undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument, or agreement referred to herein (except the Uniform Customs (hereinafter defined)) or in which this LOC is referred to or to which this LOC relates, and any such reference shall not be deemed to incorporate herein by reference any document, instrument, or agreement.

Unless otherwise expressly stated, this LOC is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication No. 500 (the “Uniform Customs”). This LOC shall be deemed to be a contract made under the laws of _____ and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law.

Sincerely,

[ISSUING BANK]

By: _____
Name: _____
Title: _____

ATTACHMENT 1

SIGHT DRAFT

Southeastern Public Service Authority of Virginia (the "Payee") hereby demands payment in the amount of _____ DOLLARS (\$_____) under that certain Irrevocable Letter of Credit No. _____ (the "LOC") issued by _____ ("Issuing Bank") and dated _____, 2009. The aggregate amount of all prior draws under the LOC is \$_____, which together with this draw, do not exceed the Face Amount of the LOC.

The Payee hereby certifies that (1) Wheelabrator Technologies, Inc. (the "Company") is in breach of its obligation(s) under the Service Agreement between the Payee and the Company, (2) all conditions to making this draw, as set forth in the Service Agreement have been satisfied, and (3) the Payee is entitled to make this draw under the terms hereof.

IN WITNESS WHEREOF, the undersigned duly authorized officer of the Payee has executed this Sight Draft as of the date set forth below.

Date: _____

SOUTHEASTERN PUBLIC SERVICE
AUTHORITY OF VIRGINIA

By: _____
Name: _____
Title: _____

SCHEDULE 17

GUARANTY

THIS GUARANTY made as of the ___ day of _____ 2009, **WASTE MANAGEMENT, INC.**, a Delaware corporation (“Guarantor”), having its principal place of business in _____, _____, to and for the benefit of **SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**, a public body politic and corporate of the Commonwealth of Virginia (“SPSA”). Guarantor and SPSA are referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, SPSA contracted with Wheelabrator Technologies Inc. (“Company”), a wholly owned subsidiary of the Guarantor, for the operation and maintenance of a waste-to-energy facility located in Portsmouth, Virginia (the “Project”), pursuant to that certain Service Agreement, dated as of _____, 2009 (as amended, supplemented or otherwise modified from time to time) (the “Service Agreement”);

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

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

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

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

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

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

Agreement, or any other agreement or instrument entered into by the Company in connection with the Service Agreement, whether such obligations now exist or arise hereafter (all such obligations referred to in the preceding clauses (a) and (b) being collectively referred to as the “Obligations”). Guarantor agrees that the Obligations may be extended, amended, modified or renewed, in whole or in part, without notice to or further assent of Guarantor, and that of Guarantor will remain bound by and will honor its guarantee hereunder notwithstanding any extension, amendment, modification or renewal of any Obligation by SPSA and the Company.

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

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

Section 5. No Discharge or Diminishment of Guaranty.

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

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

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

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

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

(b) Authority Relative to this Guaranty. Guarantor has all necessary corporate power and authority to execute and deliver this Guaranty and to perform its obligations hereunder. The execution and delivery by Guarantor of this Guaranty and performance by Guarantor of its obligations hereunder have been duly and validly authorized by and on behalf of the Guarantor and no other corporate proceedings on the part of Guarantor are necessary to authorize this Guaranty or performance by Guarantor of its obligations hereunder. This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes a valid and binding agreement of Guarantor, enforceable against Guarantor in accordance with its terms.

(c) Consents and Approvals; No Violation.

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

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

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

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

Section 10. Termination and Reinstatement. This Guaranty shall be effective as of the Commencement Date (a) shall terminate when all the Obligations have been (i) performed in

full, including the indefeasible payment in full of the Monetary Obligations or (ii) terminated and (b) shall continue to be effective or be reinstated, as the case may be, if at any time any payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by SPSA upon the bankruptcy or reorganization of the Company or Guarantor or for any other reason.

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

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

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

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

If to SPSA:

Southeastern Public Service Authority of Virginia
723 Woodlake Drive
Chesapeake, Virginia 23320
Attn: Rowland Taylor
Facsimile: 1-757-424-4133

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

Williams Mullen
1666 K Street, N.W.
Suite 1200
Washington, DC 20006
Attn: Warren E. Nowlin
Facsimile: 1-202-293-5939

and

Willcox & Savage, P.C.
1800 Bank of America Center
One Commercial Place
Norfolk, Virginia 23510
Attn: Anthony M. Thiel
Facsimile: 1-757-628-5566

If to the Guarantor:

[_____
[_____
[_____
[_____]

With a copy to:

[_____
[_____
[_____
[_____]

Section 15. Jurisdiction and Enforcement.

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

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

Section 16. Survival of Guaranty. All covenants, agreements, representations and warranties made by Guarantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Guaranty shall be considered to have been relied upon by SPSA and shall unconditionally survive the consummation of the transactions contemplated by the Service Agreement, regardless of any investigation made by SPSA or on its behalf, and shall continue in full force and effect as long as any Obligations remain outstanding.

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

Section 18. Rules of Interpretation. The rules of interpretation specified in Section 2.2 of the Service Agreement shall be applicable to this Guaranty.

Section 19. Severability.

(a) If any term or other provision of this Guaranty is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Guaranty shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced,

the Parties shall negotiate in good faith to modify this Guaranty so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable law, in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

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

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

[Signature Page Follows]

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

WASTE MANAGEMENT, INC.

By: _____

Name:

Title:

SCHEDULE 18

INSURANCE

Required Company Insurance

a. Workers' Compensation and Employer's Liability Insurance. Workers' Compensation and Employer's Liability Insurance shall be maintained by the Company in compliance with the Applicable Law(s) of the State (if separately for Subcontractors, all Subcontractors to be addressed similarly). Employer's Liability limit shall not be less than one million dollars (\$1,000,000.00) for each occurrence, one million dollars (\$1,000,000.00) per employee and one million dollars (\$1,000,000.00) policy limit for all of the Company's employees to be engaged in Work provided for in the Service Agreement. An excess liability coverage may be used to fulfill the employee's liability limit requirement. The Company shall also maintain insurance covering it against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of a Workers' Compensation Law. Policies hereunder shall include voluntary compensation endorsement, broad form "all states" coverage endorsement and stop gap endorsement as applicable. Coverage shall include a waiver of subrogation in favor of SPSA.

b. Commercial General Liability Insurance. The Company shall maintain Commercial General Liability Insurance written in comprehensive form (excluding aircraft, watercraft fifty (50) feet or longer and automobiles) to protect the Company against claims arising from injuries to members of the public or damage to property of others, including loss of the use of tangible property damaged, arising out of any act or omission of the Company of its agents or employees. This policy shall insure the contractual liability assumed by the Company under the indemnification provisions of the Service Agreement to the extent that such contractual liability would be covered under a Commercial General Liability policy. Moreover, SPSA shall be identified and added to the policy as an additional insured. Commercial General Liability coverage shall be written on a policy form equivalent or superior to Insurance Services Offices (ISO)CG 00 01 and contain the following provisions:

- (i) All premises and operations, including but not limited to the Facilities, all above-ground storage facilities, SPSA's Tipping Floor.
- (ii) All products and completed operations.
- (iii) Personal injury and advertising injury.
- (iv) No exclusions for explosion, collapse, or underground damage.
- (v) The Company's protective coverage for independent contractors and Subcontractors employed by the Company.
- (vi) Broad Form Blanket, contractual liability.
- (vii) Waiver of subrogation as provided in the insurance provisions of the Service Agreement.
- (viii) Personal injury liability.
- (ix) Employees included as additional insureds (excluding bodily-injury to fellow employees only).

- (x) Cross Liability.
- (xi) Incidental Medical Malpractice
- (xii) Inclusion of operation for removal of hazardous materials if such work is to be performed.

The Liability limits shall not be less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate. If the policy is not specific to this location/contract, and part of master policy, an endorsement shall be issued providing that the general aggregate applies per project or per location. Exclusions shall be acceptable for environmental impairment liability, professional liability, asbestos, lead and other standard exclusions normally contained in a Commercial General Liability policy.

c. Automobile Liability Insurance. The Company shall maintain Motor Vehicle Liability Insurance written on a business auto policy form during the life of the Service Agreement to protect itself while performing Work covered by the Service Agreement against all claims for injuries, including accidental death to members of the public and damage to property of others arising from such use of motor vehicles, and such policies shall cover the operation on or off the site of all motor vehicles licensed for highway use whether they are owned, non-owned, or hired. The insurance limit shall not be less than one million dollars (\$1,000,000.00) bodily injury and property damage combined single limit each accident in accordance with the Applicable Laws of the State as to the ownership, maintenance, and use of all owned, non-owned, leased, or hired vehicles. The policy or policies shall also provide uninsured/underinsured motorist coverage as required by Applicable Law. Coverage shall include a waiver of subrogation in favor of SPSA.

d. Umbrella Excess Liability Insurance. The Company shall maintain policy or policies of Umbrella Excess Liability Insurance with liability limits, that when combined with the primary liability limits, will not be less than ten million dollars (\$10,000,000.00) per each occurrence for all liability and ten million dollars (\$10,000,000.00) in the aggregate per policy year. The wording of the excess liability policy or policies shall be at least as broad as the primary or underlying policy or policies and shall apply both to the Company's general liability, employer's liability and to the automobile liability insurance (and shall be written on an occurrence basis), such that the total limit for general liability, employer's liability, automobile and umbrella liability shall be ten million dollars (\$10,000,000.00). The Company is granted the option of arranging coverage under a single policy for the full limit required or by a combination of underlying policies with the balance provided by an excess or umbrella liability policy equal to the total limit(s) requested. If not provided for in the umbrella excess liability form, a waiver of subrogation endorsed in favor of SPSA should be endorsed onto the umbrella policy. All policies shall be endorsed to drop-down over any exhausted aggregate limits applicable to underlying policies. Moreover, SPSA shall be identified and added to the policy as an additional insured.

e. Environmental Impairment Liability Insurance (EIL). EIL insurance shall be provided with limits of five million dollars (\$5,000,000.00) and such deductible as determined by the market, SPSA and the Company. The Company must add SPSA as an additional insured and furnish a certificate of insurance for Pollution Legal Liability with coverage for sudden and non-sudden pollution conditions including the discharge, disposal, release or escape of smoke,

vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, containments or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in bodily injury or property damage.

1. Bodily injury, including sickness, disease, mental anguish (whether or not accompanied by bodily injury) or shock sustained by any person, including death.
2. Property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean up costs on or off the Facilities or Facilities Site, and the loss of use of tangible property that has not been physically injured or destroyed; property damage shall include Natural Resources Damages. (Natural Resource Damage means physical injury to or destruction of, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any state or local government, any Indian tribe or if such resources are subject to a trust restriction on alienations, any member of an Indian tribe.
3. The EIL insurance shall include business interruption insurance from polluted conditions and defense costs including costs, charges and expenses incurred in the investigation and adjustment of defense of claims for such compensation.

f. Company's Deductible Obligation. The Company shall be responsible for insurance policy deductibles, for policies purchased by SPSA or the Company, in accordance with Section 11.3.2 of the Service Agreement and this Schedule 19.

Required SPSA Insurance

Commercial General Liability and Property Insurance. SPSA shall maintain Commercial General Liability and Property Insurance written to insure the SPSA's Roadways and SPSA's Scales and Scalehouses, with such policy limits to be determined in the sole discretion of SPSA. This coverage may be included in the SPSA's Blanket Policy.

SCHEDULE 19

PART A

FORM OF COMPANY'S MONTHLY INVOICE

APPLICATION FOR SERVICE FEE PAYMENT

(SECTION I)

PAGE ONE OF ____ PAGE(S)

COMPANY: _____

APPLICATION NO.: _____
APPLICATION DATE: _____
BILLING MONTH: _____

In accordance with Section 8.2.1 of the Service Agreement:

$$\text{Service Fee (SF)} = \text{MF} + \text{ETF} - \text{SER} - \text{SHF} - \text{RDF} - \text{LF} - \text{DWC} + \text{PTC} - \text{SFPTC} +/- \text{ADJ}$$

1. Monthly Fee (MF) <i>plus</i>	\$ _____
2. Excess Tonnage Fee (ETF) <i>less</i>	\$ _____
3. Steam Energy Revenue (SER) <i>less</i>	\$ _____
4. SPSA Hauling Fee (SHF) <i>less</i>	\$ _____
5. Residue Disposal Fee (RDF) <i>less</i>	\$ _____
6. Loading Fee (LF) <i>less</i>	\$ _____
7. Diverted Waste Costs (DWC) <i>plus</i>	\$ _____
8. Pass Through Costs (PTC) <i>minus</i>	\$ _____
9. SPSA Facility Pass Through Costs (PTC) <i>plus or minus</i>	\$ _____
10. Adjustments (ADJ) <i>equals</i>	\$ _____
11. Service Fee due Company this Billing Month (\$)	\$ _____

(SECTION II)

CERTIFICATION

The Company certifies:

- 1) All amounts and items shown on this application, inclusive of attached Table 1, are correct.
- 2) All services have been performed in accordance with the Service Agreement between Southeastern Public Service Authority of Virginia and Company dated September ____, 2009.

COMPANY: _____

BY: _____

(Title) (Date)

(SEAL)

Table 1

Service Fee Invoice for Billing Month: _____

The following information shall be supplied to the Company by SPSA:

Category	Total Number of Tons in Billing Month
1. SPSA Acceptable Waste delivered to the RDF Facility <i>(Based on incoming weigh scales at SPSA Transfer Stations, except for Portsmouth waste, U.S. Navy waste and other SPSA contract waste delivered directly to the RDF Facility, which shall be based on the incoming weigh scales at the RDF Facility)</i>	_____ Tons
2. SPSA Excess Tonnage delivered to the RDF Facility for purposes of calculating the Excess Tonnage Fee, if any, per <u>Section 8.2.2.1</u> <i>(So long as SPSA elects to deliver SPSA Excess Tonnage to the RDF Facility following satisfaction of the Annual Delivery Guarantee per Section 7.1.1, based on incoming weigh scales at SPSA Transfer Stations, except for Portsmouth waste, U.S. Navy waste and other SPSA contract waste delivered directly to the RDF Facility)</i>	_____ Tons
3. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Chesapeake Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons
4. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Isle of Wight Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons
5. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Norfolk Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons
6. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Franklin Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons
7. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Landstown Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons

8. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Oceana Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons
9. Authorized Hauler Acceptable Waste delivered to the RDF Facility from the Suffolk Transfer Station for purposes of calculating the SPSA Hauling Fee per <u>Section 8.2.4*</u>	_____ Tons
10. Qualifying Residue delivered by or on behalf of the Company to SPSA's Landfill(s) <i>(Based on the incoming weigh scales at the SPSA Landfill(s))</i>	_____ Tons
11. Dry Residue delivered by or on behalf of the Company to SPSA's Landfill(s) <i>(Based on the incoming weigh scales at the SPSA Landfill(s))</i>	_____ Tons
12. SPSA Acceptable Waste diverted from SPSA's Transfer Stations to SPSA's Landfill(s) due to Maximum Waiting Time <i>(Based on the incoming weigh scales at the SPSA Landfill(s))</i>	_____ Tons
13. Total Tons of Solid Waste received from non-contract Entities at SPSA's Transfer Stations (excluding the Suffolk Landfill) and total revenue received by SPSA for such waste for purposes of calculating the Adjustment per <u>Section 8.2.8.1.13</u>	_____ Tons \$ _____

** The following formula shall be used for calculating the total number of Tons of Authorized Hauler Acceptable Waste delivered to the RDF Facility from the respective SPSA Transfer Station:*

Total Tons of incoming Authorized Hauler Acceptable Waste received at the SPSA Transfer Station based on the incoming weigh scales at the respective SPSA Transfer Station less, the difference between (a) the total tons of Non-Processible Waste received at the Company Landfill from such SPSA Transfer Station and (b) an amount determined by multiplying (i) 3% times (ii) the total number of Tons of SPSA Acceptable Waste (not including Authorized Hauler Acceptable Waste and Non-Contract Waste) delivered and weighed in at such SPSA Transfer Station.

Table 2

Service Fee Invoice for Billing Month: _____

The following information shall be supplied to SPSA by the Company:

Category	Total Number of Tons in Billing Month
1. Non-Processible Waste delivered to the Company Landfill from the Chesapeake Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u> <i>(Based on incoming weigh scales at the Company Landfill)</i>	_____ Tons
2. Non-Processible Waste delivered to the Company Landfill from the Isle of Wight Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u> <i>(Based on incoming weigh scales at the Company Landfill)</i>	_____ Tons
3. Non-Processible Waste delivered to the Company Landfill from the Norfolk Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u> <i>(Based on incoming weigh scales at the Company Landfill)</i>	_____ Tons
4. Non-Processible Waste delivered to the Company Landfill from the Franklin Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u> <i>(Based on incoming weigh scales at the Company Landfill)</i>	_____ Tons
5. Non-Processible Waste delivered to the Company Landfill from the Landstown Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u> <i>(Based on incoming weigh scales at the Company Landfill)</i>	_____ Tons
6. Non-Processible Waste delivered to the Company Landfill from the Oceana Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u> <i>(Based on incoming weigh scales at the Company Landfill)</i>	_____ Tons

<p>7. Non-Processible Waste delivered to the Company Landfill from the Suffolk Transfer Station for purposes of calculating the Loading Fee per <u>Section 8.2.5.2</u></p> <p><i>(Based on incoming weigh scales at the Company Landfill)</i></p>	<p>_____ Tons</p>
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APPLICATION FOR SERVICE FEE PAYMENT INSTRUCTIONS

The purpose of this form is to facilitate the summary information for Southeastern Public Service Authority of Virginia Application for Service Fee Payment. Capitalized terms used but not otherwise defined in this Application have the meaning set forth in the Service Agreement. This form will be completed by the Company each time payment is requested relative to the Service Fee due pursuant to the Service Agreement. This Application for Payment will be accompanied by (1) any documentation requested by SPSA and (2) completed Table 1 attached.

SECTION I: This section will be completed by the Company. The Company will provide the information as indicated on the form.

SECTION II: This section will be completed by the Company. In this section, the Company will provide certification about the information provided in Section I. The certification will be provided in accordance with the Service Agreement.

SCHEDULE 20

FORM OF ANNUAL RECONCILIATION INVOICE

ANNUAL SETTLEMENT STATEMENT

(SECTION I)

PAGE ONE OF TWO PAGES

COMPANY: _____

APPLICATION NO.: _____
APPLICATION DATE: _____
BILLING YEAR: _____

In accordance with Section 8.4 of the Service Agreement: Annual Shortfall Damages (ASD) = APGS + SEDGS	
1. Annual Processing Guarantee Shortfall Damages (APGS) <i>plus</i>	\$ _____
2. Steam Energy Delivery Guarantee Shortfall Damages	\$ _____
3. Shortfall Damages due or credited to SPSA this Billing Month (\$)	\$ _____

(SECTION II)

CERTIFICATION BY SPSA

SPSA certifies:

- 1) All amounts and information shown on this annual settlement statement, inclusive of the attached Table 1, are true and correct and have been calculated and reported in accordance with the Service Agreement.
- 2) SPSA has provided the Company with all necessary documentation to support this annual settlement statement and corresponding invoice.

COMPANY: _____

BY: _____

(Title) (Date)

Table 1

Annual Reconciliation Invoice for Billing Year: _____

Category	Total Number of Tons in Billing Year
1. Acceptable Waste delivered to the RDF Facility	_____ Tons
2. SPSA Acceptable Waste delivered to the RDF Facility	_____ Tons
3. SPSA Excess Tonnage delivered to the RDF Facility	_____ Tons
4. Authorized Hauler Acceptable Waste delivered to the RDF Facility	_____ Tons
5. Third Party Acceptable Waste delivered to the RDF Facility	_____ Tons
6. Outside-Area Waste delivered to the RDF Facility	_____ Tons
7. Out-of-State Waste delivered to the RDF Facility	_____ Tons
Category	
Total Number of Pounds Per Hour	
7. Steam Energy Requested by U.S. Navy under Steam Agreement	_____ lbs/hr
8. Steam Energy delivered to the U.S. Navy under Steam Agreement	_____ lbs/hr

**SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA
ANNUAL SETTLEMENT STATEMENT INSTRUCTIONS**

The purpose of this Schedule 20 (Form of Annual Reconciliation Invoice) is to facilitate the summary information for SPSA's Annual Shortfall Damages, if any. Capitalized terms used but not otherwise defined in this Settlement Statement or in Table 1 have the meaning set forth in the Service Agreement. This form will be completed by SPSA in accordance with Section 8.4.2 of the Service Agreement. This Annual Settlement Statement will be accompanied by (1) any documentation or calculation requested by SPSA or the Company, as the case may be, and (2) completed Table 1 attached.

SECTION I: This section will be completed by SPSA. SPSA will provide the information as indicated on the form.

TABLE 1: This table will be completed by SPSA, with the assistance of the Company.

SCHEDULE 21

DISCLOSURES

1. On January 17, 2007, the VA DEQ sent SPSA a warning letter regarding SPSA's steam plant. The letter indicated that during an inspection, holes were observed in the panels of the sidewalls adjacent to the waste storage pits. The letter requested an answer outlining corrective actions to be taken within 20 days.
2. On November 6, 2006, the VA DEQ issued a warning letter to SPSA following its investigation of several odor complaints made by citizens. During the complaint investigation on September 13, 2006, SPSA informed the VA DEQ that the waste burned had been extremely moist and its combustion required more air than usual, so normally negative pressure in its boilers had become positive. This fact caused the presence of odor in the indoor air to be vented outside the roof vents, causing odor in the neighborhood area. VA DEQ requested a response within twenty days of the date of the letter. On November 27, 2006, SPSA sent its response, further explaining the situation and identifying corrective actions to be taken to avoid future incidents.
3. On April 23, 2009, the VA DEQ issued a Notice of Violation documenting its file review of SPSA's quarterly Excess Emission Reports. The VA DEQ observed that, on several occasions, SPSA's RDF boilers exceeded the carbon monoxide (CO) emission limit for each of the RDF boilers of 200 ppmv (parts per million by volume). Since then, SPSA has been able to control CO at less than or equal to 200 ppmv on all units with one exception (which was disclosed to the VA DEQ). SPSA representatives have met with VA DEQ representatives to discuss SPSA's ongoing efforts to maintain these levels. On June 5, 2009, SPSA sent the VA DEQ a letter summarizing its efforts.
4. On June 23, 2009, the VA DEQ issued a Notice of Violation regarding its landfill facility following the VA DEQ's inspections on June 1 and 15, 2009. SPSA intends to respond within 10 days of the date of the letter.
5. On March 28, 2007, the Hampton Roads Sanitation Department ("HRSD") sent SPSA a Notice of Violation regarding SPSA's delay in sending a water sample for manhole 6. SPSA responded on April 2, 2007 that the cause of delay was operator error and that corrective action had been taken.
6. On November 27, 2007, HRSD sent SPSA two Notices of Violation. The first cited SPSA for improper sampling techniques and the second cited SPSA for late submittal of a required report. SPSA responded to both Notices of Violation on November 30, 2007, explaining that the errors were due to administrative oversight and would be corrected.
7. On January 3, 2008, HRSD sent SPSA a Notice of Violation citing improper sampling techniques. On January 8, 2008, SPSA responded via letter explaining that the error was due to administrative oversight and would be corrected.

8. The City of Portsmouth currently owns a parcel of land and air rights for the conveyer attached to the Facilities over Elm Avenue from the City of Portsmouth, Virginia. On June 29, 2009, the City Attorney for the City of Portsmouth sent SPSA a letter, stating that it may not be willing to convey its property rights absent SPSA's agreement to certain protections for environmental and community quality issues.
9. Consent is required from all bond insurers under the related Bonds.
10. Consent is required from the Virginia Resources Authority.
11. Consent may be required from U.S. Bank National Association.
12. Consent is required from Wachovia Bank.

SCHEDULE 22

AFFECTED EMPLOYEES

	Last Name	First Name	Position	Yrs. Of Svc.
1	Cummings	Charles	Buyer	09
2	Barnes	Dennis	Heavy Equipment Operator	17
3	Blackmore	Curtis	Heavy Equipment Operator	19
4	Bower	Christopher	Heavy Equipment Operator	01
5	Brooks	Terrence	Heavy Equipment Operator	11
6	Burgess	Walter	Heavy Equipment Operator	01
7	Felton	Anthony	Heavy Equipment Operator	03
8	Gray	Linwood	Heavy Equipment Operator	14
9	Grecco	Mark	Heavy Equipment Operator	01
10	Jones	Derick	Heavy Equipment Operator	05
11	Oakes	William	Heavy Equipment Operator	08
12	Speller	Barry	Heavy Equipment Operator	04
13	Spiringer	Dana	Heavy Equipment Operator	02
14	Young	Alvin	Heavy Equipment Operator	02
15	Davis	Kenneth	Heavy Equipment Operator Sr.	24
16	Dickerson	Anthony	Heavy Equipment Operator Sr.	10
17	O'Neal	James	Heavy Equipment Operator Sr.	03
18	Wiggins	Elward	Heavy Equipment Operator Sr.	09
19	Kleiber	William	Instrument & Electrical Spv I	10
20	Allen	Anthony	RDF Control Room Operator	10
21	Duvall	Frank	RDF Control Room Operator	06
22	Louther	Charles	RDF Control Room Operator	16
23	Lyon	Matthew	RDF Control Room Operator	07
24	Bloom	Carl	RDF Supervisor I	03
25	Frye	Robin	RDF Supervisor I	03
26	Harrell	David	RDF Supervisor I	17
27	Smith	Robert	RDF Supervisor I	04
28	Stallard	Christopher	RDF Supervisor I	16
29	Tatem	Marshall	RDF Supervisor I	14
30	Clanton	William	RDF Supervisor II	09
31	Rouse	Celestine	Receptionist	16
32	Anderson	Carol	Secretary II	12
33	Keith	Dennis	WTE Instrument & Electr. Tech.	05
34	Kemeter	Paul	WTE Instrument & Electr. Tech.	01
35	Alston	Andre	WTE Mechanic I	12
36	Cross	Anthony	WTE Mechanic I	02
37	Hicks	Donnie	WTE Mechanic I	02
38	Morgan	Devon	WTE Mechanic I	18
39	Winer	Matthew	WTE Mechanic I	01

	Last Name	First Name	Position	Yrs. Of Svc.
40	Young	Eric	WTE Mechanic I	06
41	Banister	David	WTE Mechanic II	04
42	Burrus	Edward	WTE Mechanic II	19
43	Williams	Harry	WTE Mechanic II	19
44	York	Michael	WTE Mechanic II	02
45	Deloatche	Thomas	WTE Mechanical Supervisor II	09
46	Carter	Jason	WTE Rover	01
47	Doles	James	WTE Rover	05
48	Fonville	Anthony	WTE Rover	08
49	Mills	Robert	WTE Rover	05
50	Alston	William	RDF Production Worker	03
51	Anderson	Stevie	RDF Production Worker	01
52	Bassett	Jeffery	RDF Production Worker	08
53	Bond	Elmer	RDF Production Worker	03
54	Boone	David	RDF Production Worker	03
55	Boswell	Tony	RDF Production Worker	02
56	Brock	Richard	RDF Production Worker	02
57	Brown	Travis	RDF Production Worker	03
58	Covil	Don	RDF Production Worker	02
59	Davis	James	RDF Production Worker	02
60	Frederick	Olanda	RDF Production Worker	02
61	Grant	Gregory	RDF Production Worker	05
62	Harrell	Bobby	RDF Production Worker	06
63	Hawkins	Carlton	RDF Production Worker	01
64	Hunter	Nealy	RDF Production Worker	06
65	Lewis	Jermaine	RDF Production Worker	01
66	Miller	Aaron	RDF Production Worker	01
67	Moore	Earl	RDF Production Worker	00
68	Nance	Richard	RDF Production Worker	05
69	Nixon	Ronald	RDF Production Worker	01
70	Raiford	Markey	RDF Production Worker	00
71	Robinson	Tito	RDF Production Worker	01
72	Shannon	Travis	RDF Production Worker	01
73	Smith	Martez	RDF Production Worker	01
74	West	Kevin	RDF Production Worker	01
75	West	Keith	RDF Production Worker	00
76	Wilson	Vernon	RDF Production Worker	01
77	Sadler	Allen	WTE Mechanical Supervisor I	17
78	Hays	Roma	WTE Facilities Manager	21
79	Armstrong	Danny	RDF Plant Operations Manager	14
80	Byrd	Thomas	Storekeeper	17
81	Cordell	Ralph	Administrative Assistant	09
82	Glore	Stanley	Buyer	06

	Last Name	First Name	Position	Yrs. Of Svc.
83	Elliott	Lamont	Heavy Equipment Operator	00
84	Follansbee	Richard	Heavy Equipment Operator	00
85	Jackson	Benjamin	Heavy Equipment Operator	04
86	Jones	Michael	Heavy Equipment Operator	00
87	Sears	Rodger	Heavy Equipment Operator	00
88	Taylor	Justin	Heavy Equipment Operator	01
89	Walker	Valerie	Heavy Equipment Operator	00
90	Goss	Kim	Heavy Equipment Operator Sr.	05
91	Squires	Bruce	Instrument & Electrical Spv I	18
92	Young	Dana	Lead Storekeeper	13
93	Delancy	Charlie	PP Auxiliary Systems Operator	01
94	Freeman	Enacio	PP Auxiliary Systems Operator	01
95	Greenlee	Melvin	PP Auxiliary Systems Operator	02
96	Kelsey	David	PP Auxiliary Systems Operator	08
97	Matteson	Paul	PP Auxiliary Systems Operator	05
98	Sanchezlepe	Jose	PP Auxiliary Systems Operator	02
99	Schemetti	Donald	PP Auxiliary Systems Operator	19
100	Sutton	James	PP Auxiliary Systems Operator	08
101	Williams	Tommy	PP Auxiliary Systems Operator	13
102	Smith	Carl	PP Relief Operator	18
103	Wesley	Raymond	PP Relief Operator	19
104	Williamson	Jerry	PP Relief Operator	02
105	Wrenn	William	PP Relief Operator	06
106	Batten	James	PP Shift Supervisor	19
107	Ehler	Frank	PP Shift Supervisor	19
108	Lesueur	Roy	PP Shift Supervisor	13
109	Stratton	Ronnie	PP Shift Supervisor	10
110	George	Debra	WTE Clerk	19
111	McMichael	James	WTE Engineering Manager	10
112	Braun	James	WTE Instrument & Electr. Tech.	14
113	Jean-Baptiste	Jeff	WTE Instrument & Electr. Tech.	00
114	Miekley	Ernest	WTE Instrument & Electr. Tech.	02
115	See	Ira	WTE Instrument & Electr. Tech.	11
116	Tellez	Leonel	WTE Instrument & Electr. Tech.	03
117	Valenzuela	Rolando	WTE Instrument & Electr. Tech.	02
118	Crandall	Donald	WTE Mechanic I	10
119	Freeman	Dale	WTE Mechanic I	01
120	Hart	David	WTE Mechanic I	03
121	Dawson	Earl	WTE Mechanic II	16
122	Garner	Steven	WTE Mechanic II	15
123	McLean	Ronald	WTE Mechanic II	19
124	Murk	Terry	WTE Mechanic II	03
125	Rivera	Gerardo	WTE Mechanic II	02

	Last Name	First Name	Position	Yrs. Of Svc.
126	Scott	Johnny	WTE Mechanic II	04
127	Sparrow	Kenneth	WTE Mechanic II	19
128	Spivey	Kevin	WTE Mechanic II	01
129	Walsh	John	WTE Mechanic II	02
130	Beck	Victor	WTE Maintenance Planner	09
131	Hartt	William	WTE Mechanical Supervisor II	13
132	Kessler	Melissa	Water Treatment Plant Opr.	06
133	McAdoo	Bobby	Water Treatment Plant Opr.	18
134	Townsend	Neal	Water Treatment Plant Opr.	01
135	Schilling	Lloyd	WTE Mechanical Supervisor	14
136	Cheliras	Richard	Director of Waste to Energy	07
137	Boley	Mark	PP Control Room Operator	03
138	Bond	William	PP Control Room Operator	00
139	Gaines	Steven	PP Control Room Operator	12
140	Gould	Ronald	PP Control Room Operator	17
141	Griffith	Wade	PP Control Room Operator	02
142	Hernandez	Edwardo	PP Control Room Operator	09
143	Odom	Robert	PP Control Room Operator	03
144	Paul	Sean	PP Control Room Operator	10
145	D'Alessio	Christopher	PP Auxiliary Systems Operator Trainee	01
146	Ferebee	Timothy	PP Auxiliary Systems Operator Trainee	07
147	Ferebee	Adam	PP Auxiliary Systems Operator Trainee	04
148	Hawkins	Ronald	PP Auxiliary Systems Operator Trainee	01
149	Mills	Jerry	PP Auxiliary Systems Operator Trainee	00
150	Sherrill	Gregory	PP Auxiliary Systems Operator Trainee	03
151	Coogan	Michael	WTE Power Plant Operations Manager	02
152	Alexander	Charles	WTE Maintenance Superintendent	17
153	Fogleman	George	WTE Certified Welder	10
154	Tessum	Darrell	WTE Certified Welder	01
155	Whitehead	Brian	WTE Certified Welder	04
156	Fuller-Vaughan	Jessie	WTE Facilities Maintenance Assistant	19
157	Simmons	Larry	WTE Facilities Maintenance Assistant	01
158	Tolbert	Nathaniel	WTE Facilities Maintenance Assistant	02
159	Whaley	Derrina	WTE Facilities Maintenance Assistant	09
160	White	Denise	WTE Facilities Maintenance Assistant	07
161	Coston	Deborah	Storekeeper	13
162	Jakubowski	Jamal	Lead Water Treatment Plant Operator	12
163	Hulick	Joshua	WTE Operations Performance Engineer	00
164	Belk	David	Solid Waste Assistant II	17
165	Garvin	Michael	Solid Waste Assistant II	05
166	Jarvis	Kevin	Solid Waste Assistant II	01
167	Smith	Kevin	Solid Waste Assistant II	08
168	Duke	John	Proprietary Waste Manager	20

	Last Name	First Name	Position	Yrs. Of Svc.
169	Loftin	Raymond	Proprietary Waste Supervisor	15
170	Williams	Cleveland	Proprietary Waste Supervisor	09
171	Harris	Elizabeth	Safety Administrator	06
172	Landrum	Jeffrey	Env. Compliance Coordinator	09

SCHEDULE 23

EXISTING SPECIAL WASTE CONTRACTS

[All Entities which have been a party to a contract with SPSA for delivery of Special Waste to the RDF Facility in the eighteen (18) months prior to the Contact Date to be listed after SPSA's execution of the Service Agreement]

SCHEDULE 24

ANP REVENUE SHARE

SPSA shall be entitled to receive from the Company the ANP Revenue Share calculated as follows:

So long as the Per Ton ANP Excess Revenue is greater than \$55 per Ton, then SPSA shall receive an amount equal to:

$$20\% \times \text{Per Ton ANP Excess Revenue} \times (\text{ATSW} - 200,000)$$

provided, however, that at no time shall the ANP Revenue Share be negative.

Where:

Per Ton ANP Excess Revenue	=	ANP Excess Revenue divided by (ATSW – 200,000)
ANP Excess Revenue	=	Total ANP Revenue minus (200,000 x Fee)
Total ANP Revenue	=	Annual revenue received by the Company for ATSW
ATSW	=	The aggregate number of Tons of (i) Non-Processible Waste from Authorized Haulers and billed as Non-Processible Waste and (ii) Acceptable Waste received from non-contract Entities at SPSA Transfer Stations
Fee	=	\$60 per Ton, as adjusted annually by the Adjustment Factor

Example 1:

If:

- (a) 250,000 Tons of ATSW received in a Billing Year; and
- (b) Total ANP Revenue = \$15 million

Then:

- (a) ANP Excess Revenue = \$15 million – (200,000 x \$60) = \$3 million
- (b) Per Ton ANP Excess Revenue = \$3 million / 50,000 = \$60 per Ton
- (c) ANP Revenue Share = 20% x \$60 x (250,000 – 200,000) = \$600,000

Example 2:

If:

- (a) 250,000 Tons of ATSW received in a Billing Year; and
- (b) Total ANP Revenue = \$12.5 million

Then:

- (a) ANP Excess Revenue = \$12.5 million – (200,000 x 60) = \$500,000
- (b) Per Ton ANP Excess Revenue = \$500,000 / 50,000 = \$10 per Ton
- (c) ANP Revenue Share = \$0, as Per Ton ANP Excess Revenue is less than \$55 per Ton

SCHEDULE 25

EXTENSION PERIOD FUEL SURCHARGE

Extension Period Fuel Surcharge shall be calculated based on a monthly basis on a price change of \$0.01/ton in Service Fee for every \$0.05 change in fuel price per the formula below:

$$\text{Extension Period Fuel Surcharge} = \$0.01 \times ((\text{Index} - \text{Base})/\$0.05)$$

(Fuel Surcharge Unit \$/ton)

WHERE: “Index” is the Weekly Retail On-Highway Diesel Price for the Central Atlantic region of the U.S., as published by the Energy Information Administration (“EIA”), or such other comparable report reasonably acceptable by the Parties if the EIA report is no longer published. The monthly “Index” should be determined on the last day of the month a price was published.

“Base” is the average of the Weekly Retail On-Highway Diesel Price for the Central Atlantic region of the U.S., as published by the EIA, or such other comparable report reasonably acceptable by the Parties if the EIA report is no longer published, for the six (6) month period immediately prior to the expiration of the initial term on January 24, 2018. The Base shall be calculated using the last day of each month a price was published for such 6-month period.

SCHEDULE 26

FORM OF AUTHORIZED HAULER SOLID WASTE DELIVERY AGREEMENT

AMENDED AND RESTATED SOLID WASTE DELIVERY AGREEMENT

THIS AMENDED AND RESTATED SOLID WASTE DELIVERY AGREEMENT (the "Agreement") is made the ___ day of _____, 2009, by and among the **SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA** ("SPSA"), a public body politic and corporate of the Commonwealth of Virginia, _____ ("Contractor"), and the party specified as "Vendor" on the signature page attached hereto ("Vendor"), or their respective permitted assigns (each a "Party" and collectively, the "Parties"). Unless otherwise defined elsewhere herein, the capitalized terms used herein shall have the meaning given to them in Section 17 below.

RECITALS:

WHEREAS, SPSA and Contractor are parties to that certain Solid Waste Delivery Agreement dated December __, 2008 (the "Original Agreement");

WHEREAS, SPSA is expected to sell the RDF Plant in a competitive bidding process to a wholly owned subsidiary of either Covanta Energy Corporation or Wheelabrator Technologies Inc., and the purchaser of the RDF Plant shall be the Vendor (the "RDF Plant Sale");

WHEREAS, closing of the RDF Plant Sale is expected to be consummated on or prior to December 31, 2009 (the "Closing");

WHEREAS, the parties intend that this Agreement will become and be effective and binding on the Parties only upon the Closing;

WHEREAS, Contractor, for itself or others, regularly engages in the collection and delivery of Solid Waste for disposal;

WHEREAS, following Closing, SPSA will operate the SPSA Facilities, Vendor will operate the RDF Plant and Contractor will deliver Commercial Processable Waste to the SPSA Facilities and the RDF Plant for the account of Vendor;

WHEREAS, subject to the terms and conditions herein, and for the fees provided in this Agreement, Contractor desires to deliver certain Commercial Processable Waste collected by Contractor to the SPSA Facilities and the RDF Plant for disposal and SPSA and Vendor desire to receive and dispose of such waste; and

WHEREAS, the Parties acknowledge that it is in the best interest of SPSA, Contractor and Vendor to enter in this Agreement to continue Contractor's delivery of Commercial Processable Waste to SPSA Facilities and the RDF Plant following Closing.

NOW, THEREFORE, in consideration of the promises contained herein and their mutual obligations, the Parties hereby agree as follows:

1. Term:

The initial term of this Agreement shall commence and become effective on the date of Closing, provided such Closing has occurred on or before December 31, 2009, and shall expire on January 24, 20__ (the "Term").

2. Execution of the Agreement:

At Closing, Vendor shall deliver to each of SPSA and Contractor (i) a copy of this Agreement, countersigned by Vendor, and (ii) a written notice specifying Vendor's Contract Administrator (the "Closing Notice"), and SPSA shall deliver to Vendor a copy of this Agreement countersigned by Contractor. If Closing does not occur on or prior to December 31, 2009, this Agreement shall be null and void, *ab initio*, and shall have no force and effect and the terms of the Original Agreement shall remain in full force and effect.

3. Obligations of Contractor:

(a) Contractor agrees to deliver during the Term of this Agreement to one or more of SPSA Facilities or the RDF Plant (as determined by Contractor), all SPSA Area Commercial Processable Waste collected by Contractor.

(b) If Contractor is found to have committed a Delivery Violation, Contractor shall pay to Vendor, the amounts set forth in subsection 7(c). If Vendor's Contract Administrator determines that there has been a Delivery Violation, then Vendor shall give Contractor and SPSA notice within two (2) days following the determination that a Delivery Violation has occurred specifying the circumstances and any known details involved. Contractor agrees to investigate thoroughly the Delivery Violation described in Vendor's notice, to take all appropriate action in response, and within fourteen (14) days of receipt of Vendor's notice to provide Vendor and SPSA with notice of the results of Contractor's investigation and any actions taken in response. A "Delivery Violation" shall mean a failure by Contractor to deliver all SPSA Area Commercial Processable Waste collected by Contractor.

4. Operating Provisions:

(a) Contractor shall abide by all rules relating to SPSA Facilities and the RDF Plant that are in effect as of the date of this Agreement, or which may be adopted by SPSA or Vendor during the Term of this Agreement (including without limitation rules regarding compaction of Commercial Processable Waste, the types or sizes of vehicles that may access SPSA Facilities or the RDF Plant and any restrictions required to insure compliance with conditions to permits issued to SPSA or Vendor for operation of SPSA Facilities or the RDF Plant). In addition, Contractor shall follow all instructions and directions of SPSA's Contract Administrator and Vendor's Contract Administrator that are (i) necessary or useful for the safe

and effective operation of the SPSA Facilities and the RDF Plant, and (ii) not in conflict with the provisions of this Agreement. SPSA and Vendor agree not to distinguish arbitrarily between their commercial and municipal customers in scheduling tipping sequencing at SPSA Facilities and the RDF Plant. For security purposes, Contractor shall provide all of its personnel and vehicles entering SPSA Facilities and the RDF Plant with identification satisfactory to SPSA's Contract Administrator and Vendor's Contract Administrator and shall if requested confirm to SPSA or Vendor the identity of all such personnel in advance. Vehicles and personnel not possessing the required identification may be refused entry by SPSA or Vendor. All Contractor vehicles shall be licensed and permitted in accordance with federal and state law, and shall be insured in accordance with industry standards. Contractor upon the request of SPSA's Contract Administrator or Vendor's Contract Administrator shall provide copies of such licenses, permits and insurance.

(b) Contractor shall not knowingly deliver to SPSA Facilities or the RDF Plant any Hazardous Waste, Regulated Medical Waste or Unacceptable Waste ("Prohibited Waste"). Contractor agrees that if it should deliver Prohibited Waste to SPSA or Vendor, title to that waste shall not pass to SPSA or Vendor. Upon receipt of Prohibited Waste from Contractor, SPSA or Vendor shall notify Contractor who, with the reasonable assistance and cooperation of SPSA or Vendor, as the case may be, shall expeditiously and within a period of time reasonable under the circumstances for the industry, remove or arrange for the removal of the waste from SPSA Facilities or the RDF Plant, at Contractor's sole cost and expense, executing all manifests as the generator of the waste. However, if SPSA or Vendor in their reasonable discretion deems it necessary or appropriate for the protection of property, human health or the environment, or for the continuing safe and efficient operation of SPSA Facilities and the RDF Plant, or if Contractor fails to remove Prohibited Waste expeditiously in keeping with industry standards after a request to do so by SPSA or Vendor, then SPSA or Vendor, acting through itself or others, may remove and properly dispose of Prohibited Waste delivered by Contractor and charge Contractor the actual costs for removing and disposing of that waste. Contractor acknowledges that it shall be the generator of any such waste removed by Vendor or SPSA and agrees to sign the manifests for the waste as generator. In addition, should Contractor deliver Prohibited Waste to any SPSA Facility or the RDF Plant, Vendor in accordance with subsection 7(f) shall be entitled to recover from Contractor all actual costs, including reasonable attorneys' fees resulting from such delivery. Contractor shall cooperate with SPSA and Vendor in identifying any customer of Contractor who is the generator of such Prohibited Waste. Contractor shall notify its customers of the requirements of this subsection. SPSA or Vendor may, for the remaining term of the Agreement refuse to accept waste from a generator that generates Prohibited Waste delivered by Contractor. SPSA's Contract Administrator or Vendor's Contract Administrator shall notify Contractor of such determination in writing, and Contractor shall be entitled to treat all waste generated by such generator as being excluded from this Agreement and may dispose of such waste as determined by Contractor until such time as SPSA and Vendor at the request of Contractor agree to accept materials from such generator.

(c) Each of Contractor's vehicles shall be weighed in, with driver aboard, at certified scales operated by SPSA on behalf of Vendor at the time of each delivery. In addition, at the time of first delivery and on a periodic basis as determined from time to time by Vendor's Contract Administrator, vehicles shall be weighed empty with driver aboard, to confirm the

correct tare weight. Also, SPSA and Vendor reserve the right to weigh empty vehicles at any time and not on a scheduled or periodic basis.

(d) The Parties acknowledge that SPSA may be required to close temporarily SPSA Facilities or Vendor may be required to close temporarily the RDF Plant from time to time for repairs or for other reasons in the normal course of business. Nothing in this Agreement shall be construed to limit SPSA's right to close any SPSA Facility or Vendor's right to close the RDF Plant for those purposes, or to create any obligation on the part of SPSA or Vendor to provide any alternative delivery point during the period of any closure, so long as SPSA or Vendor is pursuing the repair or otherwise dealing with the cause of the closure with diligence and in accordance with customary practices. In the event a SPSA Facility to which the Contractor is authorized to bring SPSA Area Acceptable Waste is closed, the Contractor may bring SPSA Area Acceptable Waste to another SPSA Facility so long as the Contractor coordinates such delivery to an alternate SPSA Facility with SPSA's Contract Administrator.

5. Obligations of SPSA:

(a) SPSA for the Term of this Agreement agrees to accept all SPSA Area Acceptable Waste collected and delivered by Contractor to the SPSA Facilities. If the Contractor shall fail to follow SPSA's rules and procedures described in subsection 4(a), then SPSA may refuse Contractor's deliveries of SPSA Area Commercial Processable Waste or SPSA Area Commercial Non-Processable Waste (or both) to the SPSA Facilities.

(b) SPSA shall accept SPSA Area Acceptable Waste at the SPSA Facilities during the hours as shown on Exhibit A attached hereto, excluding the regular posted holidays shown on the Exhibit A. In the event additional transfer stations become operational, they shall have hours generally comparable to those set forth on Exhibit A. SPSA may reduce the operating hours of a SPSA Facility upon sixty (60) days prior written notice to the Contractor. If Contractor does not provide SPSA with written notice of its refusal to consent within thirty (30) days following the SPSA's delivery of notice of the reduction in operating hours, then Contractor shall be deemed to have consented to the reduction. SPSA may extend the hours of operation at a SPSA Facility in its sole discretion; however, any extension may be rescinded by SPSA in its sole discretion. SPSA agrees to use its commercially reasonable efforts so that Contractor's vehicles may off load SPSA Area Acceptable Waste in less than thirty (30) minutes waiting time, provided however that SPSA shall not be deemed in default of this Agreement or liable to Contractor for SPSA's failure to achieve this goal. SPSA shall establish and Contractor shall comply with operational procedures to coordinate deliveries and insure efficient management and handling of SPSA Area Acceptable Waste at SPSA Facilities. SPSA agrees to use its commercially reasonable efforts to notify Contractor, by whatever means are expeditious and practicable, of actual or anticipated closure of any SPSA Facility or delay at a SPSA Facility outside the normal course of business, but SPSA shall not be liable to Contractor for failing to give such notice.

6. Obligations of Vendor:

(a) Vendor for the Term of this Agreement agrees to accept and properly dispose of all SPSA Area Commercial Processable Waste and Outside Area Commercial Processable Waste collected and delivered by Contractor or SPSA to the RDF Plant.

(b) Vendor shall accept SPSA Area Commercial Processable Waste and Outside Area Commercial Processable Waste at the RDF Plant during the hours shown on Exhibit B. Vendor with Contractor's consent may reduce the operating hours of the RDF Plant. If Contractor does not provide Vendor with written notice of its refusal to consent within thirty (30) days following Vendor's delivery of notice of the reduction in operating hours, then Contractor shall be deemed to have consented to the reduction. Vendor may extend the hours of operation at the RDF Plant in its sole discretion; however, any extension may be rescinded by Vendor in its sole discretion. Vendor agrees to use its commercially reasonable efforts so that Contractor's vehicles may off load SPSA Area Commercial Processable Waste and Outside Area Commercial Processable Waste in less than thirty (30) minutes waiting time, provided however that Vendor shall not be deemed in default of this Agreement or liable to Contractor for the Vendor's failure to achieve this goal. Vendor shall establish and Contractor shall comply with operational procedures to coordinate deliveries and insure efficient management and handling of SPSA Area Commercial Processable Waste and Outside Area Commercial Processable Waste at the RDF Plant. Vendor agrees to use its commercially reasonable efforts to notify Contractor, by whatever means are expeditious and practicable, of actual or anticipated closure of the RDF Plant or delay at the RDF Plant outside the normal course of business, but Vendor shall not be liable to Contractor for failing to give such notice. Notwithstanding anything to the contrary above, Vendor shall not be obligated to accept Outside Area Commercial Processable Waste pursuant to this Section 6 at any time the RDF Plant is closed or otherwise not in operation.

7. Fees for Disposal; Billing; Other Charges:

(a) During the Term, Contractor shall pay the tipping fees to Vendor as follows (as adjusted from time to time pursuant to Section 7(b) throughout the Term):

(i) For SPSA Area Commercial Processable Waste, a tipping fee of \$36.00 per ton plus a Fuel Surcharge, and

(ii) For SPSA Area Commercial Non-Processable Waste, a tipping fee of \$60.00 per ton plus a Fuel Surcharge.

(b) The per ton tipping fee amount for SPSA Area Commercial Processable Waste and SPSA Area Commercial Non-Processable Waste set forth in subsection (a) above shall be adjusted each July 1st during the Term as follows: The amount of the tipping fee shall be the amount of the tipping fee for the immediately preceding period ending June 30 increased by the percentage equal to the annual increase in the Consumer Price Index: U.S. City Average: Transportation (1982-1984 =100), NSA for the calendar year ending on the immediately preceding December 31. The rates shall not be decreased. In the event the specified index is not available, the government or industry promulgated transportation cost index that most closely

approximates the historical movement of the specified index over the five year period preceding such unavailability shall be substituted for the specified index. The Fuel Surcharge shall be added to the tipping fee calculated in accordance with this subsection 7(b).

(c) In the event of a Delivery Violation, Contractor shall pay to Vendor (i) the tipping fees that otherwise would have been payable for the delivery at SPSA Facilities or the RDF Plant pursuant this Section 7, times a factor of 1.5, and (ii) any attorneys fees incurred by Vendor to investigate or confirm a Delivery Violation, or to enforce Contractor's delivery obligations under this Agreement.

(d) Contractor shall pay for delivery of Outside Area Commercial Processable Waste the tipping fee established from time to time by the Vendor.

(e) Contractor shall pay to Vendor the actual costs to which Vendor is entitled pursuant to subsection 4(b) above.

(f) Contractor shall pay Vendor the total amount of any tax, assessment, fee, cost (including compliance costs) or other charge that may be imposed by the Commonwealth of Virginia or Federal government or incurred by Vendor, in each case in connection with any law, regulation, statute, code or legislation adopted or amended subsequent to the effective date of this Agreement which is of general applicability to the operation of landfills or waste-to-energy systems (but not related to any action, omission or condition solely of Vendor such as fines or penalties imposed by a court or governmental authority) that Vendor is required to pay by reason of the receipt and disposal of SPSA Area Commercial Processable Waste, SPSA Area Commercial Non-Processable Waste or Outside Area Commercial Processable Waste delivered by Contractor under this Agreement. That amount, if any, shall be added to Contractor's invoice for the month in which the fees or charges are payable by Vendor pursuant to subsection (h) below, but in no event shall Contractor be required to pay such fees with less than thirty (30) days notice. Such amount shall be proportionately assessed to all customers of Vendor, including the Member Jurisdictions, based upon the applicability of the tax, assessment, fee or charge to the services provided to those particular customers.

(g) On or before the fifth day of each month, Vendor shall provide Contractor with a monthly invoice setting forth, for the preceding month (i) the total number of tons of SPSA Area Commercial Processable Waste delivered to the SPSA Facilities and the RDF Plant, with a detailed list of deliveries identifying the truck number, scale ticket number, date/time, tonnage and applicable tipping fee, (ii) the total number of tons of SPSA Area Commercial Non-Processable Waste delivered to the SPSA Facilities with a detailed list of deliveries identifying the truck number, scale ticket number, date/time, tonnage and applicable tipping fee, (iii) the total number of tons of Outside Area Commercial Processable Waste delivered to the RDF Plant along with the tipping fees applicable to that tonnage, (iv) any other fees or charges payable under this Agreement, and (v) the total amount due and owing for the month. Billing, credit and payment terms shall be in accordance with Vendor's credit policies as established from time to time for its commercial customers, including applicable discounts for prompt or early payment, if any are offered by Vendor, but which in no event shall require payment any sooner than the end of the calendar month in which an invoice is provided.

(h) If during the Term, Vendor provides to another customer a tipping fee for disposal of SPSA Area Commercial Processable Waste that is lower than the tipping fee for SPSA Area Commercial Processable Waste then being provided to Contractor under this Agreement, Vendor shall provide such lower tipping fee to Contractor effective immediately as of the date provided to such other customer, and shall continue providing such lower tipping fee to Contractor for so long as Vendor provides it to such other customer; provided however that this protection shall not be effective to the extent the difference in tipping fees is attributable to such higher fees are adjusted pursuant to subsection 7(b) above.

8. Indemnity; Limitation of Liability.

(a) Contractor and Vendor (each a "CV Indemnifying Party") shall defend, protect, hold harmless and indemnify the other Party and SPSA and their respective directors, officers, employees and agents (individually, a "CV Indemnified Party") from and against any cost, expense, loss, claim or liability whatsoever, including reasonable attorney's fees, for injury to any person or loss or damage to property arising out of: (a) the negligence or wrongful misconduct of the CV Indemnifying Party, its officers, employees, agents or contractors; (b) the failure of or by the CV Indemnifying Party, its officers, employees, agents or contractors to comply with applicable law; or (c) any breach by the CV Indemnifying Party of this Agreement. Neither Contractor nor Vendor is required to hold harmless or indemnify any CV Indemnified Party for any cost, expense, loss or liability to the extent caused by the CV Indemnified Party's negligence or wrongful conduct, failure to comply with applicable law, or breach of this Agreement. The indemnity provided pursuant to this subsection shall not extend to any third party, and shall not provide indemnity for consequential or punitive damages.

(b) To the extent permitted by applicable law (without waiving its sovereign immunity), SPSA shall defend, protect, hold harmless and indemnify the Contractor and Vendor and their directors, officers, employees and agents (the "SPSA Indemnified Parties") from and against any cost, expense, loss, claim or liability whatsoever, including reasonable attorney's fees, for injury to any person or loss or damage to property arising out of: (a) the negligence or wrongful misconduct of the SPSA, its officers, employees, agents or contractors; (b) the failure of or by the SPSA, its officers, employees, agents or contractors to comply with applicable law; or (c) any breach by the SPSA of this Agreement. SPSA is not required to hold harmless or indemnify any CV Indemnified Party for any cost, expense, loss or liability to the extent caused by a CV Indemnified Party's negligence or wrongful conduct, failure to comply with applicable law, or breach of this Agreement. The indemnity provided pursuant to this subsection shall not extend to any third party, and shall not provide indemnity for consequential or punitive damages.

(c) Notwithstanding anything to the contrary above in subsections 8(a) and 8(b), each of the Parties shall only be responsible to provide indemnification for its errors and omissions and the errors and omissions of its officers, employees, agents or contractors, and in no event shall the Parties be responsible to provide indemnification for the errors or omissions of third parties.

(d) No Party to this Agreement shall be liable to any other Party for any special, indirect, incidental or consequential damages of any other arising in connection with this Agreement. The liability of each Party hereto is expressly limited to the disposal fees paid in the immediately preceding year prior to termination of this Agreement.

9. Insurance:

(a) Contractor shall obtain and maintain at its expense the following insurance coverages from insurers who are licensed in the Commonwealth of Virginia and who have a Best's rating of B+ or better: (i) worker's compensation insurance as required by law; (ii) employer's liability insurance having a minimum limit of liability of one million dollars (\$1,000,000) per occurrence; (iii) comprehensive general liability primary insurance with a broad form endorsement including personal injury, property damage and blanket liability coverage having a minimum combined single limit of liability of one million dollars (\$1,000,000) per occurrence; (iv) comprehensive automobile liability primary insurance applicable to all owned, hired and non-owned vehicles having a minimum combined single limit of liability of one million dollars (\$1,000,000) per occurrence; (v) property insurance covering all Contractor's vehicles and other equipment used in connection with this Agreement having a limit sufficient to replace all such equipment; (vi) environmental impact liability insurance having a minimum limit of liability of five million dollars (\$5,000,000) per occurrence, and (vii) excess (of (ii), (iii) and (iv) above) liability insurance having a minimum limit of liability of five million dollars (\$5,000,000) per occurrence.

(b) Notwithstanding the minimum limits of coverage stated in subsection (a), the limit of each underlying insurance coverage must be at least as high as is necessary to support the excess liability insurance coverage. No individual insurance coverage shall have a deductible in excess of seventy-five thousand dollars (\$75,000) without the prior express written consent of Vendor, which consent shall not be unreasonably withheld.

(c) Contractor shall furnish to Vendor and SPSA at Closing certificates of insurance or, at the discretion of Vendor's Contract Administrator, binders evidencing the insurance coverages required in this Agreement naming Vendor and SPSA as an additional insureds. Each certificate or binder shall provide that thirty (30) days' prior written notice must be given to Vendor and SPSA in the event of expiration or cancellation of, or other material change in, any such coverages.

(d) Immediately upon the occurrence of any injury, loss or damage arising out of the performance of this Agreement, Contractor shall promptly advise Vendor and SPSA of the circumstances and particulars.

(e) Contractor may request that Vendor approve Contractor being self-insured for environmental liability insurance. Such a request will be subject to the approval of Vendor's Contract Administrator, such approval to be timely granted and not unreasonably withheld. Conditions of approval may include, but are not limited to, Contractor's identification of a reasonable funding mechanism in support of its insured risk, limitation on the amount of self-insurance coverage, or maintenance of a minimum amount of excess liability insurance coverage.

10. Termination by Vendor:

Vendor may terminate this Agreement immediately upon notice to Contractor for:

(a) Failure of Contractor to make payment to Vendor in accordance with the terms of this Agreement and Vendor's applicable credit and payment policies as reasonably established from time to time, or Vendor's reasonable revocation of Contractor's approval as a credit customer of Vendor under its generally applicable customer credit policies, which failure is not cured within thirty (30) days of Contractor's receipt of notice of nonpayment. However, this provision shall not apply to any disputed amounts being contested by Contractor in good faith pursuant to the terms of this Agreement. Notwithstanding the above, in the event Contractor fails to make payment in accordance with the terms of this Agreement two (2) times in any calendar year, Vendor shall be entitled to terminate this Agreement immediately upon the next payment default in such calendar year, without the availability of a cure period for Contractor.

(b) Contractor's insolvency, dissolution, filing of a petition under any bankruptcy statute, being named as debtor in any involuntary bankruptcy case not dismissed within sixty (60) days after the filing commencing the case, general assignment for the benefit of creditors or the appointment of a receiver for the benefit of its creditors or on account of its insolvency.

(c) Suspension or liquidation of Contractor's business, whether within the SPSA Service Area or generally.

(d) Three or more notices to Contractor in any twelve month period of Delivery Violations by any single driver or five or more Delivery Violations on any single truck route.

(e) Absent Force Majeure, failure of Contractor to comply with any other material term or condition of this Agreement, which is not cured within thirty (30) days of Contractor's receipt of notice, pursuant to subsection 16(b), of the default, or, if thirty (30) days is not a reasonable time in which to cure such defect, if Contractor fails to address such issue and diligently act to cure same in a reasonable amount of time.

11. Termination by Contractor:

Contractor may terminate this Agreement immediately upon notice to Vendor for:

(a) Absent Force Majeure, failure of Vendor to observe any material condition or obligation under this Agreement, which is not cured within thirty (30) days of Vendor's receipt of notice, pursuant to subsection 16(b), of the default, or, if thirty (30) days is not a reasonable time in which to cure such defect, if Vendor fails to address such issue and diligently act to cure same in a reasonable amount of time.

(b) Vendor's insolvency, dissolution, filing of a petition under any bankruptcy statute, its being named as debtor in any involuntary bankruptcy case not dismissed within sixty (60) days after the filing commencing the case, general assignment for the benefit of creditors or the appointment of a receiver for the benefit of its creditors or on account of its insolvency.

12. Survival of Obligations

Any obligation for the payment of money, indemnity or otherwise, which shall have arisen from the conduct of SPSA, Contractor or Vendor pursuant to this Agreement shall survive expiration or termination of the Agreement and shall remain in full force and effect until satisfied by the obligated party or waived by the non-obligated party.

13. Representations of SPSA:

SPSA represents and warrants that:

(a) It is an organization in good standing under the laws of the Commonwealth of Virginia and is duly qualified to do business wherever necessary to perform its obligations under this Agreement.

(b) It has the full power, authority and legal right to enter into and perform its obligations under this Agreement.

(c) Execution, delivery and performance of this Agreement by SPSA will not violate any judgment, order, law or regulation applicable to SPSA, to include but not limited to competitive bidding requirements, or any provisions of the charter or bylaws and will not conflict with, constitute a default or result in the creation of any lien, charge, encumbrance or security interest upon any assets of SPSA under any agreement or instrument to which SPSA is a party or by which SPSA or its assets may be bound or affected.

14. Representations of Contractor:

Contractor represents and warrants that:

(a) It is an organization in good standing under the laws of the state of its incorporation and is duly qualified to do business wherever necessary to perform its obligations under this Agreement.

(b) It has the full power, authority and legal right to enter into and perform its obligations under this Agreement.

(c) Execution, delivery and performance of this Agreement by Contractor will not violate any judgment, order, law or regulation applicable to Contractor or any provisions of Contractor's charter or bylaws and will not conflict with, constitute a default or result in the creation of any lien, charge, encumbrance or security interest upon any assets of Contractor

under any agreement or instrument to which Contractor is a party or by which Contractor or its assets may be bound or affected.

(d) There is no litigation or proceeding pending or, to the knowledge of Contractor, threatened against or affecting Contractor, which would enjoin the performance by Contractor of its obligations or, if adversely terminated, would materially adversely affect the financial condition of Contractor and the ability of Contractor to perform its delivery and payment obligations under this Agreement.

15. Representations of Vendor:

Vendor represents and warrants that:

(a) It is an organization in good standing under the laws of the state of its organization and is duly qualified to do business wherever necessary to perform its obligations under this Agreement.

(b) It has the full power, authority and legal right to enter into and perform its obligations under this Agreement.

(c) Execution, delivery and performance of this Agreement by Vendor will not violate any judgment, order, law or regulation applicable to Vendor or any provisions of Vendor's charter or bylaws and will not conflict with, constitute a default or result in the creation of any lien, charge, encumbrance or security interest upon any assets of Vendor under any agreement or instrument to which Vendor is a party or by which Vendor or its assets may be bound or affected.

(d) There is no litigation or proceeding pending or, to the knowledge of Vendor, threatened against or affecting Vendor, which would enjoin the performance by Vendor of its obligations or, if adversely terminated, would materially adversely affect the financial condition of Vendor and the ability of Vendor to perform its delivery and payment obligations under this Agreement.

16. Miscellaneous:

(a) This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Virginia. The Parties shall comply with all applicable laws, rules, regulations, ordinances, permits and requirements of any governmental entity having jurisdiction, including all applicable health and safety, antidiscrimination, affirmative action and minority business opportunity laws and all applicable industry codes, specifications and standards respecting their respective businesses and operations. Except as may otherwise be provided under this Agreement, should the Parties to this Agreement breach, the breaching Party shall be responsible to the non-breaching Parties for all reasonable costs and expenses, to include reasonable attorney's fees, incurred by the non-breaching Parties to enforce performance of this Agreement. Proper venue for all legal actions involving this Agreement shall be in the City of Norfolk, Virginia.

(b) Any notice provided or permitted for under this Agreement shall be given in writing and shall be deemed given when delivered in person, transmitted by telecopier followed by a mailed confirmation copy, or when deposited in U.S. mail, postage prepaid, as certified or registered mail with return receipt requested, or when deposited with a national overnight courier service, addressed to the other Parties at their address as shown below. The Parties may change the address to which notice is to be given or the telephone numbers to which telecopies may be transmitted by means of notice to the other in accordance with the terms of this subsection (b). The Closing Notice shall contain the notice address of Vendor. The current addresses for the Parties are as follows:

SPSA
Attn: Executive Director
723 Woodlake Drive
Chesapeake, Virginia 23320
Fax: 757-424-4133
Phone: 757-420-4700

Contractor

Attn: _____
Fax: _____
Phone: _____

(c) The failure of any Party to object to a breach or default by the other shall not constitute a waiver of that Party's rights with respect to any subsequent breach or default as to the same or any other obligation or condition of the Agreement. No provisions of this Agreement shall be deemed waived except in writing.

(d) This Agreement may be modified only by further written instrument executed by the Parties. After execution of this Agreement by SPSA and Contractor, but prior to Closing, Contractor may not revoke, rescind or terminate this Agreement. Any appendices or exhibits hereto are incorporated by reference. In the event of any conflict between the text of this Agreement and an appendix or exhibit, the text of the Agreement shall govern. The provisions of this Agreement, including any appendices or exhibits hereto, constitute the entire agreement between the Parties and supersede any and all prior or contemporaneous negotiations, understandings or agreements relating to Commercial Processable Waste. It is agreed that this Agreement has been jointly negotiated and entered into, and this Agreement shall not be construed against any Party by reason of that Party's participation in the drafting or preparation of this instrument.

(e) If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the Parties shall make good faith efforts to modify this Agreement in a manner which will implement the intent of the Parties as embodied herein. Any resulting

modification in the remaining provisions of the Agreement shall be valid and enforceable to the fullest extent permitted by law.

(f) Neither Contractor nor Vendor may delegate or assign this Agreement or any rights or duties under it without the written consent of the other. Consent to assignment to an entity affiliated with either Contractor or Vendor by common ownership shall not be unreasonably withheld. A permitted assignment shall neither be effective nor relieve Contractor or Vendor of its obligations under this Agreement unless the Agreement shall have been assumed by the assignee.

(g) This Agreement, which has been duly authorized, executed and delivered by the respective Parties, constitutes a legal, valid and binding obligation enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, or by general equitable principles concerning remedies.

(h) This Agreement reflects an arm's-length transaction. Nothing herein shall create a fiduciary, partnership, joint venture, employment or other agency relationship between the Parties except as expressly provided herein. This Agreement is not entered into for the benefit of, nor are any rights granted to, any third party except as may be expressly provided for herein.

(i) The Parties to this Agreement shall have the right to apply to a court as referenced in subsection 16(a) for specific performance in lieu of exercising its right of termination.

(j) The Parties may, in the event of a dispute involving monetary payment, pay such amount(s) into a court as referenced in subsection 16(a) for a judicial determination without being in breach of this Agreement.

(k) This Agreement may be executed in any number of counterparts, each of which may be executed by any one or more of the Parties hereto, but all of which shall constitute one and the same instrument, and shall be binding and effective when all parties hereto have executed and delivered at least one counterpart. A facsimile signature on this Agreement is as valid as an original signature.

17. Definitions:

(a) **Commercial Processable Waste:** Solid Waste that can be processed into refuse derived fuel under then-current operating permits and applicable law. Solid Waste delivered to a SPSA Facility or the RDF Plant in vehicles with on-board compaction capability, and in roll-off boxes and trailers that are filled using compaction equipment, shall be presumed to be Commercial Processable Waste. Notwithstanding the above, Commercial Processable Waste shall not include Excluded Waste, Hazardous Waste, Regulated Medical Waste, or any of the following:

- (i) Appliances
- (ii) Cable, wire, rope, strapping, labels, wrapping
- (iii) Fire hoses
- (iv) Machinery
- (v) Carpets, rugs or mattresses
- (vi) Furniture
- (vii) Plastic drums and containers over 5 gallons
- (viii) Metal drums or containers
- (ix) Reels of tapes or labels
- (x) Tarps or sections of canvases
- (xi) Pipes or metal rods
- (xii) Tire rims, automobile or other vehicle parts.

(b) **Commercial Non-Processable Waste:** Solid Waste that cannot be processed into refuse derived fuel due to design limitations of installed processing equipment or under then-current operating permits and applicable law. Solid Waste delivered in vehicles that are filled without compaction equipment, such as open top containers, roll-off boxes and trailers and any similar containers, shall be considered Commercial Non-Processable Waste for purposes of this Agreement. Notwithstanding the above, Commercial Non-Processable Waste shall not include Excluded Waste, Hazardous Waste or Regulated Medical Waste.

(c) **Delivery Violation:** Delivery by Contractor of SPSA Area Commercial Processable Waste to a facility other than a SPSA Facility or the RDF Plant.

(d) **Excluded Waste:** The following types of Solid Waste:

(i) Solid Waste generated, purchased or utilized by an entity engaged in the business of manufacturing, mining, processing, refining or conversion.

(ii) Recyclable materials, which are those materials that have been source-separated by any person or materials separated from solid waste by any person for utilization in both cases as a raw material to be manufactured into a product other than fuel or energy.

(iii) Construction debris.

(iv) Waste oil.

(e) **Force Majeure:** A cause or condition beyond the control and without the fault or negligence of a Party, including, but not limited to, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions or strikes. If a Party shall be unable to perform an obligation hereunder by reason of Force Majeure, the Party shall use due diligence to cure or correct the cause or condition which so affects its performance, but this obligation shall specifically exclude any duty to reach agreement in a labor dispute or settle or compromise litigation. Further, the Party shall promptly commence and use due diligence to repair or replace any building, equipment or

apparatus rendered inoperable, in whole or in part, by Force Majeure, the inoperability of which prevents full performance by that Party. Failure of a Party to perform resulting from that Party's failure to cure or remedy the consequences of Force Majeure as provided above within a reasonable time shall not be deemed a result of Force Majeure. Notwithstanding the above, none of the following acts, events or conditions shall constitute a Force Majeure:

(i) an act, event or condition caused by the negligence, error, omission or wrongful or intentional action or inaction of the party relying thereon or by its affiliates or subcontractors; provided however, a change in law resulting from the intentional act of SPSA shall constitute a Force Majeure;

(ii) any act, event or condition reasonably foreseeable prior to the occurrence of such act, event or condition, which a diligent party reasonably could have been expected to take into account in a reasonably timely manner prior to such occurrence and prevent or adequately protect against, using commercially reasonable efforts;

(iii) economic feasibility, general economic conditions, interest or inflation rates or currency fluctuation; and

(iv) equipment failure, unless the failure was due to acts, events or conditions of Force Majeure.

(f) **Fuel Surcharge:** A supplemental fee set forth on Exhibit C attached hereto.

(g) **Hazardous Waste:** Solid Waste which because of its quantity, concentration, or physical, chemical or infectious characteristics may: (i) cause or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible, illness; or (ii) pose a substantial present or potential hazard to human health, the RDF Plant or any of the SPSA Facilities, SPSA's disposal system, or the environment when treated, stored, transported, disposed of or otherwise managed. Without limiting the generality of the foregoing, Hazardous Waste shall include (i) any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under federal, state or local law, or under rules, regulations, policies or guidelines issued in relation thereof, as they may be amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act of 1976 (42 U.S.C., Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984) and the regulations contained in 40 CFR Parts 260-0281; (2) the Toxic Substances Control Act (15 U.S.C., et seq.) and the regulations contained in 40 CFR Parts 761-766; (3) any state or regulations of similar or related import; (ii) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C., Section 2011 et seq.) and the regulations contained in 10 CFR Part 40 or (iii) any other material that by federal, state or local law, or under rules, regulations, policies, guidelines or orders having the force of law in relation thereto, are regulated as harmful, toxic or hazardous to health.

(h) **Member Jurisdiction:** The member localities of SPSA, specifically the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the counties of Isle of Wight and Southampton.

(i) **Outside Area Commercial Processable Waste:** Commercial Processable Waste that is created or generated (i) in the Commonwealth of Virginia but outside of the SPSA Service Area, or (ii) in North Carolina, which in no event shall be in an amount more than ten percent (10%) of the Contractor's current volume of SPSA Area Commercial Processable Waste.

(j) **RDF Plant:** A plant for the production of refuse-derived fuel located on Victory Boulevard in Portsmouth, Virginia.

(k) **Recyclable Waste:** Recyclable materials as defined in subsection (c)(ii) above.

(l) **Regulated Medical Waste:** All regulated medical waste so designated by current and future rules and regulations promulgated by the Virginia Department of Environmental Quality ("VDEQ") its successor, or other governmental or regulating body having jurisdiction in the event that the VDEQ's jurisdiction is terminated.

(m) **Solid Waste:** All material customarily referred to as garbage and refuse and also sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but not including solid or dissolved material in domestic sewage, or solid or dissolved materials in irrigation return flows or industrial discharges which are point sources subject to permits under Section 402 of the Federal Water Pollution Control Act, as amended (86 STAT. 880) or source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (68 STAT. 923).

(n) **SPSA Area Acceptable Waste:** SPSA Area Commercial Processable Waste and SPSA Area Commercial Non-Processable Waste.

(o) **SPSA Area Commercial Non-Processable Waste:** Commercial Non-Processable Waste that is created or generated within the SPSA Service Area.

(p) **SPSA Area Commercial Processable Waste:** Commercial Processable Waste that is created or generated within the SPSA Service Area.

(q) **SPSA Contract Administrator:** Executive Director of SPSA, unless the Executive Director of SPSA in his sole discretion notifies Contractor in writing that a different officer or staff position will serve as SPSA Contract Administrator.

(r) **SPSA Facility:** Any one of the transfer stations now owned or operated or both by SPSA within the SPSA Service Area. Collectively, all such facilities are referred to as "SPSA Facilities". Notwithstanding anything to the contrary above, as of the date of this

Agreement the term “SPSA Facilities” shall not include the transfer stations operated at Ivor, Virginia or Boykins, Virginia. SPSA Facilities to be owned and operated by SPSA following Closing are listed on Exhibit A attached hereto and made a part hereof.

(s) **SPSA Service Area:** The geographic area covered by the political subdivision boundaries of the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, Virginia and the counties of Isle of Wight and Southampton, Virginia.

(t) **Unacceptable Waste:** (i) primarily large castings, transmissions, car and truck rear ends, springs, fenders or other major parts of automobiles, motorcycles, other vehicles or marine vessels and machinery (other than small household appliances), (ii) stumps or logs larger than six (6) feet in length and six (6) inches in diameter, (iii) spools larger than twenty-four (24) inches in diameter, (iv) carpet rolls or bundles larger than six (6) feet in length, (v) explosives, pathological or biological wastes, (vi) large quantities of sulfur-containing materials and (vii) dirt, concrete and other non-combustible construction and demolition debris materials.

(u) **Vendor’s Contract Administrator:** The person designated in writing to each of the Contractor and SPSA (or such other officer or staff person as will be specified by like notice).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Solid Waste Delivery Agreement to be duly executed as of the day and year first written above.

Date

SPSA:

SOUTHEASTERN PUBLIC SERVICE
AUTHORITY OF VIRGINIA

By: _____
Name: _____
Title: _____

Date

CONTRACTOR:

[_____]

By: _____
Name: _____
Title: _____

Date

VENDOR:

[_____]

By: _____
Name: _____
Title: _____

EXHIBIT A

Hours of Operation (accepting Commercial Processable Waste)

<u>Location</u>	<u>Monday – Friday</u>	<u>Saturdays</u>
Chesapeake Transfer Station	7 am - 3 pm	7 am - 12 pm
Norfolk Transfer Station	5 am – 5 pm	7 am - 12 pm
Landstown Transfer Station	5 am – 5 pm	7 am - 12 pm
Oceana Transfer Station	6 am – 3 pm	7 am - 12 pm
Franklin Transfer Station	8 am – 3 pm	8 am - 12 pm
Isle of Wight Transfer Station	8 am – 3 pm	8 am - 12 pm
Suffolk Transfer Station	7 am – 4 pm	7 am - 12 pm

Holidays – Schedule

New Year’s Day	January 1st
Lee-Jackson Day*	Friday preceding the 3 rd Monday in January
Martin Luther King, Jr. Day*	Third Monday in January
President’s Day *	Third Monday in February
Memorial Day*	Last Monday in May
Independence Day	July 4th
Labor Day*	First Monday in September
Columbus Day*	Second Monday in October
Veteran’s Day*	November 11th
Thanksgiving Day	Fourth Thursday in November
Friday following Thanksgiving Day*	Fourth Friday in November
Christmas Day	December 25th

° If any of New Year’s Day, Independence Day, Veteran’s Day, or Christmas Day Falls on a Sunday, when a facility is otherwise closed, then that date shall be observed on the date designated for its observation as a holiday by the Federal Government. For those holidays marked above with an asterisk (*), all Transfer Stations shall operate under the schedule for Saturday hours, i.e. they will be open for one-half day (either 0700-1200 or 0800-1200 as shown under hours of operation listed above).

EXHIBIT B

Hours of Operation (accepting Commercial Processable Waste)

<u>Location</u>	<u>Monday – Friday</u>	<u>Saturdays</u>
RDF Plant	0300 – 1700	0300 – 1200

Holidays – Schedule

New Year's Day	January 1st
Lee-Jackson Day*	Friday preceding the 3 rd Monday in January
Martin Luther King, Jr. Day*	Third Monday in January
President's Day *	Third Monday in February
Memorial Day*	Last Monday in May
Independence Day	July 4th
Labor Day*	First Monday in September
Columbus Day*	Second Monday in October
Veteran's Day*	November 11th
Thanksgiving Day	Fourth Thursday in November
Friday following Thanksgiving Day*	Fourth Friday in November
Christmas Day	December 25th

- If any of New Year's Day, Independence Day, Veteran's Day, or Christmas Day falls on a Sunday, when a facility is otherwise closed, then that holiday shall be observed on the date designated for its observation as a holiday by the Federal Government. The RDF Plant will be open for its regular operating hours for all holidays marked above with an asterisk (*), and will be closed only for Christmas Day, New Year's Day, Thanksgiving Day and Independence Day.

EXHIBIT C

FUEL SURCHARGE

A Fuel Cost Surcharge shall apply in any month that the Current Fuel Index is greater than the Base Fuel Index.

Fuel Cost Surcharge = Base Fuel Cost x Fuel Factor

Where:

	Base Fuel Cost \$ per ton of waste
Norfolk TS	\$1.75
Chesapeake TS	\$1.83
Landstown TS	\$2.04
Suffolk TS	\$1.79
Oceana TS	\$2.17
Isle of Wight TS	\$2.93
Franklin TS	\$2.99

Fuel Factor = the greater of zero or [Current Fuel Index / Base Fuel Index minus 1]

Fuel Index = the weighted average monthly price per gallon paid by SPSA for #2 Diesel Fuel Oil in any given month as calculated by SPSA using receipts from SPSA's fuel supplier

Current Fuel Index = the Fuel Index for the applicable Billing Period.

Base Fuel Index = the Fuel Index for the month of March 2009.

Example 1:

Haul from Norfolk to the RDF Facility

Base Fuel Cost = \$1.75 per ton

Assume Base Fuel Index is 2.00

Assume Current Fuel Index is 2.20

Fuel Factor = $[2.20/2.00] - 1 = 0.10$

Fuel Cost Surcharge = $\$1.75 \times 0.10 = \0.175 per ton

Example 2:

Haul from Chesapeake to the RDF Facility

Base Fuel Cost = \$1.83 per ton

Assume Base Fuel Index is 2.00

Assume Current Fuel Index is 1.80

Fuel Factor = $[1.80/2.00] - 1 = -0.10$, Set to 0.00

Fuel Cost Surcharge = $0.12 \times \$15.22 \times 0.00 = \0.00 per ton

SCHEDULE 27

ANNUAL FEE

Billing Year	Annual Fee
Commencement Date through June 30, 2010	\$18,000,000
July 1, 2010 through June 30, 2011	\$19,000,000
July 1, 2011 through June 30, 2012	\$20,000,000
July 1, 2012 through June 30, 2013	\$21,000,000
July 1, 2013 through June 30, 2014	\$22,000,000
July 1, 2014 through June 30, 2015	\$23,000,000
July 1, 2015 through June 30, 2016	\$24,000,000
July 1, 2016 through June 30, 2017	\$25,000,000
July 1, 2017 through June 30, 2018	\$26,000,000
July 1, 2018 through June 30, 2019	\$26,000,000 x EPAF
July 1, 2019 through June 30, 2020	\$26,000,000 x EPAF
July 1, 2020 through June 30, 2021	\$26,000,000 x EPAF
July 1, 2021 through June 30, 2022	\$26,000,000 x EPAF
July 1, 2022 through June 30, 2023	\$26,000,000 x EPAF
July 1, 2023 through June 30, 2024	\$26,000,000 x EPAF
July 1, 2024 through June 30, 2025	\$26,000,000 x EPAF
July 1, 2025 through June 30, 2026	\$26,000,000 x EPAF
July 1, 2026 through June 30, 2027	\$26,000,000 x EPAF
July 1, 2027 through June 30, 2028	\$26,000,000 x EPAF

For each Billing Year (“n”) starting July 1, 2018, the extension period adjustment factor (“EPAF”) shall be the greater of (a) 1.0 or (b) the number determined as follows:

- 0.6 x Labor Index for Billing Year “n” divided by the Labor Index for the second quarter of 2017

- plus 0.35 x Machinery and Equipment Index for Billing Year “n” divided by Machinery and Equipment Index for June, 2017

- plus 0.05 x Chemical Index for Billing Year “n” divided by Chemical Index for June, 2017

Where:

- (a) The index for any Billing Year is the index published for July, or the third quarter of the preceding year, as applicable;

- (b) The Labor Index is the Employment Cost Index, Wages and Salaries, Private Industry, Utilities, Series ID CIU2024400000000I, published quarterly by the U.S. Department of Labor, Bureau of Labor Statistics.

- (c) The Machinery and Equipment Index is the Producer Price Index - Commodities, Machinery and Equipment, General Purpose Machinery and Equipment, Series ID WPU114 published monthly by the U.S. Department of Labor, Bureau of Labor Statistics.
- (d) The Chemical Index is the Producer Price Index- Commodities, Chemicals and Allied Products, Industrial Chemicals Series ID WPU061 published monthly by the U.S. Department of Labor, Bureau of Labor Statistics.

If, at the commencement of any Billing Year, any index is not available for the above stated month or quarter, the most recently published value of such index shall be utilized to estimate the EPAF for each Billing Month in such Billing Year until such time that all of the above stated indices are available for the above stated month or quarter. When all of the above stated indices are available for the above stated month or quarter, the final EPAF shall be calculated for such Billing Year, and all Billing Months in such Billing Year where the estimated EPAF was used will be adjusted using the final EPAF, and the Company shall submit an invoice for either (i) an additional payment to the Company by SPSA to correct for underpayments, or (ii) a credit to SPSA to correct for overpayments. The final EPAF shall be used for all the remaining Billing Months in such Billing Year.

If any index defined above shall not be determined and published or if any index as it is construed on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and announced on a basis substantially similar to the index being replaced as shall be mutually agreed upon by SPSA and the Company. If one or more indices are substituted due to the preceding sentence, the base indices (the denominator for each index) used in this Schedule 27 in the Fiscal Year the substitution is made, and all subsequent Fiscal Years, shall be changed to the value from the third quarter or September, as the case may be, for the Fiscal Year prior to the Fiscal Year the substitution is being made