SERVICE AGREEMENT

by and between

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

and

COVANTA MONTGOMERY, INC.

CONFORMED VERSION
September 4, 2013

Including changes made by the First, Second and Third Amendments to the Service Agreement, the Project Implementation Agreement, letter agreement dated July 14, 1995 (MoCo3), and Change Orders 1 through 117.

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SERVICE AGREEMENT

THIS SERVICE AGREEMENT is made this 16th day of November, 1990, between Northeast Maryland Waste Disposal Authority (the "Authority") and Ogden Martin Systems of Montgomery, Inc. (the "Company").

RECITALS

A. The Authority is an instrumentality of the State of Maryland created to assist participating Maryland political subdivisions to develop systems for the disposal of solid waste and the recovery of energy and other useful materials. Montgomery County, Maryland (the "County"), has joined the Authority and requested that the Authority develop and operate waste disposal facilities sufficient to provide for all Acceptable Waste generated in the County that is not recycled **up to 558,450 tons of waste annually**.1 The County has established a recycling goal and is not precluded from increasing recycling programs. The County's ten-year solid waste management plan authorizes the construction of a waste-to-energy facility in Dickerson, Maryland, and the operation of a transfer station in Derwood, Maryland for the collection of all County waste and its transportation by rail to the Dickerson facility.

B. The Authority and the County have entered into a long-term waste disposal agreement under which the Authority is obligated to accept and dispose of solid waste generated in the County and delivered to the site of the existing transfer station located in Derwood, Maryland (the "Transfer Station"). The Authority intends to fulfill its obligations to the County by entering into this Agreement.

C. The Company must design, engineer, construct, equip, start-up and test the Facility (hereinafter defined) and the Transfer Station Improvements (hereinafter defined) and must operate and maintain the Project, which includes (1) a refuse-to-energy, solid waste disposal facility with an installed processing capacity of 1800 tons-per-day of solid waste to be located on an approximately 35-acre parcel of land located in Dickerson, Maryland (the "Facility"), and (2) facilities at the Transfer Station for the acceptance of solid waste delivered by or on behalf of the County, and (3) certain facilities and equipment for the rail transportation of solid waste from the Transfer Station to the Facility, **and (4) facilities for the** hauling of residue and nonprocessible waste from the **Facility or the** Transfer Station to a landfill provided by the County.2

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1 Boldfaced text added pursuant to First Amendment.

2 Boldfaced text added pursuant to First Amendment.

D. Under this Agreement, the Company agrees to operate the Transfer Station and accept all solid waste delivered to the Company pursuant to this Agreement. The Company must transport Processible Waste by rail to the Facility and incinerate it in order to produce electricity. The Company must transport Nonprocessible Waste and Residue to the landfill designated by the County, County-designated recycling facilities or other disposal facilities as provided in this Agreement.

E. Due to the close proximity of electric power generating facilities of the Potomac Electric Power Company ("PEPCO") in Dickerson, Maryland, the Authority has entered into a long-term agreement with PEPCO to provide for the sale to PEPCO of substantially all of the electric energy produced by the Facility. The Authority will also purchase from PEPCO electricity necessary to operate the Facility.

F. The Authority, pursuant to a long-term landfill disposal agreement with the County, is making available landfill capacity at the Designated Landfill to enable the Company to dispose of residue produced by the Facility and solid waste that is not incinerated at the Facility.

G. The Authority will issue its revenue bonds to finance all or a portion of the costs of the Project.

NOW, THEREFORE, in consideration of the mutual promises and covenants of each to the other contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties to this Service Agreement agree as follows:

1. DEFINITIONS AND RULES OF INTERPRETATION

1.1. Definitions.

Capitalized terms used in this Agreement have the meanings set forth in Schedule 16 and include the plural as well as the singular.

1.2. Rules of Interpretation.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) All reference in this Agreement to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement as originally executed.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The table of contents and the headings or captions used in this Agreement are for convenience of reference only and do not define, limit or describe any of the provisions hereof or the scope or intent hereof.

(d) References to agreements or contracts include all amendments, modifications and supplements thereto.

2. OBLIGATIONS RELATING TO CONSTRUCTION OF PROJECT AND PROJECT SITE

2.1. Company's Obligations.

The Company must design, engineer, construct, equip, start-up and test the Facility and the Transfer Station Improvements in a good and workmanlike manner pursuant to good engineering practices and in accordance with (i) this Agreement and the other Project Agreements, (ii) the Specifications and the Detailed Plans, and (iii) Applicable Law. The Company must conduct Performance Tests in accordance with this Agreement. Beginning on the Commencement Date, the Company must perform all its obligations under this Section 2.1 and cause the Project to satisfy the Performance Standards and the Acceptance Date to occur, in each case, on or before the Scheduled Acceptance Date; provided, however, that the Company is entitled to an extension period to complete its obligations under this Section 2.1 to the extent provided in Section 3.6 and Section 3.7.

2.2. Labor, Materials and Equipment; Subcontractors.

(a) The Company must furnish directly or through subcontractors selected by it all work, labor, materials, testing, supervision and equipment required for the performance of its obligations set forth in Article II. The Authority recognizes that the Company intends to enter into contracts with one or more construction contractors for the performance of its obligations under Article II. The Company must provide a copy of each such contract to the County Representative and the Authority Representative on or before the Commencement Date; provided however, that pricing may be deleted from such copies. The Company must not contract, or permit the construction contractor or any other Person to contract, with any Person except an Approved Subcontractor for labor, services, equipment or material in connection with the design, construction, equipping, start-up or testing of the Project if the amount to be paid to such Person under one or more contracts relating to the Project exceeds $500,000, without the approval of the Authority Representative. In order to obtain consideration of this approval for any Person who is not an Approved Subcontractor, the Company must submit to the Authority Representative, the County Representative and the Consulting Engineer the name of the Person, together with a description of the work to be performed by the Person, the contract or contracts to be entered into with the Person and information concerning the Person's qualifications that the Authority Representative, the

County Representative or the Consulting Engineer may reasonably request. The Person will be approved if (i) the person is described as an Approved Subcontractor in correspondence from the Authority Representative to the Company or (ii) the Authority Representative either approves such Person in writing or does not object in writing within 10 Business Days of its receipt of the foregoing items. Any Person approved by the Authority Representative pursuant to the immediately preceding sentence is an Approved Subcontractor for purposes of the approved subcontract or subcontracts only. The Authority Representative may disapprove any Person proposed by the Company if the Person has a poor record of prior performance, financial instability, alleged illegal discriminatory or unethical dealings by or on behalf of such Person or any other reason that would, under Applicable Law, preclude such Person from being considered a qualified contractor with respect to performing the proposed work pursuant to a direct contract with the Authority, the County or the State. No approval, action or failure to act by the Authority will (1) relieve the Company of any of its obligations under this Agreement, (2) impose any liability upon the Authority or the County, or (3) constitute a representation by the Authority that any subcontractor is qualified. The Company is solely responsible for the actions of all Persons who provide labor, services, equipment or material on behalf of the Company in connection with the performance by the Company of its obligations under this Agreement, whether or not the Person has been approved by the Authority as described in this Section. The Company must monitor, supervise or otherwise control Persons performing work on behalf of the Company and its Subcontractors. In no event, other than an event described in paragraph (h) of the definition of Uncontrollable Circumstances, will any act or omission by the Company's employees or its agents, representatives, subcontractors or Affiliates that adversely affects the Company's ability to perform its obligations under this Agreement, relieve the Company of its obligations under this Agreement.

(b) The Company must submit to the Authority and the County a description of the insurance to be maintained by each of the Company's subcontractors that is engaged in performing work on any part of the Project Sites. Upon the request of the Authority Representative or the County Representative, the Company must furnish to the Authority Representative and the County Representative acceptable evidence that the insurance referred to in the preceding sentence is being maintained.

2.3. Title to Work and Purchasing.

The Company must cause title to all work performed or items purchased by or on behalf of the Company in connection with the Company's performance of its obligations under this Article II, and the Company's obligations to replace and maintain the Project throughout the term of this Agreement, to pass to the Authority upon incorporation of the items into the Project or upon full payment by or on behalf of the Authority for such work or items, whichever first occurs, free and clear of all liens except Permitted Liens. The Company must

deliver to the Authority as a condition of each progress payment, as set forth in Schedule 4, copies of warranties for all items for which there is a warranty and for which the full purchase price has been paid by the Company more than 45 days prior to submission of the requisition. Each warranty must be assignable to the Authority or its designee upon termination of this Agreement. While this Agreement is in effect, the Company must enforce all rights and benefits and must perform all obligations under these warranties. The Company must assign and deliver all warranties that have not expired to the Authority or its designee upon the termination of this Agreement. If required by the Authority Representative, the Company must furnish with its requisition for a progress payment, as set forth in Schedule 4, a certificate executed by an authorized officer of the Company certifying that no liens related to the Company's performance of its obligations under this Agreement, other than Permitted Liens, are in force with respect to the Project. Upon the reasonable request of the County Representative or the Authority Representative, the Company must provide to the Authority Representative and the County Representative (i) certificates or assurances as to payment by the Company of all amounts which are due and payable by the Company to Company subcontractors, vendors and suppliers with respect to which the Company has received a progress payment of the Fixed Construction Price, and (ii) information related to any material disputes that have arisen between the Company and its subcontractors or sub-subcontractors regarding the performance of work relating to the Project or the payment of money for this work.

During the Construction Period, the Company, at its sole expense, must provide one office trailer on the Facility Site and one office trailer on the Transfer Station Site for the exclusive use of Authority and County personnel and the Consulting Engineer. Each trailer must be at least ten feet by fifty feet and must be equipped with a telephone, heat, air conditioning and utilities, desks, files, and other normal office furniture. The Company must also make telecopy, telephone and photocopy services available to Authority and County personnel and the Consulting Engineer at each of the Facility Site and the Transfer Station Site for their use in connection with the Project. The County, the Authority and the Consulting Engineer will pay the costs of telephone and utility services and charges for use of the telecopy and photocopy equipment.

2.4. <u>Detailed Plans Operation and Maintenance Manual; Changes to Specifications</u>.

(a) The Company must prepare the Detailed Plans and submit them to the Authority Representative, the County Representative and the Consulting Engineer at least 30 days before the date on which the work described in them is to be undertaken by or on behalf of the Company. Each submission must include a reproducible copy of the Detailed Plans that have been submitted to the Authority since the immediately preceding submission of Detailed Plans. Upon the reasonable written request of the Consulting Engineer, which must be made within

ten days of receipt of the proposed Detailed Plans, the Company must provide to the Consulting Engineer any information reasonably requested by the Consulting Engineer in connection with the Detailed Plans (including without limitation, the information described in Schedule 28 that was used to develop the portion of the Detailed Plans described in the request). This request must state the reasons why the Consulting Engineer believes that the Detailed Plans may not conform to the Specifications, Applicable Law or good engineering practices. The Authority may, but is not obligated to, have the Consulting Engineer review the Detailed Plans submitted by the Company. The Company must discuss and answer any inquiries concerning the Detailed Plans with the Authority Representative, the County Representative or the Consulting Engineer. Within 30 days after submission of the Detailed Plans by the Company to the Authority pursuant to this Section, the Authority may reject or amend Detailed Plans that are not in accordance with the Specifications, good engineering practices, and Applicable Law. If the Authority has not rejected or amended the work described in the Detailed Plans within the 30 day period described in the preceding sentence, then the Authority may not reject or require amendment of these Detailed Plans after the 30th day following the submission of these Detailed Plans to the Authority Representative, the County Representative and the Consulting Engineer and the Company may thereafter commence the work described in the Detailed Plans; provided that the Authority may at any time prior to the Acceptance Date, reject or require amendment of work that is not in accordance with good engineering practices or does not comply with Applicable Law or the Specifications notwithstanding its failure to object to the Detailed Plans. Neither review, comment upon, approval, rejection or amendment of, nor the failure of the Authority Representative, the County Representative or the Consulting Engineer to comment upon review, approve, reject or amend all or any part of the Detailed Plans relieves the Company of any of its obligations under this Agreement or imposes any liability upon the Authority or the County.

(b) After submitting Detailed Plans in accordance with Section 2.4(a), the Company may, at its own risk, commence work described in these Detailed Plans prior to the end of the 30-day period described in Section 2.4(a). If, prior to the end of the 30-day period following submission of the Detailed Plans, the Authority reasonably rejects or requires amendment of the work described in these Detailed Plans in order to comply with the Specifications, Applicable Law or good engineering practices, (i) the Company must, at its sole cost, remove work implementing the rejected portion of the Detailed Plans and repair the Project to its condition immediately before commencing the rejected work or, in the case of an amendment, alter the work to conform to the amendment, and (ii) the Scheduled Acceptance Date will not be adjusted to reflect construction delay resulting from this remedial work. The Company must not commence or perform work for which Detailed Plans are required to be submitted to the Authority if the Detailed Plans have not been so submitted.

If the Company disputes the Authority's rejection or amendment of work described in the Detailed Plans because the work does not conform to the Specifications or the requirements of Applicable Law or good engineering practices, and this dispute is resolved in favor of the Company pursuant to Section 14.15, then the Scheduled Acceptance Date will be adjusted to reflect the delay caused by the Authority's rejection or amendment of these Detailed Plans and the Company will be entitled to recover Delay Costs resulting from this Authority rejection or amendment of the proposed Detailed Plans.

(c) The Company must maintain at the Facility Site for inspection by the Authority Representative, the County Representative and the Consulting Engineer a copy of all Detailed Plans in good order and marked to show all changes made during construction.

(d) At least 90 days before the start of the Performance Tests, the Company must make the Operation and Maintenance Manual (except Detailed Plans showing the then current "as built" conditions, which must be made available at least 45 days before the start of the Performance Tests) available to the Authority Representative, the County Representative and the consulting Engineer for their review. The Company must furnish the Authority Representative, the County Representative and the Consulting Engineer with copies of the Operation and Maintenance Manual that are final in all material respects, before the Acceptance Date and any updates, supplements or revisions thereto as they become effective or available to the Company, as the case may be.

(e) The Detailed Plans and the Operation and Maintenance Manual, together with all other documents, materials and records relating to the Project that are required to be made available to the Authority Representative and the County Representative and delivered by the Company pursuant to Section 2.4(d) are the sole property of the Authority. The Company may retain and use copies of these materials (including without limitation, the Operation and Maintenance Manual and the Detailed Plans) in connection with activities related to this or other projects of the Company and its Affiliates. The Company must review the Operation and Maintenance Manual annually with employees responsible for operation of the combustor elements of the Facility (i.e., control room operators and crane operators)

(f) The Company acknowledges the material interest of the Authority and the County in the Specifications, and notwithstanding the Company's obligation to satisfy the Performance Standards and associated damages for failing to perform this obligation, the Company agrees that no change to the Specifications will be made without the prior written approval of the Authority Representative and the County Representative; provided that such approval may not be unreasonably withheld with respect to portions of the Specifications that the Authority Representative and the County Representative acknowledge are

immaterial to their respective interests; and further provided that upon prior written notice to the Authority and the County, the Company may make changes in the Specifications specifically identified in Appendices A and B of Schedule 1 (the "Appendix A and B Specifications") as appropriate in connection with the development of the Detailed Plans and final specifications for the Project, recognizing these Appendix A and B Specifications are based on preliminary design parameters that are subject to verification or change during the process of developing definitive design to the extent these changes do not adversely affect quality or aesthetic appearance of the Project. In addition, the Company may, after consulting with the Authority Representative, the County Representative and the Consulting Engineer and subject to the approval of the Authority Representative, which approval must not be unreasonably withheld, make any change in the Specifications necessary to comply with Applicable Law. The Company will be reimbursed for the Cost of the changes described in this Section only to the extent they are required by an Authority Change or because of an Uncontrollable Circumstance as provided in Articles VIII and IX. The Company must provide written copies of all changes to the Specifications to the Authority, the County and the Consulting Engineer as soon as the written changes are available.

2.5. Roads and Utilities.

The Company must design, engineer, construct and maintain (including snow removal) all roads and railroad tracks within the Project Sites. The Company must design, engineer and extend, expand or renovate all existing utility lines within the Project Sites (other than the electric interconnection) necessary to meet the utility requirements for the performance by the Company of its obligations under the Project Agreements. The Company must design, engineer and construct the respective off-site facilities set forth in Schedule 14 and maintain each of these off-site facilities that are not transferred to PEPCO pursuant to the Facility Site Agreement. The Company must design, engineer, construct or improve the items required to be constructed or improved by the Authority pursuant to the Facility Site Agreement, unless otherwise directed in a written notice by the Authority Representative to the Company.

2.6. Permits and Licenses Required During the Construction Period and the Operating Period.

At all times during the term of this Agreement, the Company must obtain (except as provided in Schedule 25) and maintain, or cause to be obtained and maintained, all permits, licenses and approvals necessary for the Company to fulfill its obligations under this Agreement and under the Primary Project Agreements, including, without limitation, those permits, licenses and approvals set forth in Schedule 25. The Company's obligations under this Section include, without limitation, the submission of applications and supporting documentation, the attendance and presentation of evidence at hearings or meetings and the

payment of all fees and expenses required to obtain and maintain permits, licenses and approvals. The Company must provide the Authority Representative, the County Representative and the Consulting Engineer with a copy of all submissions provided to governmental agencies or bodies under this Section 2.6 at the time of the submission to the governmental agencies or bodies. If any permits, licenses or approvals are required to be issued in the name of the Authority or the County, the Company must take all action necessary to obtain and maintain such permits, licenses and approvals (including the preparation of applications and the submission of documentation relating thereto). The Authority or the County, at the request of the Company, must execute all documents provided by the Company that are required by Applicable Law to be executed by the Authority or the County, as the case may be, in order to obtain such permits, licenses or approvals. The Authority must participate in the permitting process and take any additional action reasonably requested by the Company that is necessary for the Company to perform its obligations under this Section 2.6. The Authority must exercise its rights under the Waste Disposal Agreement to cause the County to participate in the permitting process or take other action reasonably requested by the Company that is necessary for the Company to perform its obligations under this Section 2.6; provided, however, that nothing in this Section 2.6 or the Waste Disposal Agreement shall obligate the County to (i) grant a governmental approval required by Applicable Law to be granted or denied by the County or (ii) issue or maintain in effect a permit required by Applicable Law to be issued, renewed, refused or withdrawn by the County or (iii) otherwise take any action in its official governmental capacity that is not in accordance with the requirements of Applicable Law or the requirements of the proper exercise of governmental power, authority and discretion. The Company must reimburse the Authority or the County (as the case may be) for any out-of-pocket expenses that are incurred by the Authority or the County (as the case may be) as a result of a Company request pursuant to this Section 2.6 to take any action that the Company was capable of performing but was performed by the Authority or the County at the request of the Company. The Company must provide the Authority Representative, the County Representative and the Consulting Engineer with copies of the applications for permits, licenses and approvals (and renewals thereof) on or before the date on which the applications are filed with, or submitted to, the appropriate agency. To the extent permitted by Applicable Law, the Authority must provide the Company with any public information or documents in its control that the Company reasonably requests in order to obtain or maintain such permits, licenses or approvals.

2.7. Construction Contract Staff.

The Company must establish a construction staffing plan with respect to Company construction personnel for the construction of the Project, commencing on the Commencement Date and continuing throughout the Construction Period. The construction staffing plan must be provided by the Company to the Authority before the Commencement Date and may not be amended to as to reduce the

number or qualifications of Company construction personnel specified therein during the Construction Period without the consent of the Authority Representative. The Company must maintain a full-time staff that is responsible for all aspects of the performance of the Company's obligations relating to the design, engineering, construction, equipping, start-up and testing of the Project and the performance of all obligations of the Company in accordance with this Agreement. The full-time staff must include a project manager, an office manager and a project engineer. The Company must designate a full-time member of its staff to perform contract management responsibilities. The Company must take all action necessary to ensure that each individual on the staff is experienced and skilled in the type of work he or she is to perform. The Company must give the Authority and the County reasonable notice of, and must consult with the Authority and the Consulting Engineer regarding, the appointment, removal or substitution of the project manager, the contract manager, the office manager and the project engineer. The Company must take whatever actions necessary to ensure, to the satisfaction of the Authority, that the performance of its obligations hereunder are not prejudiced as a result of the removal or substitution of any such manager or engineer.

2.8. Operations Staff; Training.

The Company must establish a Project operations, training and staffing plan for the operation of the Project commencing on the Commencement Date and continuing throughout the term of this Agreement. The Company must incorporate the Project operations, training and staffing plan into the Operation and Maintenance Manual. Individuals employed by the Company must meet job qualifications consistent with current standards in the solid waste/resource recovery industry. The Authority and the County may review and comment on the Company's training procedures for Company employees at the Project. The Chief Project Engineer and each shift supervisor must pass applicable competency tests administered by the American National Standard Institute. The Company, at its expense, must train all of its operations personnel, including without limitation, the plant manager, the maintenance manager, the chief operating engineer and the shift managers of the Facility and the manager of the Transfer Station. All operators must successfully satisfy the Standard for the Qualification and Certification of Resource Recovery Operators described in ASME QRO-1-1989 which are promulgated by The American Society of Mechanical Engineers. This training must include operational experience at a facility substantially similar to the Project. The Company must hire and assign the plant manager, the chief operating engineer and the maintenance manager to work at the Facility Site at least 6 months prior to the earlier of (1) the date waste is first Processed at the Facility, (2) the date of scheduled completion of the interconnection facilities as described in Schedule 2, (3) the date of scheduled completion of the rail facilities as described in Schedule 1 or (4) the date of scheduled completion of the Transfer Station Improvements as described in Section 2.13. The Company must hire (i) the Facility shift managers

and necessary operating personnel that are required to perform the Performance Tests at least 180 days before the date of the first Performance Test and (ii) all other necessary operating personnel at least 120 days before the Scheduled Acceptance Date. The Company must ensure that these individuals are also trained by the start-up engineers and the suppliers of the equipment systems used in the Project.

2.9. Progress Reports.

The Company must deliver to the Authority Representative, the County Representative and the Consulting Engineer the reports required by Schedule 7. At any time, or from time to time, upon the prior reasonable request of the Authority Representative, but in no event less than monthly, the Company must meet with the Authority Representative, the County Representative or the Consulting Engineer to discuss the progress of construction of the Project.

2.10. Liens and Encumbrances.

The Company must, at its expense, (i) discharge of record any valid liens of any sort (including, but not limited to, laborers' liens, mechanics' liens, materialmen's liens and vendors, liens) that attach to the Project or the Project Sites arising out of the activities of the Company under this Agreement other than Permitted Liens and (ii) indemnify the County and the Authority for any injury or expense, including reasonable fees and expenses of attorneys (whether or not these attorneys are County employees), incurred by the County and the Authority due to the filing of any such valid lien, other than a Permitted Lien, or the Company's failure to have the lien, other than a Permitted Lien, discharged.

If the Company allows any lien with regard to the Project, other than Permitted Liens, to accrue to subcontractors, vendors or other third parties and fails to pay or discharge the same within ten (10) working days after demand by the Authority Representative or the County Representative, the Authority may withhold all amounts equal to the amount of the claim from any sum due the Company under this Agreement until the lien is paid, settled or converted to a Permitted Lien by the Company (or secured by the Company if the Company disputes such claim). These sums, without interest, will be returned to the Company upon fifteen days prior written notice of the satisfaction or discharge of the lien or conversion of the lien to a Permitted Lien.

2.11. Preparation of Project Site; Easements.

(a) On or before the Commencement Date, the Authority will make the Project Sites available to the Company in their existing state on the date of this Agreement and the Company accepts each Project Site in its respective state on that date on an "as is" basis except as otherwise provided in this Section 2.11 and Sections (1), (o) and (q) of the definition of Uncontrollable Circumstances. The

Company acknowledges receipt of, and warrants that (i) it has reviewed and is thoroughly familiar with the material concerning the Project Sites provided in writing by the Authority, (ii) it has conducted all investigations and tests and has reviewed all documents and other materials necessary to become thoroughly familiar with the Project Sites, and (iii) except for (A) easements, encumbrances or similar exceptions to the County's fee title interest in the Facility Site that are not shown on the title insurance policies delivered pursuant to Section 20 of Section B of Schedule 23, and (B) real property rights to be acquired by the Authority as specified in Sections 28, 29 and 30 of Section B of Schedule 23, the Project Sites are sufficient in their current condition for the performance by the Company of its obligations under this Agreement. The Company must provide the Authority with the results of all tests, investigations or other inquiries performed by or on behalf of the Company regarding the Project Sites within a reasonable time after such results are available to the Company. The Company must perform any site work necessary for the construction of the Project and the performance of its obligations under this Agreement. Except as provided in Section 2.11(b) and paragraph (o) of the definition of Uncontrollable Circumstances; the Company is not entitled to an adjustment of the Fixed Construction Price, the Construction Period Service Fee, Delay Period Service Fee or the Service Fee, nor will an Uncontrollable Circumstance occur because of (1) the surface or subsurface condition of the Facility Site, excluding appurtenant easements, (2) the cost of removal of any improvements on the Facility Site, excluding appurtenant easements or (3) any other site work at the Facility Site, excluding appurtenant easements, required for the performance by the Company of its obligations under this Agreement including, without limitation, site work required as a result of surface or subsurface hazardous waste or adverse geotechnical site conditions. Except as provided in Section 2.11(b) and subject to the provisions of clause (l) of the definition of Uncontrollable Circumstances, the Company waives any right or remedy it may have against the Authority or the County with respect to the condition of the Facility Site, excluding appurtenant easements, including any right to an adjustment in the Fixed Construction Price, the Construction Period Service Fee, Delay Period Service Fee or the Service Fee.

(b) Prior to the Commencement Date, the Company must perform reasonable investigations of the Facility Site, excluding appurtenant easements. These investigations must include the procedures set forth in the protocol described in Schedule 3 to determine whether archaeological materials, artifacts, burial grounds or habitats of endangered species are located at, on or beneath the Facility Site, excluding appurtenant easements. If the Company performs these investigations in accordance with the requirements of the preceding sentence and the presence of one or more of these materials or items which are not disclosed by the Company's investigation but are subsequently determined to be present at the Facility Site, excluding appurtenant easements, this presence will constitute an Uncontrollable Circumstance if the additional elements of an Uncontrollable Circumstance are satisfied.

(c) Except as provided in clause (1) of the definition of Uncontrollable Circumstances, the Company is not entitled to an adjustment of the Fixed Construction Price, the Service Fee, the Construction Period Service Fee or the Delay Period Service Fee, nor will an Uncontrollable Circumstance occur because of (1) the surface or subsurface condition (including, without limitation, adverse geotechnical conditions) of the portion of the Transfer Station Site on which the Transfer Station Improvements will be constructed and the easements appurtenant to the Facility Site, or (2) the cost of removal of any improvements on the Transfer Station Site and the easements appurtenant to the Facility Site which are required to be removed to perform the Construction Obligations.

(d) Unless the Authority orders a Change to the Project, or an Uncontrollable Circumstance occurs, that requires additional real property rights, the Company will acquire all servitudes, easements, licenses, permits and rights of way, other than the Project Sites and those real property interests which are intended to be acquired by the Authority pursuant to Sections B(28), B(29) and B(30) of Schedule 23, that are necessary for the performance by the Company of its obligations under this Agreement.

(e) The Company neither owns, nor has any property rights in, the Project Sites (except as set forth herein) and must not mortgage or encumber the Project or Project Sites, or assert rights in or to the Project Sites or claim adverse use or title to the Project or the Project Sites. The Company enjoys only those rights in or to the Project Sites expressly granted to it by the Authority under this Agreement. From the Commencement Date until the termination of this Agreement, the Authority hereby grants the Company the right to occupy and use the Project and the Project Sites as necessary to perform its obligations as described in this Agreement and the other Project Agreements and shall obtain and make available to the Company rights of ingress and egress to the Project Sites.

(f) The Company must perform its obligations under this Agreement in accordance with Applicable Law, the terms of the Project Agreements and otherwise so as to minimize interference with (i) the weighing, administrative and other solid waste handling activities of the County conducted on the Transfer Station Site or (ii) the activities of PEPCO conducted on the Facility Site pursuant to the Facility Site Agreement or near the Facility Site on PEPCO property.

2.12. Security.

The Company must secure the Facility Site (other than the Facility Site Easements) during the term of this Agreement. Prior to the Acceptance Date, the Company must, subject to the Company's acquisition of all necessary permits to erect the fence around the perimeter of the Facility Site, erect a fence around the perimeter of the Facility Site; provided, however, that the Authority must provide the Company with sufficient access to the Facility Site and properties appurtenant

to the Facility Site, and must give the Company at least 60 days notice prior to the anticipated Acceptance Date to perform this obligation. The Company must provide a gate at each point of access and maintain protective security at the Facility Site. The Company must erect a sign displaying the name of the Facility at the Facility Site.

2.13. Transfer Station.

(a) The Company must construct the improvements to the Transfer Station described in the Specifications on the Transfer Station Site within 821 days after the Commencement Date. The cost of constructing the improvements to the Transfer Station is part of the Fixed Construction Price.

(b) During the Construction Period, the Company must operate and maintain the Transfer Station (except the road vehicle weighing, tipping fee collection and citizen interface activities at the public waste disposal area) and accept and dispose of all Acceptable Waste delivered or caused to be delivered to the Transfer Station by or on behalf of the Authority, the County and the Designated Haulers. In addition to the Company's rejection rights set forth in Section 4.2(a)(i), (ii), (iii) and (iv), during the Construction Period, the Company, after the County or the Authority weighs the vehicles as required by Section 4.5, may reject deliveries of Acceptable Waste if the Company has accepted at the Transfer Station and disposed of (a) at least 2,400 tons of Acceptable Waste during the previous 24 hours, (b) 14,000 tons of Acceptable Waste during the previous seven consecutive days, or (c) at least **558,450** tons of Acceptable Waste during the Fiscal Year. The Company must use reasonable efforts to accept more waste than it is obligated to accept as provided in the preceding sentence provided sufficient capacity at the Project is available and its use is consistent with the Company's maintenance obligations under this Agreement. Such operation includes, without limitation, transporting waste from the public disposal area to the tipping floor. Subject to the provisions of Section 2.13(h) and Section 3.5, the Authority must pay the Company the Construction Period Service Fee for each ton of Acceptable Waste delivered to the Transfer Station that the Company accepts and disposes of in accordance with this Agreement between the Commencement Date and the Scheduled Acceptance Date. In addition the Company will receive and retain all revenues paid by PEPCO for generating electricity at the Facility before the Acceptance Date. **The Construction Period Service Fee equals the product of $10.25 per ton, multiplied by the Operating Charge Inflation Adjustor. The Construction Period Service Fee shall end** on the earlier to occur of the Acceptance Date or the Scheduled Acceptance Date.3 The Construction Period Service Fee will be adjusted during a Fiscal Year to account for the following:

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3 Boldfaced text added pursuant to First Amendment.

(i) any increase or decrease in the direct costs of the Company associated with the operation and maintenance of the Transfer Station and the performance of its obligations to operate and maintain the Transfer Station and accept, transport and dispose of Acceptable Waste at the Designated Landfill during the Fiscal Year, each due to an Uncontrollable Circumstance, as provided in Article IX.

(ii) any increase or decrease in the direct costs of the Company associated with the operation and maintenance of the Transfer Station and the performance of its obligations to operate and maintain the Transfer Station and accept, transport and dispose of Acceptable Waste at the Designated Landfill during the Fiscal Year, each due to an Authority Change as provided in Section 8.1(c).

(iii) the Construction Period Service Fee will be reduced by the amount of any out-of-pocket expenses or increased payments paid by the Authority for any taxes, assessments or similar fees that are required to be paid by the Company pursuant to this Agreement, for any insurance premiums that are required to be paid by the Company pursuant to this Agreement or to cure any other failure by the Company to make payments (other than damage payments) to any party other than the Authority or the County in accordance with this Agreement or the Primary Project Agreements during the Fiscal Year, to the extent the Authority Representative provides reasonable notice to the Company of its non-performance prior to the incurring of these costs by the Authority, and to the extent these amounts have not been previously recovered by the Authority, plus interest at the Late Payment Rate from the date of actual payment of such amounts by the Authority; provided, however, that these amounts must be reimbursed to the Company, together with interest at the Late Payment Rate, if it in subsequently determined by dispute resolution procedures that the Company did not fail to perform its obligations and the Authority was not entitled to incur the costs for which the Construction Period Service Fee was decreased pursuant to this clause.

(iv) the amount paid by the Company during the Fiscal Year to the Authority, the County, or any other owner or operator of the Designated Landfill during a Fiscal Year for the disposal (but not the costs of transportation and handling) of Acceptable Waste and Residue at the Designated Landfill.

(v) the aggregate amount of costs incurred by the Company during the Fiscal Year for transportation and disposal of Unacceptable Waste as provided in Section 4.8.

(vi) the aggregate amount of all payments made by the Company to CSX, PEPCO or other third parties pursuant to the Primary Project Agreements (other than this Agreement) during the Fiscal Year for costs including, but not limited to costs associated with construction of the Project) that are not

otherwise recovered by or reimbursed to the Company under this Agreement; provided, however, that this amount will not include any payments made by the Company that resulted from (A) the negligence, or willful misconduct of the Company or (B) the Company's unexcused breach of, or failure to perform its obligations under, this Agreement (including, without limitation, the satisfaction of any applicable Performance Standards) or any other Primary Project Agreement (other than the Primary Project Agreement pursuant to which payment is being made); or (C) the unexcused breach of, or failure to perform its obligations under the CSX Overtime Protocol; provided that this amount will not include any costs paid by the Company under the Rail Transportation Agreement for the purchase of rail cars or for the haulage or shipment of Excess Residue or include any costs that result from utility usage in excess of the Guaranteed Maximum Utility Utilization; and

(vii) if the Initial Landfill is not available to the Company for the disposal of Acceptable Waste **or if the Initial Landfill is not available to the Company for disposal of Residue** because of any reason other than the negligence or misconduct of the Company or the failure of the Company to perform its obligations in accordance with this Agreement and the other Primary Project Agreements, the Authority must, upon the written request of the Company, adjust the Construction Period Service Fee to reflect any increase or decrease in the reasonable direct costs incurred by the Company to transport and dispose of Acceptable Waste and Qualified Residue at an alternate Designated Landfill and the cost of transporting and disposing of **Acceptable Waste** at the Initial Landfill **or Qualified Residue at the Initial Landfill** ; provided, however, that the cost of transporting these materials that exceeds $0.60 per ton-mile for all materials other than Residue and $0.45 per ton-mile for Residue, each adjusted by the Inflation Adjustor, must not be included in calculating the amount of this adjustment.4

(viii) the aggregate amount paid by the Company during the Fiscal Year for sales, use, real estate or personal property taxes relating to the disposal of Acceptable Waste that are imposed on the Company in connection with the operation or maintenance of the Transfer Station prior to the Scheduled Acceptance Date by the County, the State of Maryland or the United States.

(ix) the amount of any other increased or decreased costs of the Authority, the County or the Company that the Authority Representative, the County Representative and the Company Representative agree and designate in writing as an adjustment to the Construction Period Service Fee.

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4 Boldfaced text added pursuant to First Amendment. Boldfaced and underlined text modified pursuant to Change Order #26.

(x) the aggregate amount of all reasonable out-of-pocket costs and liabilities to third parties and penalties paid by the Company or its Affiliates during the Fiscal Year pursuant to Applicable Law as a result of the use of the Designated Landfill by the Company for the disposal of waste and Residue in accordance with this Agreement (including, without limitation, reasonable out-of-pocket costs of response, removal, remediation, and any other clean-up costs, liabilities and penalties under the Comprehensive Environmental Response Compensation and Liability Act [42 U.S.C. 9601 et seq.], the Solid Waste Disposal Act [42 U.S.C. 6901 et seq.], and the Maryland Hazardous Substances Spill Response Law (Maryland Annotated Code, Health - Environmental Article, §7-201, et. seq.), or comparable local, State or federal law.

In case any action shall be brought against the Company in respect of which payment may be sought against the County pursuant to this Section, the Company shall promptly notify the County in writing, and the County shall be entitled to participate, at its own expense, in the defense, or if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Company, which approval shall not be unreasonably withheld. In the event the County elects to assume the defense of any such suit and retains such counsel, the Company shall cooperate in such defense and have the right to retain separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Company unless the retaining of such counsel has been specifically authorized in writing by the County. The County shall not be liable for amounts payable in respect of any settlement of any such action effected without its written consent, but if settled with the consent of the County, or if there be a final judgment for the plaintiff in any such action, the County agrees to pay all such costs.

(xi) the aggregate amount paid by the Company during the Fiscal Year for the credit enhancement mechanism described in clauses 19 and 21 of Section A of Schedule 23.

(xii) the aggregate amount paid by the Company during the Fiscal Year for the disposal, in an economical and safe manner that complies with Applicable Law, of sludge that results from the operation of the water treatment plant at the Facility.

Amounts payable to the Company pursuant to this Section 2.13 must be estimated and invoiced by the Company and paid by the Authority in accordance with the procedures set forth in Article V of this Agreement. The adjustments described in paragraphs (viii) and (x) of Section 2.13(b) and those portions of the adjustments described in paragraphs (i), (ii), (vi), (ix) and (xi) of Section 2.13(b) which are not incurred on the basis of, or payable with reference to, tons of waste,

must be estimated and invoiced by the Company and paid by the Authority in accordance with the procedures set forth in Article V of this Agreement. All other adjustments described in this Section must be allocated over the number of tons of waste accepted during the portion of the Fiscal Year following the event or circumstance which requires the adjustment (and in subsequent Fiscal Years as appropriate), to the extent allocation is necessary to determine the amount payable under this Section 2.13(b).

(c) During the Extension Period, the Company will no longer receive the Construction Period Service Fee and the Authority must pay the Company the Delay Period Service Fee for each ton of Acceptable Waste up to 558,450 tons per calendar year that the Company accepts during the Extension Period. The Delay Period Service Fee is a per-ton fee that represents the best estimate of the Parties of the per-ton disposal fee that the County would have paid under the Waste Disposal Agreement for the Processing of waste in an amount equal to the Guaranteed Annual Throughput Capacity had the Acceptance Date occurred on the Scheduled Acceptance Date. As of the date of this Agreement, the Parties estimate this amount to be $76.25 per ton. A more accurate estimate of the this per ton amount will be made by the feasibility consultant as part of the "Base Case" forecast of the per ton disposal fee that the County would have paid under the Waste Disposal Agreement set forth in a feasibility study regarding the Project. This feasibility study will be included in the final official statement for the Series 1990 Bonds (the "Feasibility Study"). The Delay Period Service Fee for the first 558,450 tons of waste accepted and disposed of by the Company during the Extension Period will be the per ton disposal fee that the County would have paid under the Waste Disposal Agreement for the acceptance and Processing of waste during the Extension Period in an amount equal to 558,450 tons had the Acceptance Date occurred on the Scheduled Acceptance Date as such amount is forecast in the Feasibility Study, or (b) if this amount is not forecast in the Feasibility Study, $76.25 per ton. This amount will (A) be adjusted as provided in Section 2.13(b) for any amounts described in Section 2.13(b) that were not included in determining the estimated or forecasted amount (as the case may be), and (B) be reduced by 20% for waste accepted by the Company during any month in which the Company does not accept and Process at least 90% of the Processible Waste delivered by or on behalf of the Authority to the Transfer Station that the Company would have been obligated to accept and Process during such month if the Acceptance Date had occurred on or before the Scheduled Acceptance Date.

If, as the result of an Authority Change or the occurrence of an Uncontrollable Circumstance during the Extension Period or the failure of the Authority to comply with its obligation described in Section 3.6(d), the Authority is unable to cause the County to deliver waste during the Extension Period in the amounts and the manner set forth in Section 3.6(d) (but in no event more than 558,450 tons), the Authority must pay to the Company as an additional service fee during the Extension Period an amount equal to (i) the difference between the

number of tons of waste the Company would have been able to accept and Process (had the Uncontrollable Circumstance, Authority Change or failure by the Authority to comply with the provisions of Section 3.6(d) not occurred) at the Transfer Station (but in no event more than the number of tons the Company would have been required to accept had the Acceptance Date occurred) and the number of tons of waste actually delivered to the Transfer Station, multiplied by (ii) an amount equal to (A) the amount described in clause (ii) of Section 3.6(a) multiplied by 365 divided by (B) 558,450 tons (adjusted pursuant to Sections 8.1 and 9.5).

Within 30 days following the last day of the end of the Extension Period, the Company must provide the Authority with an accounting of all amounts of waste accepted by the Company at the Project during the Extension Period, all amounts paid to the Company by the Authority in respect of the Delay Period Service Fee and all amounts paid to the Authority by the Company in respect of tipping fees described on the next paragraph of this Section. If the amounts paid to the Company in respect of the Delay Period Disposal Fee exceeds an amount equal to (A) the product of the Delay Period Service Fee 558,450 multiplied by (B) a fraction, the numerator of which is the number of days in the Extension Period and the denominator of which is 365; then the Company must pay such excess amount of the Authority within 30 days following receipt of the accounting required in this paragraph.

At any time during the Extension Period, if the amount of waste delivered, or tendered for delivery, to the Company under this Agreement during the immediately preceding 180 days is less than 279,200 tons then (i) the Company may cause Acceptable Waste generated in the County to be delivered to the Transfer Station in an amount not to exceed the difference between 279,200 tons and the number of tons of waste delivered or tendered for delivery to the Company during the immediately preceding 180-day period described above, (ii) the Authority must pay the Company the Delay Period Service Fee with respect to such Company provided Acceptable Waste as and to the extent the Authority would have been required to pay the Delay Period Service Fee for such waste had it been delivered to the Company by the Authority, (iii) the Company shall be entitled to set rates and charges at the Transfer Station for such Company provided waste, provided that the Company must use reasonable efforts to cause such Company provided Acceptable Waste to be delivered on terms and conditions and at such rates and charges that in the opinion of the Company will accomplish the mitigating result of reducing rates and charges that the County would otherwise be required to impose pursuant to its Rate Covenant under Section 5.13 of the Waste Disposal Agreement, and (iv) all tipping fees collected by the Company or paid by Persons delivering such Company provided waste must be paid or delivered to the Authority upon receipt thereof by the Company.

If, as the result of an Authority Change or the occurrence of an Uncontrollable Circumstance during the Extension Period or the failure of the

Authority to comply with its obligation described in Section 3.6(d), the Authority is unable to cause the County to deliver waste during the Extension Period in the amounts and the manner set forth in Section 3.6(d) (but in no event more than 558,450 tons), the Authority must pay to the Company as an additional service fee during the Extension Period an amount equal to (i) the difference between the number of tons of waste the Company would have been able to accept and Process (had the Uncontrollable Circumstance, Authority Change or failure by the Authority to comply with the provisions of Section 3.6(d) not occurred) at the Transfer Station (but in no event more than the number of tons the Company would have been required to accept had the Acceptance Date occurred) and the number of tons of waste actually delivered to the Transfer Station, multiplied by (ii) an amount equal to (A) the amount described in clause (ii) of Section 3.6(a) multiplied by 365 divided by (B) 558,450 tons (adjusted pursuant to Sections 8.1 and 9.5).

If, as a result of an Authority Change or the occurrence of an Uncontrollable Circumstance during the Extension Period, the Company is unable to accept waste during the Extension Period at the Transfer Station in the amounts and manner set forth in Section 3.6(d) (but in no event will the amount described in Section 3.6(d) be more than 558,450), the Authority must pay to the Company as an additional service fee an amount equal to (i) the difference between the number of tons of waste the Company would have been able to accept at the Transfer Station or process waste at the Facility during the Extension Period had the Authority Change or the Uncontrollable Circumstance not occurred (but in no event more tons than the Company would have been required to accept had the Acceptance Date occurred), and the number of tons of waste actually accepted by the Company at the Transfer Station, multiplied by (ii) an amount equal to (A) the amount described in clause (ii) of Section 3.6(a) multiplied by 365 divided by (B) 558,450 tons (adjusted pursuant to Sections 8.1 and 9.5).

Notwithstanding the foregoing, if there is a Total Transfer Station Shutdown caused by an Uncontrollable Circumstance or an Authority Change, then the Authority is not obligated to pay the Delay Period Service Fee and the provisions of Section 3.6(f) will apply for the duration of the Total Transfer Station Shutdown caused by the Uncontrollable Circumstance or an Authority Change.

"Total Transfer Station Shutdown" means a condition that prevents, for a period of at least 30 consecutive days, the use of the Transfer Station for the acceptance of Acceptable Waste and its transfer to trucks for delivery to a Designated Landfill or to rail facilities for delivery to the Facility for Processing.

(d) The Authority may deduct any amounts owed by the Company to the Authority or the County under this Service Agreement or any other Project Agreement, including, but not limited to, damages and disposal fees at the Designated Landfill, from the amount owed by the Authority to the Company in respect of the Construction Period Service Fee or the Delay Period Service Fee.

Except as otherwise provided in Section 14.15 and Section 3.6, if the Company disputes any amount the Authority claims it is owed by the Company, the Authority may set-off the undisputed portion of such claim but may not set-off the disputed portion of such claim until resolution of the dispute, except as provided in Section 14.15. If the dispute is resolved in the Authority's favor, the Authority may exercise its set-off rights with respect to the disputed amount plus interest on such amount at the Late Payment Rate from the date the amount was originally due to the Authority.

(e) If the Company refuses to accept Acceptable Waste during the Construction Period for any reason other than as provided in Section 4.2(a), the Company must pay the Authority as damages an amount equal to the sum of all penalties, damages, costs and out-of-pocket expenses incurred by the Authority or the County to transport (or cause to be transported) and dispose of such waste as a result of the Company's wrongful refusal to accept Acceptable Waste less an amount equal to the Construction Period Service Fee or the Delay Period Service Fee (as the case may be) that would have been payable assuming such waste had been accepted by the Company. Damages payable by the Company under this paragraph must be paid by the Company to the Authority on or before the twenty-fifth day of each month for all Acceptable Waste refused by the Company during the immediately preceding month for any reason other than as provided in Section 4.2(a). No Construction Period Service Fee or Delay Period Service Fee (as the case may be) is due or payable to the Company for Acceptable Waste that the Company wrongfully refuses to accept.

(f) The Company must provide and maintain all security at the Transfer Station Site during the term of this Agreement, including, without limitation, perimeter security and a gate at each point of access.

(g) The Company must provide, maintain and replace all equipment and facilities at the Transfer Station necessary to perform its obligations during the term of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, the Authority or its designees may occupy the administrative building located on the Transfer Station Site and the scale house and will have access to observe all activities conducted on the Transfer Station Site during the term of this Agreement.

(h) The Authority will not pay any Construction Period Service Fee or the Delay Period Service Fee (as the case may be) for waste that is Processed at the Facility before the Acceptance Date in connection with the Company's preparation for or completion of the Performance Tests. The Company will be entitled to receive and retain 100% of all revenues under the Electricity Sales Agreement generated prior to the Acceptance Date. After the Scheduled Acceptance Date, all electric revenues that are received by the Company will be subject to the lien of the Trust Indenture as provided in the Trust Indenture.

(i) During the Extension Period, the Company must use its best efforts to Process as much Acceptable Waste as possible subject to the Company right to reject or bypass waste as provided in Sections 4.2 and 4.3.

2.14. <u>County Activities at the Transfer Station Site</u>.

The County and the Authority may use the Transfer Station Site and the Transfer Station to perform the activities described in Schedule 26 and the Operations and Maintenance Manual. The use of the Transfer Station Site for, and the performance by or on behalf of the County and the Authority of, these activities will not constitute an Authority Change nor constitute a violation of any provision of this Agreement by the Authority.

2.15. <u>Authority Non-interference</u>.

(a) Unless specifically provided for by this Agreement, the Authority and the County must not interfere with the Company's performance of its obligations under this Agreement. Interference includes, without limitation, engaging in any willful misconduct or gross negligence, or permitting, if the Company has given prior written notice to the County Representative or Authority Representative advising of the negligence of the employee or agent, the repeated negligence of County or Authority employees or agents (other than employees or agents described below) who are on the Project Sites pursuant to this Agreement or the Waste Disposal Agreement. The Authority and the County must not violate any requirements of the permits, licenses or governmental approvals applicable to the Project. The Authority or the County will not have violated their obligation set forth in the preceding sentence unless the County and the Authority either knew of the violation or the Company or the applicable permitting or regulatory agency has given the Authority and the County prior notice of the violation. The (i) valid exercise by the Authority of its rights, remedies, powers or privileges under this Agreement or Applicable Law, or (ii) the valid exercise by the County of its rights, remedies, powers or privileges under this Agreement, the Waste Disposal Agreement or Applicable Law, or (iii) the valid exercise by the County of its governmental powers, obligations or discretion, or (iv) the valid exercise of the Authority or the County of their respective rights, obligations and duties under Section 2.14, Schedule 26 or the Operations and Maintenance Manual, will not constitute a violation of the obligations of the Authority or the County under this Section 2.15. A violation by the Authority of its obligations under this Section 2.15 will constitute an Uncontrollable Circumstance and will not constitute an Event of Default on the part of the Authority under this Agreement.

(b) For the purposes of this Section (except Section 2.15(e)), the terms "County" and "County employees or agents" do not include (1) any inspection, monitoring or enforcement personnel having building code, zoning, environmental

or other legal or regulatory responsibilities, and (2) any police, fire or other Montgomery County emergency personnel.

(c) The delivery by or on behalf of the Authority or the County of Unacceptable Waste or the nondelivery by or on behalf of the County of Acceptable Waste does not constitute an "interference" pursuant to Section 2.15.

(d) For purpose of the first sentence of this Section 2.15, the Company will not have been interfered with unless (i) the Company's ability to perform any of its obligations under the Primary Project Agreements is (a) directly and materially adversely affected by such interference and (b) not the result of matters that are within the reasonable control of the Company, including (i) willful or negligent action of the Company, its agents or employees, or (ii) lack of reasonable diligence of the Company.

(e) The Company will be entitled to recover from the Authority all amounts paid by the Company or its Affiliates to third parties (excluding Affiliates, subcontractors, agents and employees of the Company) as a result of liabilities (including any liabilities arising under the doctrine of strict liability in tort), actions, damages, claims, demands, judgments, losses, costs, expenses, liens, encumbrances, or suits and attorney's fees and the costs of the defense of the Company or its Affiliates (excluding costs incurred by subcontractors, agents and employees of the Company), for injury to, or death of, any Person (other than the Company and its Affiliates, subcontractors, agents and employees), or loss or damage to property (including, without limitation, any loss or damage to the Facility) arising out of a violation of the provisions of this Section 2.15 or the negligence (without prior notice) of the Authority or the County or any of their respective employees, contractors or agents in connection with this Agreement; provided, however, that for the purposes of this Section 2.15(e), (i) the provisions of Section 2.15(b) will not apply, and (ii) the terms "County" and "County employees or agents" used in Section 2.15(a) do not include any police, fire, or other Montgomery County emergency personnel, but do include inspection, monitoring or enforcement personnel having building code, zoning, environmental or other legal or regulatory responsibilities.

In case any action shall be brought against the Company, in respect of which payment may be sought against the County pursuant to this Section, the Company shall promptly notify the County in writing, and the County shall be entitled to participate, at its own expense, in the defense, or if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Company, which approval shall not be unreasonably withheld. In the event that the County elects to assume the defense of any such suit and retains such counsel, the Company shall cooperate in such defense and have the right to retain separate

counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Company unless the retaining of such counsel has been specifically authorized by the County. The County shall not be liable for amounts payable in respect of any settlement of any such action effected without its consent, but if settled with the consent of the County, or if there be a final judgment for the plaintiff in any such action, the County agrees to pay all such costs.

(f) The provisions of this Section 2.15 are for the protection of the Company only and do not establish, of themselves, any liabilities to or rights of third parties.

2.16. Good Engineering Practices.

The Company is obligated to perform certain of its obligations under this Agreement in accordance with good engineering practices, which are generally accepted engineering practices in the waste-to-energy industry ("good engineering practices"). The Company will be deemed to have satisfied this obligation unless the Authority Representative or the County Representative affirmatively notifies the Company Representative to the contrary and either (i) the parties agree as to whether or not the Company has satisfied this obligation, or (ii) the Authority prevails at dispute resolution proceedings regarding whether or not the Company has satisfied this obligation. Except with respect to restoration, alterations, additions or modifications to the Project undertaken by the Company after the Acceptance Date pursuant to Section 8.1 or Section 9.5, the right of the Authority Representative or the County Representative to file a notice with the Company regarding good engineering practices terminates on the Acceptance Date. With respect to restoration, alterations, additions or modifications to the Project undertaken by the Company after the Acceptance Date pursuant to Section 8.1 or Section 9.5, the right of the Authority Representative or the County Representative to file a notice with the Company regarding good engineering practices terminates when such work has been completed and accepted by the Authority. In any dispute resolution procedure regarding compliance with good engineering practices, the Authority will have the burden of proof that the Company's design or construction is not in accordance with generally accepted practices in the waste-to-energy industry.

2.17. Gas Line Construction and Interconnect Facilities Construction Coordination.

(a) The Authority will cause PEPCO to construct interconnection facilities as provided in the Facility Site Agreement. The Company must coordinate with PEPCO and monitor the interconnection activities of PEPCO on behalf of the Authority.

(b) The Authority will enter into an agreement for the installation of facilities to the boundary of the Facility Site in the vicinity of the main process buildings for the supply of natural gas to the Facility. The Company will construct facilities for (i) the supply of natural gas from the Facility Site boundary to the Facility, and (ii) the interconnection of the facilities provided by the Company and the facilities provided on behalf of the Authority for the supply of natural gas. The Company must coordinate and monitor the natural gas facility construction activities conducted on behalf of the Authority pursuant to the agreement described in the first sentence of this paragraph.

3. FIXED CONSTRUCTION PRICE

3.1. Fixed Construction Price.

(a) If the Commencement Date occurs before October 15, 1990, the Fixed Construction Price is **$249,347,000**. 5

(b) If the Commencement Date occurs after October 15, 1990, but on or before the later of (i) December 31, 1991, or (ii) the date of the Company's notice regarding construction price adjustment as described in Section 3.1(c), the Fixed Construction Price is the product of $249,347,000 multiplied by the Construction Index; provided, however, (i) that the Construction Index must be reduced by an amount equal to any increase in the Construction Index that occurs during a delay of the occurrence of the Commencement Date caused solely by the intentional misconduct, acts of negligence, or omission of the Company or its agents, subcontractors, representatives or Affiliates and (ii) this fraction will not be less than 1.

(c) (i) At any time after June 30, 1991, provided the Commencement Date has not occurred, the Company may provide written notice to the Authority Representative and the County Representative providing that on the date (the "Effective Date") that is six months following the date of the notice, the Fixed Construction Price described in Section 3.1(b) will no longer be effective. At least three months before the Effective Date, the Company must provide written notice to the Authority Representative and the County Representative of the proposed substitute Fixed Construction Price.

(ii) The substitute Fixed Construction Price proposed pursuant to Section 3.1(c)(i) or 3.1(c)(v) must preserve, but not increase the Company's originally projected profit margin (taking into account both increases and decreases in specific cost items). In order to evaluate the substitute Fixed Construction Price proposed by the Company under this Section 3.1(c), the Authority and the County, through the use of independent auditors, may

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5 Boldfaced text modified pursuant to First Amendment.

confidentially verify cost and profit data supplied by the Company by access to the Company's and (to the extent available) its subcontractor's books and records, including, without limitation, subcontractor and vendor proposals, estimates and proposed purchase orders.

(iii) If the Fixed Construction Price proposed in accordance with Section 3.1(c)(i) or 3.1(c)(v) is greater than the Fixed Construction Price calculated in accordance with Section 3.1(b) as of the date of the Company's notice of such proposed Fixed Construction Price, the Authority, at its sole election, may (A) accept the Company's proposed increase, (B) negotiate with the Company concerning the proposed increase, or (C) terminate this Agreement without liability to the Authority, the County or the Company upon providing the Company Representative 30 days prior written notice of its election to terminate, which notice must be delivered no later than 90 days after the later of (1) receipt of the Company's notice setting forth the proposed substitute Fixed Construction Price and (2) December 31, 1991. If the Authority fails to deliver notice of termination within the period provided, the proposed Fixed Construction Price is deemed to be accepted.

(iv) If a new Fixed Construction Price is accepted pursuant to Section 3.1(c)(iii)(A) or 3.1(c)(iii)(B):

(A) Such Fixed Construction Price must be adjusted for inflation by multiplying the substitute Fixed Construction Price by a fraction, the numerator of which is the Construction Index published on the date closest to the Commencement Date, and the denominator of which is the Construction Index published on the date closest to the date of the Company's notice of the substitute Fixed Construction Price; provided, however, (i) that the numerator of this fraction must be reduced by an amount equal to any increase in the Construction Index that occurs during a delay of the occurrence of the Commencement Date caused solely by the intentional misconduct, acts of negligence or omission of the Company or its agents, subcontractors, representatives, or Affiliates and (ii) this fraction will not be less than 1.

(B) Such Fixed Construction Price will cease to be effective eighteen calendar months after the date of the Company's notice proposing such Fixed Construction Price or such other date as may be agreed by the Company and the Authority, and when such price ceases to be effective, this Agreement will terminate without liability to either party unless the Company and the Authority have agreed on a new Fixed Construction Price or the Commencement Date occurs prior to the time when this price ceases to be effective.

(v) If at any time after October 1, 1990, and before the Commencement Date, the Company has not provided notice pursuant to Section 3.1(c)(i), then upon the reasonable request of the Authority Representative, but not

more than once, the Company will provide notice to the Authority of its substitute Fixed Construction Price in the same manner as set forth in Section 3.1(c)(i). The Effective Date for any substitute Fixed Construction Price given by the Company in response to the Authority's request must be the later of January 1, 1992 or the date of the Company's notice proposing such Fixed Construction Price.

(d) The Fixed Construction Price will not be adjusted for inflation occurring after the Commencement Date.

(e) The Fixed Construction Price is the Company's price for designing, constructing, engineering, equipping, starting-up and testing the Project in accordance with this Agreement. Except as otherwise specifically described as a Fixed Construction Price Adjustment under this Agreement, the Fixed Construction Price includes all costs relating to (i) the design, engineering, construction, equipping, start-up, testing and Performance Testing of the Project, (ii) the construction, improvement and testing of the off-site facilities described in Schedule 14, (iii) the performance by the Company of its Construction Obligations and (iv) the design, engineering, construction, equipping, start-up and testing of all facilities, improvements and equipment required to be constructed or procured by the Authority or the County under the Facility Site Agreement (including, but not limited to, the PEPCO Improvements, as defined in the Facility Site Agreement), the Rail Transportation Agreement and the Electricity Sales Agreement. The Fixed Construction Price is subject to adjustment only in accordance with Section 3.1 and Section 3.2.

(f) The Company represents that the Specifications are in sufficient detail for the Company to commence and complete the design, engineering, construction, equipping, start-up and testing of the Project and the completion of the Detailed Plans in compliance with this Agreement and Applicable Law. The Company further represents and acknowledges that it is experienced in constructing projects similar to the Project. The Company agrees that the Fixed Construction Price includes amounts sufficient to cover any completion, refinement or detailing of design (in accordance with Schedule 1) required by the Company and that no increase in the Fixed Construction Price will result therefrom. If proceeds from the Bonds or other Construction Commitments are not sufficient to pay the Fixed Construction Price as adjusted pursuant to Article III, the Authority must use its best efforts to issue additional Bonds or otherwise obtain financing as described in Section 9.5, in an amount sufficient to provide for the payment of the Fixed Construction Price to the Company in accordance with this Agreement; provided, however, that the Company must share in any costs related to an Uncontrollable Circumstance as provided in Article IX.

(g) If the Acceptance Date occurs prior to the Scheduled Acceptance Date, the Authority shall pay the Company an amount, if any,

equal to a portion of the Total Net Savings realized by the Authority by reason of such early occurrence of the Acceptance Date as follows:

Number of Days between Acceptance Date and Scheduled Acceptance Date	**% of Total Net Savings**
59	**20**
60 - 89	**30**
90 - 119	**40**
120 - 134	**50**
135 or more	**60**

For the purposes of this Section 3.1(g) "Total Net Savings" means the total amount of capitalized interest from Bond proceeds saved by the Authority during the period from the Acceptance Date until the Scheduled Acceptance Date as a result of the shorter construction period, calculated at the interest rate applicable to the Bonds in effect on the Acceptance Date, net of (i) the total amount of the reasonably estimated lost investment earnings due to such early occurrence of the Acceptance Date, and (ii) any costs incurred as a result of the early liquidation of investments due to such early occurrence of the Acceptance Date.6

For purposes of this Section, the date of the Acceptance Date may be adjusted in accordance with Schedule 6 Paragraph 2(a), and both the number of days between the Acceptance Date and the Scheduled Acceptance Date and the Total Net Savings will be calculated for purposes of this Section by reference to the Adjusted Acceptance Date.7

Notwithstanding the calculation set forth above, the Authority and the Company have agreed in the Letter Agreements, Schedule 31, that the amount owed by the Authority to the Company for the occurrence of the Acceptance Date prior to the Scheduled Acceptance Date is $5,250,000, based upon the occurrence of the Transportation System Completion Date on August 23, 1995.8

3.2. Price Adjustment for Changes in Design or Construction.

(a) Authority Ordered.

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6 Boldfaced text added pursuant to First Amendment.

7 Paragraph added pursuant to letter agreement dated July 14, 1995 (MoCo3).

8 Paragraph added pursuant to Change Order #53.

Prior to the Acceptance Date, the Company must make any Changes to the Project requested by the Authority or the County (both, an "Authority Change"), as provided in Section 8.1(c). Any disputes relating to a Change proposed by the Authority and the County under this Section must be resolved pursuant to the dispute resolution procedure set forth in Section 14.15. If any Authority Change delays the Company in the performance of its obligations under Article II, the construction schedule must be adjusted by the Authority to the extent reasonably necessary to allow for the impact of such delay on the overall construction schedule.

(b) Uncontrollable Circumstances.

(i) The Fixed Construction Price must be adjusted by the Authority as provided in Article IX, upon the written request of the Company, if, before the Scheduled Acceptance Date, an Uncontrollable Circumstance requires a Change to the Project that causes an increase in the cost to the Company of the performance of its Construction Obligations that is not paid by the Company as part of the Company's cost sharing obligations pursuant to Article IX or paid by insurance proceeds or other unaffiliated third parties; but only to the extent that the Company bears and meets the burden of establishing that (i) these cost increases were caused solely and directly by an Uncontrollable Circumstance, (ii) the Company used all reasonable efforts to mitigate any cost increases and (iii) the increases do not include indirect costs of the Company such as lost profits or lost business opportunities related to the Uncontrollable Circumstance.

(ii) The Company must use its best efforts to minimize delays and additional costs resulting from an Uncontrollable Circumstance. If any Uncontrollable Circumstance delays the Company in the performance of its Construction Obligations, the construction schedule and the Scheduled Acceptance Date must be adjusted by the Authority to the extent reasonably necessary to allow for the impact of such delay on the overall construction schedule. The Schedule of Payments set forth in Schedule 4 must be adjusted by the Authority to provide for payments of the Fixed Construction Price in accordance with reasonable revisions to the construction schedule and any Fixed Construction Price Adjustments (if applicable), required as a result of such Uncontrollable Circumstance.

(iii) As soon as practicable, the Company must notify the Authority Representative and the Consulting Engineer of any actions taken with respect to any Uncontrollable Circumstance and the estimated Fixed Construction Price Adjustment. The Company must keep the Authority Representative and the Consulting Engineer informed of such actions and their estimated cost and must answer any inquiries of the Authority Representative or the Consulting Engineer and provide them with such information as they reasonably request. The cause and amount of any Fixed Construction Price Adjustment due to an Uncontrollable

Circumstance are subject to the dispute resolution procedures set forth in Section 14.15 of this Agreement.

(c) Fixed Construction Price Adjustments.

The Fixed Construction Price will increase or decrease pursuant to the following Fixed Construction Price Adjustments:

(i) The Fixed Construction Price must be increased by an amount equal to the sum of (a) the amount of any new state, federal or local taxes (other than income taxes), charges, assessments or permit fees established after the date of this Agreement and payable by the Company in connection with its obligations under this Agreement with respect to the period before the Scheduled Acceptance Date; and (b) the amount, if any, by which any existing state, federal or local taxes (other than income taxes), charges, assessments, and permit fees payable by the Company in connection with its obligations under this Agreement with respect to the period before the Scheduled Acceptance Date are increased over the level in effect on the date of this Agreement.

(ii) The Fixed Construction Price will be decreased by the Authority to reflect the amount of state, federal, County or local taxes, charges, assessments, and permit and license fees, (other than sales taxes) payable by the Company with respect to any period before the Acceptance Date which are waived, reduced below the level in effect on the date of this Agreement or otherwise not required to be paid by the Company. The Company must take all reasonable steps necessary or required by the Authority to maximize the savings described in this paragraph. The Company must notify the Authority of the amount of such waiver or reduction within 90 days after the date the Company realizes such reduction.

(iii) The Fixed Construction Price must be increased by the Authority by an amount equal to 107.5% of the reasonable direct costs incurred by the Company to construct or improve the facilities designated as allowance or reimbursable items in Schedule 2 (including the salary related expenses of Company personnel performing work necessary to construct or improve the facilities, but excluding home office overhead and administrative expenses of the Company and its Affiliates and management expenses of the Company relating to the facilities) or **the** fixed price **specifically set forth in Schedule 2 or a fixed price that is otherwise** acceptable to the Company Representative, County Representative and the Authority Representative.9

(iv) The Fixed Construction Price must be decreased by the amount of all savings realized by the Company as a result of a change in Applicable Law or the rules or regulations of the State of Maryland or Montgomery

9 Boldfaced text added pursuant to First Amendment.

County which results in a decrease in the cost of constructing or equipping the Project.

(v) The Fixed Construction Price must increase by the amount of any increases in the Company's cost (including Delay Costs) of performing its Construction Obligations due to Uncontrollable Circumstances or Authority Changes to the extent provided in Section 3.2(b) and Articles VIII and IX.

(vi) The Fixed Construction Price must be increased by an amount equal to the reasonable direct costs of the Company incurred to acquire additional real property rights that are required by the Authority as a result of a requirement by CSX that the rail system between the Transfer Station and the Facility be redesigned to require additional real property interests.

(vii) The Fixed Construction Price must be increased by the amount of any costs incurred by the Company for mitigation of noise emanating from mobile equipment as required pursuant to the Facility Site Agreement to the extent such costs are mutually agreed to by the Authority and the Company.10

(viii) The Fixed Construction Price must increase by the amount of any costs incurred by the Company to satisfy requirements of PEPCO in connection with PEPCO's review of improvements or facilities to be constructed by the Company on the Facility Site as described in the Facility Site Agreement to the extent such costs are mutually agreed to by the Authority and the Company.

(ix) The Fixed Construction Price must increase by the aggregate amount of all payments made by the Company to CSX, PEPCO or other third parties under the Primary Project Agreements for capital costs that are not otherwise recovered by, or reimbursed to, the Company under this Agreement; provided, however, that this amount will not include any payments made by the Company that resulted from (A) the negligence or willful misconduct of the Company or (B) the Company's unexcused breach of, or failure to perform its obligations under, this Agreement (including, without limitation, the satisfaction of Performance Standards) or any other Primary Project Agreement (except the Primary Project Agreement pursuant to which the payment is being made) or (C) the unexcused breach of, or failure to perform, by the Company of its obligations under the CSX Overtime Protocol or from utility usage in excess of the Guaranteed Maximum Utility Utilization or costs that are paid by the Company under the Rail Transportation Agreement for the purchase of rail cars.

In case any action shall be brought against the Company, in respect of which payment may be sought against the County pursuant to this Section, the Company shall promptly notify the County in writing, and the County shall be

10 "[O]r the cooling tower helper" deleted pursuant to First Amendment.

entitled to participate, at its own expense, in the defense, or if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Company, which approval shall not be unreasonably withheld. In the event that the County elects to assume the defense of any such suit and retains such counsel, the Company shall cooperate in such defense and have the right to retain separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Company unless the retaining of such counsel has been specifically authorized by the County. The County shall not be liable for amounts payable in respect of any settlement of any such action effected without its consent, but if settled with the consent of the County, or if there be a final judgment for the plaintiff in any such action, the County agrees to pay all such costs.

(x) The Fixed Construction Price must increase by any amounts paid by the Company for sales or use taxes imposed in connection with the design, engineering, construction or testing of the Project.

(xi) The Fixed Construction Price must increase by the aggregate amount paid by the Company during the Construction Period in respect of insurance premiums for the insurance described in Schedule 12, Section 1, clause (h) (Professional Liability Insurance) and Schedule 12, Section 1, clause (i) (Environmental Impairment Liability Insurance).

The party claiming benefit of any Fixed Construction Price Adjustment bears the burden of establishing the cause and amount of the adjustment. The party claiming an adjustment to the Fixed Construction Price must provide any information reasonably required by the other party concerning the cause and amount of the proposed adjustment to the Fixed Construction Price.

(xii) **The Fixed Construction Price will be increased by one half of the cost of natural gas used to start up and shut down the Facility's boilers for the period commencing after the first refuse fire of the last boiler and ending when the Capacity Test begins. The maximum compensation to be paid to the Company for such gas usage is $50,000.**

3.3. <u>Payment of Fixed Construction Price; Retainage</u>.

(a) The Company must submit applications for payment for items included in the Fixed Construction Price to the Authority in accordance with the procedures and the Fixed Construction Price payment schedule set forth in Schedule 4. The Authority must cause the Trustee to pay these amounts as provided in this Agreement and the Authority must make sufficient funds available

to the Trustee for this purpose. The Company must make any modifications to the billing and requisition procedures established in this Agreement to conform to procedures that may be reasonably required by the Trustee, provided such procedures required by the Trustee do not delay payment of amounts owed to the Company under this Agreement. Except for increases in or adjustments to the Fixed Construction Price and except for additional financings required to preserve the tax-exempt status of the tax-exempt Series 1990 Bonds, the proceeds of the Series 1990 Bonds are the sole source of payment of the Fixed Construction Price. Increases in, or adjustments to, the Fixed Construction Price resulting from Fixed Construction Price Adjustments are payable by the Authority only from (i) proceeds of the Bonds, and then only to the extent Bond proceeds are available to the Authority or the Trustee to pay these costs pursuant to the Bond Documents, (ii) Construction Commitments, (iii) the proceeds of alternate financing as described in Section 9.5, (iv) additional funds provided by the County pursuant to the Waste Disposal Agreement and (v) third party payments. The Authority and the Company, as the case may be, must finance, in accordance with Section 9.5(d), an amount which, together with estimated earnings thereon, will be sufficient to pay increases in the Fixed Construction Price resulting from Fixed Construction Price Adjustments. The Company will be compensated for Fixed Construction Price Adjustments in accordance with the requisition procedure set forth in Schedule 4. The Company must not stop work if proceeds from the Series 1990 Bonds or the Bonds or other financings are insufficient to pay the Fixed Construction Price.

(b) Unless the amount on deposit in the Retainage Fund equals or exceeds $15,000,000, the Trustee must retain a portion of the amount of each requisition made prior to the Acceptance Date for items included in the Fixed Construction Price other than Fixed Construction Price Adjustments not paid pursuant to a milestone schedule and deposit such retainage in the Retainage Fund. The amount to be retained by the Trustee from each requisition will be an amount equal to the amount of the requisition multiplied by a fraction the numerator of which is $15,000,000 and the denominator of which in the Fixed Construction Price as of the Commencement Date. If, and so long as, the amount on deposit in the Retainage Fund equals or exceeds $15,000,000, the Trustee will not withhold any additional retainage amounts. The Company may requisition amounts deposited in the Retainage Fund (together with accrued interest, if any, and subject to applicable provisions of, and restrictions set forth in, the Trust Indenture) only in accordance with Schedule 4. On or after the Acceptance Date, the Company may requisition amounts in the Retainage Fund less amounts retained for Punch List Items (as defined in Schedule 4 and further described in Section 3.10) and, if the Final Acceptance Date has not occurred on or before the Acceptance Date, less an amount equal to $500,000 (the "Final Acceptance Retainage"). The Company may requisition any amount in the Retainage Fund for Punch List Items after completion by the Company and acceptance by the Authority, of the Punch List Item work. The Company may requisition the Final Acceptance Retainage amount upon the occurrence of the Final Acceptance Date as provided in Section 3.9.

3.4. Payment Bond.

(a) The Company must provide a Payment Bond from a surety that is (i) authorized to do business in the State, (ii) rated in the top two rating categories by two nationally recognized rating agencies or an insurance company rated B+ or better and size XIII or larger by Best's Key Rating or another national rating organization and otherwise acceptable to the Authority. The Payment Bond must cover the obligations of the Company to pay its subcontractors for work relating to the Project. The Payment Bond must be in an amount equal to the Fixed Construction Price (as adjusted pursuant to Section 3.1 and 3.2) and name, among others, the Authority, the County and the Trustee as obligees. The Payment Bond must be in the form set forth in Schedule 8. The Company must maintain the Payment Bond until it is released by the Authority pursuant to Section 3.4(b). The Payment Bond must be filed with the Authority on or before the Commencement Date and will be maintained in the principal offices of the Authority or such other place designated by the Authority Representative.

(b) The Authority must release the Payment Bond on the later of the Acceptance Date or the date on which the Authority has received lien waivers from, or evidence satisfactory to the Authority of payment to, all Persons having a right to assert a lien or claim for payment in respect of labor or material furnished in connection with the design, construction, or equipping of the Project.

(c) Unless otherwise provided in a written notice from the Authority Representative to the Company, the terms of the Payment Bond must permit action on the Payment Bond as provided in §17-108 and §17-109 of the State Finance and Procurement Article of the Annotated Code of Maryland (1988 Replacement Volume), as amended; provided, however, that the Payment Bond may permit action in any court of competent jurisdiction (within or outside of the State of Maryland) with respect to actions by a subcontractor whose principal place of business is not located in the State of Maryland.

3.5. Conduct of Performance Tests.

(a) The Company must perform the Performance Tests necessary for the occurrence of the Acceptance Date and the final Performance Test conducted prior to the Company Termination Date at its sole expense. Each Performance Test must be performed in accordance with the procedures set forth in Schedule 6 to this Agreement. The Company must conduct the Performance Tests using only regular operating personnel and procedures except as provided in the Performance Test Manual described in Schedule 6. Except as permitted by the Performance Test Manual described in Schedule 6, the Company must not use (i) additional or specially qualified personnel, (ii) additional or special supervision, or (iii) overtime (with regard to personnel, facilities and equipment) to conduct the Performance Tests. The Company must give the Authority Representative, the County

Representative and the Consulting Engineer at least 90 days' written notice of the date on which the first Performance Tests necessary for the occurrence of the Acceptance Date will begin and at least seven days' prior written notice of a change in the Performance Test schedule (or such shorter period acceptable to the Authority Representative). If additional Performance Tests are required before the Acceptance Date, the Company must provide five days prior notice of the date on which each retest will begin. Each notice described in this Section must contain an estimate of the quantity of Processible Waste required for the applicable Performance Tests and the start-up of the Project and a preliminary plan, including a schedule, for the conduct of the applicable Performance Tests. The Authority and the County have 30 days after receipt of the first preliminary plan for review and comment. At least 30 days before the start of the Performance Tests, the Company must deliver final test plans to the Authority Representative and the County Representative. The Company may revise the amount of Processible Waste that it will use during **start-up and** the Performance Tests by giving the Authority and the County at least three Business Days' notice of any change. During **start-up and** the Performance Tests, the Authority must deliver and the Company must accept, Processible Waste in an amount equal to the quantity of waste specified in the final test plan, as revised from time to time in accordance with this Section. The Authority, its officials and agents, the County, its officials and agents, and the Consulting Engineer have the right to be present during all Performance Tests. The Company must give the Authority at least seven days' notice of the date it proposes to be the Acceptance Date. No Construction Period Service Fee or Delay Period Service Fee is due to the Company for the disposal of waste used by the Company to conduct start-up or Performance Tests. The Company may retain 100% of all amounts paid by PEPCO and collected by the Company pursuant to the Electricity Sales Agreement for electricity generated at the Facility before the Acceptance Date.11

(b) Within thirty (30) days after receipt by the Authority Representative of (i) the performance test report (as defined in Schedule 6, the "Performance Test Report"), (ii) the officer's certificate of the Company (as defined in Schedule 6, the "Officer's Certificate"), (iii) the other materials described in Schedule 6 to be provided to the Authority, and (iv) evidence of the satisfaction of all conditions to the occurrence of the Acceptance Date under this Agreement, the Authority must either accept or reject the Company's conclusions set forth in the Performance Test Report and the Officer's Certificate, or refer them to the Independent Engineer for evaluation as provided in Schedule 6. If the Authority accepts the conclusions set forth in the Performance Test Report and the Officer's Certificate as described in a written notice from the Authority Representative to the Company, or the Authority Representative fails to provide written notice to the Company of acceptance, rejection or referral of the conclusions set forth in the

11 Boldfaced text added pursuant to First Amendment.

Performance Test Report and the Officer's Certificate within thirty (30) days after receipt of the materials described in the first sentence of this paragraph, the Authority will be deemed to have accepted the conclusions set forth in the Performance Test Report and the Officer's Certificate. If the Authority rejects one or more of the conclusions set forth in the Performance Test Report or the Officer's Certificate, the Authority Representative must so notify the Company in a written notice that describes the basis for such rejection in reasonable detail. Thereafter, the Company may dispute the position of the Authority with respect to whether the Performance Standards have been met or the Company may accept the Authority's position, correct any deficiency and, if necessary, retest the Project.

(c) Within 180 days prior to the Company Termination Date, the Company must, at its sole cost (except if the termination is pursuant to Section 11.6, in which case the Authority must pay the cost) and expense, retake the Performance Tests in accordance with the procedures set forth in Schedule 6 (provided that no Performance Test under this Section is required prior to the Acceptance Date, or in the case of a termination for an Authority Event of Default or pursuant to Section 11.5). At any other time after the Acceptance Date, upon the reasonable prior notice of the Authority Representative, the Company must retake the Performance Tests in accordance with the procedures set forth in Schedule 6 and the costs of these tests will be paid by the Authority unless the Company fails to achieve the Performance Standards demonstrated in the most recent test of the Project pursuant to Schedule 6, in which case these costs will be paid by the Company. The Company's performance obligations must be adjusted to reflect the conduct of tests in satisfaction of its obligations under this Section 3.5(c). Except for tests made in connection with termination of this Agreement due to a Company Event of Default, if the results of any Performance Tests conducted pursuant to this Section demonstrate that the Project does not satisfy the Performance Standards at which the Project was accepted (as subsequently adjusted pursuant to Section 3.7(c), 8.1 or 9.5) for any reason other than an Uncontrollable Circumstance, the Company must, at its sole cost and expense, take all action necessary to cause the Project to satisfy the Performance Standards at which the Project was accepted as subsequently adjusted pursuant to Section 3.7(c), 8.1 or 9.5 and the criteria for the occurrence of the Acceptance Date set forth in clauses 1, 3, 4 and 5 of the definition of Acceptance Date in Schedule 16 and retest the Project at its sole cost to demonstrate the satisfaction of these standards. During the period necessary for the Company to cause the Project to correct deficiencies revealed by a prior Authority ordered Performance Test, the Authority Representative must not order another Performance Test pursuant to this Section.

3.6. Scheduled Acceptance Date; Delay in Performance; Extension Period.

(a) Except as provided in Section 3.6(f), if the Acceptance Date does not occur on or before the Scheduled Acceptance Date, the Company must pay Delay

Damages. "Delay Damages" means an amount equal to the sum of (i) all damages, payments, penalties, or additional amounts incurred or payable by the Authority or the County under the other Primary Project Agreements as a result of the delay in the occurrence of the Acceptance Date (except for additional delays caused solely by Uncontrollable Circumstances), which amount must be paid to the Authority, plus (ii) Daily Debt Service for each day after the Scheduled Acceptance Date until and including the Acceptance Date, which must be paid by the Company to the Trustee for the benefit of the Bondholders, plus (iii) an amount equal to the product of (A) $115.00, adjusted by the Inflation Adjustor, multiplied by (B) the number of tons of Acceptable Waste that are weighed or deemed to have been weighed pursuant to Section 4.5, that the Company would have been obligated to Process under this Agreement if the Acceptance Date had occurred on the Scheduled Acceptance Date, that are not Processed due to any reason other than an Uncontrollable Circumstance and that are disposed of at the Designated Landfill during the Extension Period plus (iv) an amount equal to the product of (A) $80.00, adjusted by the Inflation Adjustor, multiplied by (B) the number of tons of Excess Residue disposed of at the Designated Landfill during the Extension Period. Delay Damages payable under this paragraph must be paid monthly on or before the twenty-fifth (25th) day of each calendar month for amounts payable with respect to the preceding calendar month or, with respect to Daily Debt Service as otherwise required to ensure that all Debt Service on the Bonds is paid by the Company, as and when due in accordance with the Bond Documents during the Extension Period; provided, however, that with respect to any amounts described in clause (i) of the definition of Delay Damages that are paid by the Company, by making such payment on behalf of the Authority or the County to the third party entitled to such amount, the Company will have satisfied its obligation to pay this amount and this amount will not also be included in calculating the amount of Delay Damages to be paid by the Company directly to the Authority. "Daily Debt Service" means Debt Service for the Fiscal Year in which Delay Damages under this paragraph are due, divided by 365.

(b) During the Extension Period, if any, the Company must use the Designated Landfill for the disposal of all Acceptable Waste that is not Processed at the Facility unless the Company is entitled to use another disposal facility pursuant to Section 6.6(c).

(c) If the Acceptance Date does not occur on or before the last day of the Extension Period, (i) an Event of Default by the Company will occur under Section 11.2 of this Agreement and (ii) the Authority may terminate this Agreement in accordance with Section 11.4.

(d) During the Extension Period, the Authority will use reasonable efforts to cause the County to deliver to the Transfer Station for acceptance by the Company all Processible Waste (i) that is not recycled, and (ii) that is collected from residential waste generators located in Montgomery County, Maryland, and (iii)

that the Company is obligated and able to accept and Process under this Agreement.

(e) In the event of a dispute between the Company and the Authority regarding Delay Damages under this Section 3.6, the Company must pay the disputed amount as and when asserted to be due under this Agreement by the Authority. If the dispute is resolved in favor of the Company, the Authority must reimburse the Company for the disputed amount, plus interest at the Late Payment Rate from the date of payment by the Company to the date of payment by the Authority, all within twenty-five days after receipt by the Authority of a written invoice for this amount from the Company.

(f) Notwithstanding Section 3.6(a), but subject to Section 3.6(e), the Company will not be required to pay Delay Damages during a Total Transfer Station Shutdown caused by an Uncontrollable Circumstance or an Authority Change.

3.7. Acceptance of Project at Reduced Performance Standard.

(a) The Company acknowledges the Authority's right to require the Company (i) to design, engineer, construct, equip and test the Project in compliance with this Agreement and (ii) to cause the Acceptance Date to occur on or before the Scheduled Acceptance Date. In recognition of the doctrine of "substantial performance" and other equitable relief under Applicable Law, the Authority and the Company agree that the Acceptance Date may occur without satisfaction of the full Performance Standards as follows: the Acceptance Date may occur if, at any time during the Extension Period (1) the results of the most recent Performance Tests demonstrate the Minimum Performance Standards have been achieved, (2) the Company delivers a written notice to the Authority and the County electing to have the provisions of this Section 3.7(a) apply, (3) all requirements for the occurrence of the Acceptance Date (using the Minimum Performance Standards) have occurred, and (4) the Company continues to use its best efforts to achieve a higher level of performance pursuant to Section 3.7(c).

(b) At any time during the Extension Period, the Company may request, by written notice to the Authority and the County, that the Authority elect to have the Acceptance Date occur at a standard lower than the Minimum Performance Standards. If the Authority, in its sole discretion, accepts the Company's request to have the Acceptance Date occur at a performance standard lower than the Minimum Performance Standards (the "Substituted Performance Standards") and the other requirements for the occurrence of the Acceptance Date have been satisfied, then (i) the Acceptance Date will occur at a Substituted Performance Standard in accordance with this Section 3.7(b) and (ii) at the sole election of the Authority, the Company must either (A) pay Liquidated Damages to the Authority during the remaining term of this Agreement based on the full

Performance Standards and calculated in accordance with the Liquidated Damage formulas set forth in Article V or (B) pay to the Authority Reduced Capacity Liquidated Damages calculated in accordance with Section 3.7(e). Notwithstanding the foregoing, the Company hereby acknowledges the Authority's absolute right to require that the Project satisfy the Minimum Performance Standards. The Company further acknowledges that the Authority has no obligation, either pursuant to this Section or in mitigation of damages, to allow the Acceptance Date to occur if the Minimum Performance Standards are not achieved.

(c) If the Acceptance Date occurs based on any standard less than the full Performance Standards, the Company must use its best efforts to identify and correct deficiencies and to cause the Project to satisfy the full Performance Standards as soon as possible. If the Acceptance Date occurs based on reduced Performance Standards as provided in Section 3.7(a) or 3.7(b) (and the Company has not paid Reduced Capacity Liquidated Damages pursuant to Section 3.7(b)(ii)(B)) then during the three (3) year period (the "Retest Period") commencing on the Acceptance Date and ending on the third anniversary of the Acceptance Date (the "Final Retest Date"), the Company may conduct additional Performance Tests of the Project in accordance with Schedule 6 of this Agreement (each a "Retest") at its sole cost, expense and liability. The Company must reimburse the Authority for all reasonable costs incurred by the Authority or the County in connection with any Retest. If the results of any Retest demonstrate that the Project satisfies the full Performance Standards, as provided in a written notice by the Company to the Authority and a certificate of the Consulting Engineer concurring with the test results described in such notice, then the Company will not thereafter be obligated to pay Reduced Capacity Liquidated Damages. If the Company has not provided notice of the satisfaction of the full Performance Standards to the Authority before the Final Retest Date, then on the Final Retest Date the Company must provide the Authority with the most recent results of a Retest of the Project conducted in accordance with Schedule 6 of this Agreement. If the results of this Retest demonstrate that the Project is not capable of processing the Guaranteed Throughput Capacity, then as of the Final Retest Date and continuing throughout the remaining term of this Agreement, (1) the Guaranteed Throughput Capacity will be reduced, for all purposes of this Agreement, by multiplying the Guaranteed Throughput Capacity by a fraction (the "Reduction Factor") equal to a fraction (i) the numerator of which is an amount equal to 365 multiplied by the lower of (A) 851 of the average daily amount of waste Processed at the Facility, based on the average daily throughput capacity demonstrated during the 7 day MCR component of the Processing Capacity Test conducted in accordance with Schedule 6 or (B) 89% of the average daily throughput capacity demonstrated during the **14** 12 day capacity tests component of the Facility Performance Test conducted in accordance with Schedule 6, and (ii) the denominator of which is the Guaranteed Throughput

12 Boldfaced text modified pursuant to First Amendment.

Capacity then in effect, (2) the Operating and Maintenance Charge component of the Service Fee will be reduced by multiplying by the Reduction Factor, (3) the Company must pay the Authority the Reduced Capacity Liquidated Damages calculated in accordance with Section 3.7(e), (4) the amount of waste in excess of which the Company may reject or refuse to Process pursuant to Sections 4.2 and 4.3, will be reduced by multiplying by the Reduction Factor, and (5) the tonnage targets for payments of additional per ton fees set forth in paragraph (ii) of the definition of Approved Pass Through Costs in Section 5.1 must be reduced by multiplying by the Reduction Factor. The Company must continue to pay Liquidated Damages for failure to accept Acceptable Waste (based on the reduced amounts set forth in Section 4.2), failure to Process waste (based on the reduced Guaranteed Throughput Capacity), and failure to produce electricity revenues (based on the reduced Guaranteed Throughput Capacity but without reduction of guarantees of the Company regarding the amount of energy to be produced from the Processing of Acceptable Waste), all pursuant to Sections 5.1 and 5.2, throughout the term of this Agreement.

(d) If the Company pays Reduced Capacity Liquidated Damages as provided in this Section 3.7 and subsequently causes the Project to satisfy the full Performance Standards, the Company (i) will not be entitled to reimbursement of the Reduced Capacity Liquidated Damages, and (ii) will not thereafter be required to continue attempts to achieve a higher standard than that demonstrated in order to satisfy the requirements for the occurrence of the Acceptance Date.

(e) The parties agree that the Authority's actual damages for the Company's failure to satisfy the full Performance Standards are difficult or impossible to ascertain and that the Reduced Capacity Liquidated Damages set forth in Section 3.7 are intended to place the Authority and the County in the same economic position that they would have been in had the Company caused the Project to satisfy the full Performance Standards. Reduced Capacity Liquidated Damages are an amount equal to (i)(A)(x) the Guaranteed Throughput Capacity minus (y) 365 multiplied by the lower of (1) 85% of the average daily amount of waste processed at the Facility based on the average daily throughput capacity demonstrated during the most recent 7 day MCR component of the Processing Capacity Test conducted in accordance with Schedule 6, or (2) 89% of the average daily throughput capacity demonstrated during the most recent **14** 13 day capacity test component of the Facility Performance Test, conducted in accordance with Schedule 6, divided by (B) the Guaranteed Throughput Capacity, all multiplied by (ii) the outstanding principal amount of the Bonds. The Company must pay Reduced Capacity Liquidated Damages to the Trustee on behalf of the Authority, and thereafter the Trustee will apply such payments in accordance with the Trust Indenture.

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13 Boldfaced text modified pursuant to First Amendment.

In addition to the foregoing, in each instance that the Company is required to pay Reduced Capacity Liquidated Damages under this Agreement, the Operating Fee must be reduced by an amount calculated as provided in Section 3.7(c)(2).

3.8. Company Changes to the Project Before the Acceptance Date.

(a) For Changes to the Project that are proposed by the Company, other than changes to the Specifications described in Section 2.4, or Changes required by Section 8.1(a), the Company must submit Detailed Plans, specifications and drawings describing the Change to the Project proposed by the Company to the Authority Representative, the County Representative and the Consulting Engineer at least 30 days before the intended implementation date of any Change proposed by the Company. The Company must discuss and answer any inquiries of the Authority Representative, the County Representative or the Consulting Engineer relating to the proposed Change. Neither the review by, or comments of, the Authority, the County or the Consulting Engineer nor any failure of the Authority, the County or the Consulting Engineer to review or comment upon such Detailed Plans nor any disapproval of a proposed Change by the Authority Representative relieves the Company of any of its obligations hereunder or imposes any liability upon the Authority or the County. Before the Acceptance Date and after having given to the Authority and the County the written notices described above, the Company may make Changes to the Project at its sole cost, if such Changes: (i) are not rejected or amended by the Authority Representative or the County Representative within 30 days after receipt by the Authority Representative, the County Representative and the Consulting Engineer of the Detailed Plans, specifications and drawings describing the Change provided by the Company, (ii) involve only additions to the Project which are consistent with the Specifications; (iii) do not increase the Fixed Construction Price; (iv) do not in any way affect the Construction Period Service Fee, the Delay Period Service Fee or the Service Fee; (v) are designed, engineered and constructed in accordance with good engineering practices; and (vi) do not in any way materially adversely affect the Company's ability to perform any of its obligations under this Agreement.

(b) Notwithstanding the provisions of Section 3.8(a), immediately after providing the notices and Detailed Plans as described in the preceding paragraph, the Company may commence the work described in these materials at its sole risk. If the proposed Change is reasonably rejected or amended by the Authority or otherwise fails to satisfy the criteria set forth in Section 3.8(a), the Company, at its sole cost, must remove such work and restore or repair the Project to its condition immediately prior to the commencement of work relating to the Change or in the case of an amendment, alter such work to conform to the amendment and the Scheduled Acceptance Date will not be adjusted for delay caused by this removal, repair or restoration.

3.9. Final Acceptance.

(a) If the Acceptance Date occurs before issuance of final permits, licenses and approvals relating to the Project, the Company must continue to use its best efforts to obtain all final permits, licenses and approvals necessary to operate the Project and fulfill the obligations of the Company under this Agreement within a reasonable period after the Acceptance Date.

(b) Upon delivery to the Authority of (i) a notice by the Company certifying that all final permits, licenses and approvals relating to the Project have been obtained by or on behalf of the Company and (ii) a certificate of concurrence by the Consulting Engineer, the Authority will release the Final Acceptance Retainage described in Section 3.3 and the "Final Acceptance Date" will have occurred as of the date of the Company's notice.

3.10. Punch List.

(a) The Acceptance Date may occur with a small amount of work remaining to be performed by the Company in order to satisfy its Construction Obligations to design, engineer, construct and equip the Project as provided in Article II. This work will be described in a punch list (the "Punch List") to be developed by the Authority Representative, the Company Representative, the County Representative and the Consulting Engineer in connection with the occurrence of the Acceptance Date. Unless otherwise provided in a written notice from the Authority Representative and the County Representative to the Company Representative, the Acceptance Date will not occur until (i) the aggregate value of the work to be performed as described in the Punch List (including labor and equipment) is less than one percent (1%) of the Fixed Construction Price and, (ii) except as provided in clause (iv), the costs to complete any single item or component of the Punch List (including labor and equipment) in respect of civil engineering or architectural work is less than $100,000, (iii) except as provided in clause (iv), the costs to complete any single item or component of the Punch List (including labor and equipment in respect of equipment or work not described in the preceding clause (iii)), is less than $500,000, and (iv) the paving, blacktop, exterior sidewalk or landscaping work at the Project Sites have been substantially completed unless seasonal weather conditions prevent the substantial completion of the work described in this clause (iv).

(b) After the Acceptance Date, the Authority must cause the Trustee to retain in the Retainage Fund an amount equal to two times the value of the work and equipment described in the Punch List to be requisitioned in accordance with Schedule 4.

3.11. Escrow Agreement. 14

(a) The Company hereby agrees to deposit funds into escrow to be utilized (i) to repair and replace Containers if necessary and as more specifically provided herein, (ii) to repaint major portions of the structural steel of the Facility if necessary within five (5) years after the Acceptance Date, and (iii) to perform modifications to the residue handling system of the Facility within one (1) year after the Acceptance Date, in each case as required by the provisions of this Section 3.11. Simultaneously with the execution of this Change, the Company and the Authority shall execute an Escrow Agreement with Signet Trust Company, as Escrow Agent, substantially in the form attached hereto as Schedule 32 (the "Escrow Agreement"), pursuant to which the Company shall deliver funds to the Escrow Agent for deposit to escrow accounts and disbursement therefrom as described below and in the Escrow Agreement.

(b) Transportation System Escrow.

(i) Upon execution of the Escrow Agreement and simultaneously with the release of certain amounts on deposit in the Retainage Fund pursuant to Section 6.2 of Schedule 4, the Company shall deliver $3,500,000 to the Escrow Agent for deposit in an escrow account to be created and maintained by the Escrow Agent in accordance with the Escrow Agreement (the "Transportation System Escrow Account"). On the date which is ninety (90) days after the Transportation System Completion Date, being November 21, 1995, the Company shall deliver a report (the "Container Seal Report") to the Authority, the County and the Consulting Engineer (A) setting forth the statements and other matters described in Schedule 33 attached hereto and made a part hereof, and (B) either (1) asserting that the Container Sealing System has performed its intended function on all of the Containers in accordance with the requirements of Section 4.11 of this Agreement and Section 7.2 of Schedule 1B to this Agreement, or (2) identifying the particular Containers with respect to which the assertion described in clause (B)(1) above cannot be made and specifying the corrective measures the Company intends to take in connection therewith, and making the assertion described in clause (B)(1) with respect to all of the other Containers. The parties acknowledge and agree that a reasonable level of maintenance and replacement of Container seals is normal and will not be grounds for a determination by the Authority that the Container Sealing System does not perform its intended function in accordance with the requirements of Section 4.11 of this Agreement and Section 7.2 of Schedule 1B to this Agreement. Within

14 Section 3.11 added pursuant to Change Order #53.

five (5) Business Days after its receipt of the Container Seal Report, the Authority must either accept or reject the Company's representations set forth therein. If the Authority accepts the representations of the Company set forth in the Container Seal Report as described in a written notice from the Authority to the Company, or the Authority fails to provide written notice to the Company of acceptance or rejection within five (5) Business Days after receipt of the Container Seal Report, the Authority will be deemed to have accepted the representations set forth in the Container Seal Report. If the Authority rejects one or more of the representations set forth in the Container Seal Report, the Authority must so notify the Company in a written notice that describes the basis for such rejection in reasonable detail. From the date of the Company's receipt of such rejection notice until the date which is thirty (30) Business Days thereafter (the "Preliminary Dispute Proceedings"), the Authority and the Company shall attempt in good faith to resolve the Authority's rejection of the Company's representations in the Container Seal Report. If, at the conclusion of the time for the Preliminary Dispute Proceedings, such dispute has not been resolved, the matter shall be resolved in accordance with the dispute resolution procedures set forth in Section 14.15(b) (the "Formal Dispute Proceedings"). If the Authority has accepted, or is deemed to have accepted the representations of the Company in the Container Seal Report, or if the Company's position prevails in Preliminary Dispute Proceedings or Formal Dispute Proceedings, then the Company may request payment of the full amount on deposit in the Transportation System Escrow Account in accordance with Section 3(a) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Company within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein.

(ii) If, on the date the Container Seal Report is due as provided in Section 3.11(b)(i) above, the Company cannot make the assertion set forth in Section 3.11(b)(i)(B)(1), or if the Authority rejects one or more of the Company's representations set forth in the Container Seal Report and the Authority's position prevails in Preliminary Dispute Proceedings or Formal Dispute Proceedings, as applicable, then the Company shall repair or replace the Containers on which the Container Sealing System does not perform its intended function in accordance with the requirements of Section 4.11 of this Agreement and Section 7.2 of Schedule 1B to this Agreement. The Company may submit one or more requests for payment to the Escrow Agent, the Authority and the Consulting Engineer for the payment by the Escrow Agent of the amounts specified therein from amounts on deposit in the Transportation System Escrow Account, provided that such requests for payment contain (A) the

Company's certification that the amounts thereby requested equal the direct costs and expenses incurred by the Company to repair or replace Containers, as the case may be (including the salary related expenses of Company personnel performing work necessary to perform the Container repairs and replacements, but excluding home office overhead and administrative expenses of the Company and its Affiliates and management expenses of the Company relating to such repairs or replacements), in a manner such that the Container Sealing System performs its intended function in accordance with the requirements of Section 4.11 of this Agreement and Section 7.2 of Schedule 1B to this Agreement, and (B) a reasonably detailed description of the repairs or replacements that were performed by the Company. The Authority must either accept or reject the Company's request for payment within ten (10) Business Days after its receipt. If the Authority accepts the request for payment, or the Authority fails to provide written notice to the Company of its rejection within ten (10) Business Days after receipt of the request for payment, the Authority will be deemed to have accepted the request for payment. If the Authority rejects the request for payment in accordance with this Section 3.11(b)(ii), the Authority must so notify the Company in a written notice that describes the basis for such rejection in reasonable detail. Any such dispute shall be resolved in accordance with Section 14.15 of this Agreement. If the Authority is deemed to have accepted the request for payment or if the Company's position prevails in dispute resolution conducted pursuant to Section 14.15, then the Escrow Agent shall pay the amount specified therein in accordance with Section 3(b) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Company within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein. The repair or replacement of Containers in accordance with this Section 3.11(b)(ii) shall not be a Punch List item. The Company shall not be entitled to any reimbursement from the Authority, the County or any other fund held by the Escrow Agent or the Trustee for any amounts necessary to repair or replace such Containers which exceed amounts on deposit in the Transportation System Escrow Account.

(iii) If, after the completion of repairs or replacements as described in Section 3.11(b)(ii) above, the Company delivers a subsequent Container Seal Report (A) setting forth the statements and other matters described in Schedule 33, and (B) asserting that the Container Sealing System has performed its intended function on all of the Containers in accordance with the requirements of Section 4.11 of this Agreement and Section 7.2 of Schedule 1B to this Agreement, and the Authority accepts or is deemed to have accepted the representations of the

Company set forth therein, in each case, in accordance with Section 3.11(a)(i), then the Company may request payment of the remaining amount on deposit in the Transportation System Escrow Account, if any, in accordance with Section 3(a) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Company within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein.

(c) Paint Maintenance Escrow.

(i) Upon execution of the Escrow Agreement and simultaneously with the release of certain amounts on deposit in the Retainage Fund pursuant to Section 6.2of Schedule 4, the Company shall deliver $750,000 to the Escrow Agent for deposit in an escrow account to be created and maintained by the Escrow Agent in accordance with the Escrow Agreement (the "Paint Escrow Account").

(ii) Company Request. If at any time from the Acceptance Date through and including the fifth (5th) anniversary of the Acceptance Date, the Company determines to repaint major areas of the structural steel of the Facility due to a systematic failure of the paint system and to seek reimbursement of the costs and expenses thereof from the Paint Escrow Account, the Company shall deliver written notice of such intention to the Authority, the County and the Consulting Engineer at least thirty (30) Business Days prior to the intended implementation date of such repainting, which notice shall include a description of the portions of the Facility to be repainted, a detailed estimate of the costs and expenses to be reimbursed to the Company from the Paint Escrow Account and a certification to the effect that such proposed painting is not required as a result of normal wear and tear, but rather as a result of a systematic failure of the Facility paint system. The Authority must either accept or reject the Company's notice within thirty (30) Business Days after its receipt. If the Authority accepts the notice, or the Authority fails to provide written notice of its rejection within thirty (30) Business Days after its receipt, the Authority will be deemed to have accepted the notice. Upon the Company's completion of such painting, the Company shall submit a detailed invoice setting forth the costs and expenses incurred by the Company, together with a description of the repainted portions of the Facility and the results achieved by the repainting. The Authority must either accept or reject the Company's invoice within ten (10) Business Days after its receipt. If the Authority accepts the invoice, or the Authority fails to provide written notice to the Company of its rejection within ten (10) Business Days after receipt of the invoice, the Authority

will be deemed to have accepted the invoice. If the Authority rejects one or more of the matters set forth in the invoice, the Authority must so notify the Company in a written notice that describes the basis for such rejection in reasonable detail. Any such dispute shall be resolved in accordance with Section 14.15 of this Agreement. If the Authority is deemed to have accepted the invoice or if the Company's position prevails in dispute resolution conducted pursuant to Section 14.15, then the Company may request payment of the amount of such invoice (or if such invoice exceeds the amount then on deposit in the Paint Escrow Account, the amount then on deposit therein) from the Escrow Agent in accordance with Section 4(a) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Company within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein. The Company shall not be entitled to any reimbursement from the Authority, the County or any other fund held by the Escrow Agent or the Trustee for any amounts necessary to repaint portions of the Facility structural steel which exceed amounts on deposit in the Paint Escrow Account.

(iii) Authority Request. If at any time from the Acceptance Date through and including the fifth (5th) anniversary of the Acceptance Date the Authority determines to cause the Company to repaint major areas of the structural steel of the Facility due to a systematic failure of the paint system, the Authority shall deliver written notice directing the Company to repaint the areas identified in such notice. If the Company fails to begin painting in accordance with the Authority's notice within sixty (60) days after its receipt thereof, then the Authority may request payment from the Escrow Agent of an amount equal to the estimated cost of the painting described in the Authority's notice in accordance with Section 4(b) of the Escrow Agreement and may utilize such funds to pay the costs of such repainting; provided, however, that such funds shall not be disbursed to the Authority if the Company has commenced dispute resolution proceedings in connection therewith on or before the date of receipt by the Escrow Agent of the Authority's request for payment.

(iv) Notwithstanding any other provision to the contrary in this Agreement, if this Agreement is terminated before the date specified in Section 3.11(c)(v) and on the date of such termination amounts remain on deposit in the Paint Escrow Account, such amounts shall remain on deposit therein until the date specified in Section 3.11(c)(v), subject to the right of the Authority to request payment of amounts therefrom that, in the opinion of the Authority, are necessary to pay the costs to repaint portions of the Facility structural steel due to a

systematic failure of the Facility paint system. The Authority may submit a request for payment for such amounts to the Escrow Agent and shall deliver a copy of such request for payment specifying the areas intended to be repainted to the Company. The Company shall have thirty (30) days after its receipt of the Authority's request for payment to inspect and photograph the areas of the Facility that are to be repainted, and on or before the end of such 30-day period shall provide written notice to the Authority of its acceptance of the Authority's request for payment or its determination to dispute the Authority's determination to repaint. If the Company accepts the request for payment or fails to provide written notice to the Authority of its intention to dispute such request within such 30-day period, the Company will be deemed to have accepted the request for payment. If the Company disputes one or more of the matters set forth in the Authority request for payment, the Company must so notify the Authority in a written notice that describes the basis for such dispute in reasonable detail. Any such dispute shall be resolved in accordance with Section 14.15 of this Agreement. If the Company is deemed to have accepted the request for payment or if the Authority's position prevails in dispute resolution conducted pursuant to Section 14.15, then the Authority may request payment of the amount of such invoice (or if such invoice exceeds the amount then on deposit in the Paint Escrow Account, the amount then on deposit therein) from the Escrow Agent in accordance with Section 4(c) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Authority within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein.

(v) On or after the date which is five (5) years from the Acceptance Date or at an earlier date as directed by the Authority in accordance with Section 3.11 (c)(vi), the Escrow Agent shall pay all amounts on deposit in the Paint Escrow Account, if any, to the Company in accordance with and subject to Sections 4(d) and 10.5 of the Escrow Agreement. 15

(vi) Starting after October 1, 1999 the Company may submit a regular monthly Service Fee Invoice that includes a one-time $20,000 Authority credit for early release of the Paint Escrow Account. Upon receipt of a regular monthly Service Fee Invoice that includes the credit, the Authority will direct the Escrow Agent to release all of the funds remaining in the Paint Escrow account to the Company on or about the 25th of the month in which the Service Fee is received. If Ogden does

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15 Subsection (c)(v) amended pursuant to Change Order #75.

not include the credit on the Service Fee Invoice, the escrow funds will not be released until such credit is given. 16

(d) Residue Handling System Escrow.

(i) Upon execution of the Escrow Agreement and simultaneously with the release of certain amounts on deposit in the Retainage Fund pursuant to Section 6.2 of Schedule 4, the Company shall deliver $250,000 to the Escrow Agent for deposit in an escrow account to be created and maintained by the Escrow Agent in accordance with the Escrow Agreement (the "Residue Escrow Account").

(ii) At any time from the Acceptance Date through and including the first (1st) anniversary of the Acceptance Date, the Authority may deliver a notice to the Company directing the Company to perform modifications to the Facility residue handling system, provided that such modifications are in accordance with Section 7.12 of Schedule 1A to this Agreement, which may include, for example, modifications to facilitate clean-up and good housekeeping such that residue is not deposited on walls or on support beams under grates or other surfaces that are not easily accessible for cleaning. Within ten (10) Business Days after its receipt of such Authority direction, the Company shall deliver to the Authority a detailed estimate of its reasonable, direct costs to perform such modifications or shall dispute the Authority's direction in accordance with Section 14.15 of this Agreement. If the Company does not dispute such Authority direction, the Company shall undertake such modifications as soon as practicable without unreasonably disrupting normal Facility operations after its receipt of the Authority's approval of such cost estimate. The Company shall be entitled to request reimbursement of one hundred percent (100%) of the reasonable direct costs incurred by the Company to perform such residue handling system modifications (including the salary related expenses of Company personnel performing work necessary to perform such modifications, but excluding home office overhead and administrative expenses of the Company and its Affiliates and management expenses of the Company relating to such modifications) by submitting an invoice therefore to the Authority. The Authority must either accept or reject the Company's invoice within ten (10) Business Days after its receipt. If the Authority accepts the invoice, or the Authority fails to provide written notice to the Company of its rejection within ten (10) Business Days after receipt of the invoice, the Authority will be deemed to have accepted the invoice. If the Authority rejects one or more of the matters set forth in the invoice, the Authority must so notify

16 Subsection (c)(vi) added pursuant to Change Order #75.

the Company in a written notice that describes the basis for such rejection in reasonable detail. Any such dispute shall be resolved in accordance with Section 14.15 of this Agreement. If the Authority is deemed to have accepted the invoice or if the Company's position prevails in dispute resolution conducted pursuant to Section 14.15, then the Company may request payment of the amount of such invoice (or if such invoice exceeds the amount then on deposit in the Residue Escrow Account, the amount then on deposit therein) from the Escrow Agent in accordance with Section 5(a) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Company within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein. The Company shall not be entitled to any reimbursement from the Authority, the County or any other fund held by the Escrow Agent or the Trustee for any amounts necessary to perform such modifications to the residue handling system which exceed amounts on deposit in the Residue Escrow Account.

(iii) Notwithstanding any other provision to the contrary in this Agreement, if this Agreement is terminated before the date specified in Section 3.11(d)(iv) and on the date of such termination amounts remain on deposit in the Residue Escrow Account, such amounts shall remain on deposit therein until the date specified in Section 3.11(d)(iv), subject to the right of the Authority to request payment of amounts therefrom that, in the opinion of the Authority, are necessary to pay the costs to perform modifications to the Facility residue handling system in accordance with Section 7.12 of Schedule 1A to this Agreement. The Authority may deliver a request for payment for such amounts to the Escrow Agent and shall deliver a copy of such request for payment specifying the modifications to be performed to the Company. The Company shall have thirty (30) days after its receipt of the Authority's request for payment to inspect and photograph the areas of the residue handling system that are to be modified, and on or before the end of such 30-day period shall provide written notice to the Authority of its acceptance of the Authority's request for payment or its determination to dispute the Authority's determination to perform such modifications. If the Company accepts the request for payment or fails to provide written notice to the Authority of its intention to dispute such request within such 30-day period, the Company will be deemed to have accepted the request for payment. If the Company disputes one or more of the matters set forth in the Authority request for payment, the Company must so notify the Authority in a written notice that describes the basis for such dispute in reasonable detail. Any such dispute shall be resolved in accordance with Section 14.15 of this Agreement. If the Company is deemed to have

accepted the request for payment or if the Authority's position prevails in dispute resolution conducted pursuant to Section 14.15, then the Authority may request payment of the amount of such invoice (or if such invoice exceeds the amount then on deposit in the Residue Escrow Account, the amount then on deposit therein) from the Escrow Agent in accordance with Section 5(b) of the Escrow Agreement, which provides, among other things, for the payment of such amount to the Authority within three (3) Business Days after the receipt by the Escrow Agent of such request for payment together with the other materials described therein.

(iv) On or after the date which is one (1) year from the Acceptance Date, the Escrow Agent shall pay all amounts on deposit in the Residue Escrow Account, if any, to the Company in accordance with and subject to Sections 5(c) and 10.5 of the Escrow Agreement.

(e) Payment to County.

Simultaneously with the delivery of funds to the Escrow Agent in accordance with the provisions of this Section 3.11, the Company shall pay $38,655.68 to the County, which is an amount equal to the net investment earnings on the amount on deposit in the Retainage Fund between the Acceptance Date and the Transportation System Completion Date.

4. OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE; OPERATING PROCEDURES; PERFORMANCE OF AUTHORITY OBLIGATIONS

4.1. Delivery and Acceptance of Waste.

(a) Beginning on the Acceptance Date and continuing throughout the term of this Agreement, the Company must conduct its operations so as to cause the Project to satisfy the Performance Standards and accept at the Transfer Station and Process or dispose of, in accordance with this Agreement and Applicable Law, all Acceptable Waste delivered to the Transfer Station for the credit of the Authority, subject to the Company's rights under Section 4.2.

(b) Acceptable Waste is delivered for the credit of the Authority if it is delivered in vehicles owned or operated by employees of, or under contract to, the Authority, the County or a Designated Hauler.

(c) Except as provided in Section 9.9, the Company must not enter into agreements with any Persons other than the Authority for the disposal of waste at the Project. **So long as the Waste Disposal Agreement is in effect**, the

Company must not accept waste from any Person other than the Authority, the County or their Designated Haulers. **Neither the Authority nor the County have any obligation to the Company under any circumstances to implement any form of "flow control" in any manner, including adjustments to any charges or any fees, in order to direct to the Facility waste that is not collected by the County or its contractors. The County and the Authority agree that this Second Amendment to the Service Agreement does not affect the obligations of the Authority and the County to each other or to the Bondholders under any Project Agreement, including (without limitation) the Master Authorization and the Waste Disposal Agreement.** 17

(d) The Authority may enter into any contracts with the County or other Persons designated by the County Representative for the disposal at the Project of Acceptable Waste. The amount of any Acceptable Waste delivered to the Project pursuant to these contracts is delivered on behalf of the Authority.

(e) Notwithstanding any other provision of this Agreement to the contrary, the Authority may require the Company to use a site other than the Transfer Station (the "Alternate Transfer Station") for the delivery of Acceptable Waste to the Company, the acceptance of Acceptable Waste by the Company, and the conduct of other activities required by this Agreement to be performed by the Company at the Transfer Station. The Authority Representative must give written notice to the Company of any Authority Change that will necessitate the use of an Alternate Transfer Station within a reasonable period of time before the date on which the Company will be required to use the Alternate Transfer Station. If the Authority requires the Company to use an Alternate Transfer Station, (i) the Company must accept and Process or dispose of by other lawful means all Acceptable Waste delivered to the Alternate Transfer Station subject to the Company's right to reject waste pursuant to Section 4.2(a) and (ii) the provisions of this Agreement describing activities to be conducted at the Transfer Station will refer to the Alternate Transfer Station. The Authority is not obligated under any circumstances to designate an Alternate Transfer Station, but may designate any reasonable location (including, but not limited to, the Facility or the Designated Landfill) as the Alternate Transfer Station and may revoke its designation of an Alternate Transfer Station upon reasonable notice for any reason. Any Alternate Transfer Station designated by the Authority must be capable of being used by the Company to perform the Company's obligations that must be performed at the Transfer Station under this Agreement, to the extent these obligations may be modified pursuant to an Authority Change or Uncontrollable Circumstance, as the case may be. The Authority, at the direction of the County Representative, may

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17 Boldfaced text added pursuant to First Amendment. Boldfaced and underlined text added pursuant to the Second Amendment.

authorize delivery of waste from the Transfer Station to the Facility by means of transport other than rail haul. The Authority's designation of an Alternate Transfer Station or authorization of an alternate method of transportation as provided in this paragraph will, unless it is caused by the negligence, willful misconduct or violation by the Company of the requirements of this Agreement or any other Primary Project Agreement, constitute, and be implemented as, an Authority Change under Section 8.1(c) or a matter covered by Article IX (as the case may be).

(f) Subject to the provisions of Section 2.15, the Authority or the County may screen, sort or otherwise treat waste at the Transfer Station or any other location prior to delivery of such waste to the Company; provided, however, that these activities, if conducted on the Project Sites, may constitute an Authority Change if they materially and adversely affect the ability of the Company to perform its obligations under this Agreement.

4.2. Refusal of Deliveries.

(a) Extent of Refusal Rights

The Company, after the County or the Authority weighs the vehicles as required by Section 4.5, may reject deliveries of (i) Unacceptable Waste, (ii) Acceptable Waste that the Company is entitled to reject pursuant to Sections 4.2(c) and 4.9, (iii) Acceptable Waste to the extent the Company is prevented from accepting it at the Transfer Station or any Alternate Transfer Station by an Uncontrollable Circumstance, (iv) Acceptable Waste delivered at hours other than Receiving Hours or such other hours established under Section 4.4, (v) Processible Waste if the Company (a) has accepted at least 2,400 tons of Processible Waste at the Transfer Station during the previous 24 hours, (b) has accepted at least 14,000 tons of Processible Waste at the Transfer Station during the previous seven consecutive days, (c) has accepted at least 47,880 tons of Processible Waste at the Transfer Station during the previous 28 consecutive days; or (d) the Company has accepted Processible Waste at the Transfer Station at least equal to the amount of the Guaranteed Throughput Capacity during the Fiscal Year; (vi) Processible Waste to the extent that the receipt, storage, transportation or disposal of such waste would cause the Company to violate Applicable Law or the provisions of any agreement between the County and a third party regarding the transportation of waste to or the disposal of waste at the Designated Landfill; and (vii) Nonprocessible Waste if the Company has accepted at least 400 cubic yards of Nonprocessible Waste at the Transfer Station during the previous 24 hours; provided, however, that the Company must not reject Processible Waste solely because the limits set forth in clause (v), (vi) or (vii) above have been reached if the Company is able to accept additional waste consistent with normal Transfer Station operating hours,

Applicable Law and the Company's maintenance obligations under this Agreement. Waste rejected by the Company in accordance with this Section 4.2(a) constitutes Permissible Diverted Waste. Waste rejected by the Company for any reason other than as provided in this Section 4.2(a) constitutes Wrongfully Diverted Waste. 18

(b) Wrongful Refusal of Acceptable Waste

During a Fiscal Year, the amount of Wrongfully Diverted Waste that is deemed to be Processible Waste will be determined by multiplying the amount of Wrongfully Diverted Waste during such Fiscal Year by a fraction, the numerator of which is the amount of Processible Waste accepted by the Company during the immediately preceding Fiscal Year and the denominator of which is the amount of Acceptable Waste that the Company accepted during the immediately preceding Fiscal Year. The amount of Wrongfully Diverted Waste is used to calculate Liquidated Damages under Sections 5.1 and 5.2.

(c) Inspection of Delivered Waste

The Company must develop, upgrade and maintain an appropriate state-of-the-art screening program on the Transfer Station Site that is intended to prevent Unacceptable Waste from being accepted at the Project. This screening program must comply with Applicable Law and include the programs and practices set forth in the Waste Screening Protocol described in Schedule 15, as well as any additional programs and practices that are consistent with the requirements of Applicable Law and are required by an Authority Change. The County and the Authority must cooperate with the Company with regard to the screening programs. Neither inclusion of programs or practices in the waste screening program by the Authority or the County that do not conflict with Applicable Law, nor review or comment by the Authority or the County upon any Company proposal with regard to the waste screening program will relieve the Company of any of its obligations hereunder or impose any liability upon the Authority or the County.

The Company may inspect the contents of all vehicles delivering waste under this Agreement. The Company may require the Person delivering waste to separate all Unacceptable Waste from Acceptable Waste and to separate Processible Waste from Nonprocessible Waste. If separation is impractical, or if the Person delivering the waste refuses to make the separation, the Company may (i) in the case of Unacceptable Waste, reject the entire load or (ii) in the case of Nonprocessible Waste, treat the entire load as Nonprocessible Waste.

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18 Subsection 4.2(a) restated pursuant to Change Order #115.

The Company may refuse to accept Unacceptable Waste at any time before the Person who delivers it has left the Transfer Station Site and require the Person who delivered it promptly to remove all of the Unacceptable Waste, or the Company may remove such Unacceptable Waste, in either case at the Person's expense. The Company will use its best efforts to identify any Person who delivers Unacceptable Waste to the Project and will assist the Authority or the County in obtaining reimbursement from such Person for the expenses of removing the Unacceptable Waste from the Transfer Station and disposing of it. The Authority must reimburse the Company for direct costs incurred by the Company to remove and dispose of Unacceptable Waste delivered to the Project by or on behalf of the Authority to the extent provided in Section 4.8.

The Company must design, operate and maintain any and all screening programs on the Transfer Station Site to remove recyclable waste from waste to be delivered to the Company and direct or transport this recyclable waste to recycling facilities that are directed by the Authority pursuant to an Authority Change in accordance with Article VIII.

4.3. Processing of Waste.

(a) Beginning on the earlier to occur of the Acceptance Date or the first day of the Extension Period, and continuing throughout the term of this Agreement, the Company must Process, in accordance with this Agreement and Applicable Law, all Processible Waste delivered to the Company by or on behalf of the Authority pursuant to this Agreement, subject to the Company's rights under Section 4.3(b). The Company must deliver all Processible Waste which the Company is required to Process under this Agreement to the Facility by rail and transport all Nonprocessible Waste and Bypassed Waste directly from the Transfer Station by transfer trailer or other covered vehicle for disposal at the Designated Landfill or other lawful disposal site permitted under this Agreement.

(b) Notwithstanding Section 4.3(a), the Company may refuse to Process Processible Waste that it is required to accept under Section 4.2 only if (i) the Company cannot Process the Processible Waste as a result of an Uncontrollable Circumstance or due to the effects of an Authority Change or (ii) the Company has Processed, or received at the Facility for Processing, at least 2,400 tons of Processible Waste during the previous 24 hours; the Company has Processed, or received at the Facility for Processing, at least 14,000 tons of Processible Waste during the current calendar week; the Company has Processed at least 47,880 tons of Processible Waste during the previous 28 consecutive days; or the Company has Processed at least the Guaranteed Throughput Capacity during the Fiscal Year; provided further that these amounts reflect a Project that is accepted at the full Performance Standards and will be adjusted to reflect the acceptance of the Project at less than the full Performance Standards as provided in Article III **or any reduction in the Annual Facility Operating Level pursuant to Section**

8.3(a). 19 These amounts were determined based on the higher heating value of 5500 Btu/pound and are subject to adjustment to reflect a different higher heating value of waste Processed as provided in Schedule 10. These daily, seven day and twenty-eight day amounts must be appropriately adjusted in the event of the unavailability of sufficient amounts of water at the Facility as described in Section 5.4.1 of Schedule 5 and, upon 30 days prior written notice to the Authority Representative (and at least 3 days prior written notice for any adjustments that increase or decrease the duration of any particular scheduled downtime period) be reduced by up to 600 tons per day for up to a maximum of 31 days per Fiscal Year per combustion unit for scheduled downtime of such combustion unit. After the Acceptance Date, the Company will use reasonable efforts to Process waste in excess of the amounts set forth in clause (ii) of this paragraph to reflect additional waste Processing capacity of the Project provided that the utilization of this additional capacity is consistent with the Company's long term maintenance obligations under this Agreement. Processible Waste that is not Processed in accordance with this paragraph (b) constitutes Permissible Bypassed Waste. Processible Waste that is accepted by the Company and that the Company does not Process for any reason other than as permitted pursuant to this Section 4.3(b) is Wrongfully Bypassed Waste.

(c) The Company must minimize the performance of nonessential scheduled maintenance under this Agreement during periods other than Noncapacity Months. The Company must use reasonable efforts to perform scheduled maintenance on the turbine and other electricity generating equipment that reduces the electrical output of the Facility during Noncapacity Months, subject, however, to the Company's obligation to operate and maintain the Project in accordance with this Agreement, Applicable Law and prudent industry practices; provided, however, that in each Fiscal Year, the Company may perform up to ten days of maintenance on each boiler during periods other than the Noncapacity Months.

(d) The amount of Wrongfully Bypassed Waste is used to calculate Liquidated Damages under Sections 5.1 and 5.2. Wrongfully Bypassed Waste is not included in determining whether the Company has Processed the Guaranteed Throughput Capacity during the Fiscal Year.

4.4. Receiving Hours and Acceptance of Excess Waste.

(a) The Company must accept delivery of Acceptable Waste at the Transfer Station during the Receiving Hours, subject to the Company's rights of refusal under Section 4.2(a).

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19 Boldfaced text added pursuant to First Amendment.

(b) The Company must accept Acceptable Waste at the Transfer Station at hours other than the Receiving Hours, to the extent permitted by Applicable Law, upon reasonable prior notice of such delivery. Additional charges for Company operations outside of Receiving Hours pursuant to this Section 4.4(b) during a Fiscal Year must be set forth in a schedule prepared by the Company and delivered to the Authority in accordance with Section 5.3.

(c) At the request of the Authority Representative, the Company must use reasonable efforts, subject to the Company's long-term maintenance obligations and without obligating the Company to employ additional personnel or purchase additional capital equipment, to accept and dispose of more Acceptable Waste than the Company is obligated to accept under Section 4.2. Additional charges for the acceptance and disposal by the Company of additional Acceptable Waste during a Fiscal Year pursuant to this Section 4.4(c) must be set forth in a schedule prepared by the Company and delivered to the Authority in accordance with Section 5.3; provided that these charges must not be in excess of the amount set forth in clause (ii) of the definition of Approved Pass Through Costs set forth in Section 5.1.

(d) The Company must remove waste disposed of at the public unloading and drop-off area when notified by the County that a container is filled.

4.5. Scales and Weighing Records.

(a) Road Vehicle Scales

The County or the Authority must operate and maintain the two (2) road vehicle scales located on the west side of the scalehouse and the one (1) road vehicle scale located directly east of the scalehouse at the Transfer Station ("County Scales"). The County or the authority, at its expense must inspect, test and maintain the County Scales as required by Applicable Law.

The Company must operate and maintain the road vehicle scale as described in Section 7.19 of Schedule 1B located approximately thirty (30) feet east of the scalehouse at the Transfer Station ("the Company Scale"). The Company, at its expense must inspect, test and maintain the Company Scale as required by Applicable Law.

The Company must operate and maintain three (3) permanent road vehicle scales at the Facility Site (the "Facility Scales"). The Company, at its expense must inspect, test and maintain the Facility Scales as required by Applicable Law.

(b) Charging Press Compactor Scales

The Company may also use the three (3) charging press compactor scales to weigh all waste located into Containers for rail haul to the Facility, providing that these scales have been tested and approved in accordance with Applicable Law. If these compactor scales are being used to determine official weights for invoicing purposes then the Company, at its expense, must inspect and test these scales during such use, as required by Applicable Law.

(c) Weighing and Weight Records

All waste and recyclable material entering and exiting the Transfer Station must be weighed. All waste, if any, ash and ferrous metal exiting the Facility must be weighed. The Company, the County and the Authority shall ensure that this occurs by agreeing on a scale utilization plan, which may be changed from time to time by mutual agreement of the parties. The primary purposes of the plan are to allow for shared use of scales to enable scale weights to be recorded instead of estimates, and to reduce vehicle waiting times at scales. The plan shall, among other things, identify where each material is weighed, the party responsible for weighing each material, the weight record data, and the schedule of delivery of weight records to each party. The County shall ensure that all material to be weighed and data to be recorded and distributed is clearly accounted for in this scale utilization plan.

The County and the Company must complete a weight record for each of its weighings. At a minimum, the weight record must contain the description or type of material, gross weight in tons, tare weight in tons, net weight in tons, date and time, vehicle (including truck and trailer) identification, and container identification. The County and Company must keep copies of all of its weight records for at least three years.

The County or the Authority may require each road vehicle operator delivering waste to the Transfer Station to present to the scale operator a valid card, permit, identification or license before being allowed to move material on or off site.

The Company is responsible for establishing tare weights of all Authority and Company vehicles (including truck and trailer) and containers. The County or the Authority may reasonably require from time to time the revalidation of the tare weight of any vehicle (including truck and trailer), or container, or the reweighing of unloaded vehicles, or containers.

The Company must maintain applicable information and report this to CSX (with copies to the County and Authority) as required in the Rail Transportation Agreement and the scale utilization plan.

Daily records of the total tonnage and vehicle count of each material that crosses each scale must be maintained by the appropriate scale operator. A compilation of such information for each month shall be delivered to the County, the Authority and the Company, as applicable, within five (5) Business Days after the end of the month.

The Company, the County and the Authority may have an employee or representative at any scale at any time during normal operations to observe scale operations or to review weighing records.

(d) Scale Outage

The County and Company will agree on a scale utilization plan to utilize each other's scales to avert a "scale outage" and to improve vehicle movement. Accordingly, if one of the County Scales is not working properly or is being tested the County may utilize the Company Scale, and if the Company Scale is not working properly or is being tested then the Company may utilize the County Scales or the Company may upon prior notice to the Authority and County use the three (3) compactor charging press scales for determining quantities of waste located into Containers even if they have not been approved in accordance with Applicable Law, provided that the Company demonstrates the accuracy of these scales by a scale calibration done within 90 days prior to this notice. However, it is not intended that the Company Scale would be allowed to remain in a non-working condition with the intent that the compactor charging press scales could be used even though they had not been approved for use in accordance with Applicable Law. In addition, the Facility Scales shall be utilized by the Company, the County and the Authority where applicable to attempt to avert a "scale outage" at the Facility, and to record material weights during a "scale outage" at the Transfer Station.

If any road vehicle scale is not working properly or is being tested and other alternate weighing facilities and equipment meeting the requirements of Applicable Law are not available, a "scale outage" will occur. The Company, Authority and the County shall all be immediately notified by the scale operator by telephone of such scale outage. Upon receipt of such notice, the Company, Authority and the County will agree to either use other appropriate scales, where applicable, or reasonably estimate the quantity of material that crosses the scale on the basis of historical information. If such other appropriate scales are used,

appropriate scale data, as provided in this Section 4.5, shall be recorded by the scale operator and delivered to the Company, the Authority and the County as agreed to by the parties. If estimates are to be used, these estimates take the place of actual weighing records during the scale outage. In order to participate in the estimating during a scale outage, the Company, Authority, or the County must have an employee or representative present when each vehicle is loaded. If any party is not present, the other parties' estimate must be used. Any estimate made under this paragraph is final.

(e) Additional Testing of Scales

Either the Company, the Authority, or the County may request additional tests of any scale operated and maintained by another party. Such requests shall be in writing. The scale operator must make such additional tests in the presence of the requesting party. The costs of these tests shall be borne by the requesting party if the scale meets the accuracy requirements of Applicable Law. Otherwise, the scale operator shall bear the costs of the tests and shall immediately repair and re-certify the scales as required by Applicable Law.

If any test shows that a scale registers farther above or below the correct reading than permitted by Applicable Law, the charges and calculations based on inaccurate readings made within 30 days preceding the test must be corrected by the percentage of inaccuracy found. If a test of the scales has been performed during the preceding 30 days, only the readings and related charges and calculations made after that test must be corrected on the basis of the subsequent test. 20

4.6. Disposal of Nonprocessible Waste, Bypassed Waste, Recovered Materials, and Compost Facility Overs.

(a) The Company must weigh in accordance with Section 4.5 and load Residue produced at the Facility and ash contaminated rejects from the Facility's ferrous recovery system ("Ferrous Rejects") into Authority Containers; transport the loaded Authority Containers to the Facility's rail spur transfer point; and place the loaded Authority Containers onto Authority Railcars, all in accordance with Schedules 5 and 18 to this Agreement. The Authority will cause the Residue and Ferrous Rejects to be transported and disposed of at no cost to the Company in accordance with Schedule 18 to this Agreement and the Brunswick Agreement.

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20 Section 4.5 restated pursuant to Change Order #64.

(b) The Company must weigh in accordance with Section 4.5 and load Nonprocessible Waste and Bypassed Waste identified at the Facility into Authority Containers other than Authority Containers in which Residue or Ferrous Rejects have been loaded; transport the loaded Authority Containers to the Facility's rail spur transfer point; and place the loaded Authority Containers onto Authority Railcars, all in accordance with Schedules 5 and 18 to this Agreement. The Authority must cause the Nonprocessible Waste and Bypassed Waste to be transported and disposed of at no cost to the Company in accordance with Schedule 18 and the Brunswick Agreement.

(c) The Company must weigh in accordance with Section 4.5, and load Bypassed Waste and Nonprocessible Waste, identified at the Transfer Station into Authority Trailers or dump trucks and trailers/containers supplied by the Authority. The Authority must cause such Authority Trailers, dump trucks and trailers/containers to be transported and the waste to be disposed of at no cost to the Company in accordance with Schedule 18 and the Brunswick Agreement.

(d) The Authority must supply or cause to be supplied, the equipment specified in Section 7.17 of Schedule 1B to this Agreement for use by the Company at the Facility and the Transfer Station. This equipment is provided to the Authority, for the Authority's use as provided by the County pursuant to the Brunswick Agreement. The Authority shall modify the Facility rail yard in accordance with Section 7.18 of Schedule 1B to this Agreement.

(e) The maintenance responsibilities of the Authority and the Company for certain equipment and facilities used in connection with the activities described in this Section 4.6 are as set forth in Schedule 18 to this Agreement.

(f) The Company must remove Recovered Materials from the Facility by rail or covered vehicles. The Company must use its best efforts to market Recovered Materials and, if requested by the Authority Representative, must dispose of all unmarketed Recovered Materials without using the Designated Landfill.

(g) The Authority will supply, or cause to be supplied, an adequate number of Authority Containers as needed to prevent the buildup of Residue in the Residue pit. The Company shall manage the inventory of Residue in the Residue pit and the number of available Authority Containers to allow for surges and to minimize the use of additional equipment. The Company shall promptly notify the Authority if an adequate number of Authority Containers is not available.

(h) Upon the request of the Authority Representative in accordance with Section 8.1(c), the Company must change its method of transportation or transportation operations as described in paragraphs (a), (b), (c), (d), (e), (f) and (g) of this Section.

(i) The Company must transport and Process rejects from the County's yard trim screening operation (the "Overs") at the Dickerson Yard Trim Composting Facility (the "Compost Facility") provided open top containers are available at the Facility Site. The Company will transport the empty container and chassis from the Facility Site to the Compost Facility scale for weight determination. The County or its contractor must weigh the empty container and chassis on the Compost Facility scale as operated by the County or its contractor prior to loading the Overs. The County or its contractor will load the Overs into the container. The Company will transport the loaded container and chassis onto the Compost Facility scale for loaded weight determination. The County or its contractor will weight the filled container before the Company removes the container from the Compost Facility. The County will share these weigh records with the Company for the purpose of determining the amount of Overs Processed by the Company. The Company will Process the Overs as Processible Waste at the Facility Site. 21

4.7. Hazardous Waste.

(a) The Company must develop a plan for the safe identification, handling and disposal of Hazardous Waste discovered at the Project (the "Hazardous Waste Plan"). The Company must remove and dispose of all Hazardous Waste discovered at the Project in accordance with this Agreement, the Hazardous Waste Plan, Applicable Law and any additional procedures reasonably required by the Authority as an Authority Change in connection with the handling and disposal of Hazardous Waste (collectively, the "Hazardous Waste Protocol"). To the extent any permit, license, manifest or approval is required for the storage, transportation or disposal of any Hazardous Waste delivered to the Project by or on behalf of the Authority under this Agreement, the Company must acquire the permit, license, manifest or approval, in the name of the County. The Authority must cooperate with the Company, and the Authority must cause the County to cooperate with the Company by executing all applications and other documents and providing consents, approvals or information (other than consents or approvals to be granted by the County in its governmental capacity, which will be granted or denied based on the criteria, and exercise of discretion, required by Applicable Law) as may be necessary or convenient to the Company's obtaining this permit, license, manifest or

21 Section 4.6 restated pursuant to Change Orders #62 and 76. Boldfaced and underlined text amended pursuant to Change Order #88.

approval. To this end, the Authority must cause the County to obtain and maintain an Environmental Protection Agency identification number in the name of the County pursuant to 40 CFR §262.12 (b) and a Maryland identification number pursuant to COMAR 26.13.03.03, as amended, for the Transfer Station Site prior to the Commencement Date, and for the Facility Site not later than the date the Company is scheduled to begin start-up operations at the Facility as provided in a written notice from the Company delivered to the Authority at least 90 days prior to this date.

(b) So long as the Company (i) acts in accordance with the Hazardous Waste Protocol, (ii) enforces its, the Authority's and the County's rights to payments under applicable insurance policies arising from the discovery of Hazardous Waste at the Project, and (iii) upon the reasonable request of the Authority, assists the Authority in the enforcement of the Authority's right to payment from third parties (other than applicable insurance companies) due to the discovery of Hazardous Waste, the Authority must reimburse the Company for Hazardous Waste Costs incurred by the Company due to any Hazardous Waste which was delivered to the Transfer Station in a vehicle owned or operated by the County, the Authority or a Designated Hauler, provided that such vehicle is correctly identified by the Company as the particular vehicle that delivered the Hazardous Waste to the Transfer Station. The Authority must, at its election, (i) direct the Company to dispose of the Hazardous Waste and reimburse the Company for the reasonable direct costs incurred by the Company to dispose of such Hazardous Waste pursuant to paragraph (a) above, or (ii) accept and dispose of such Hazardous Waste in accordance with Applicable Law.

(c) The Company must dispose of Hazardous Waste in accordance with the Hazardous Waste Protocol at its sole cost if such Hazardous Waste is delivered to the Project by the Company, or any of its Affiliates or any Person other than the Authority, the County or their Designated Haulers, for any purpose, including, without limitation, the conduct of maintenance on the Project or normal or extraordinary operating procedures or otherwise.

(d) The Company must, during each Fiscal Year, pay (without reimbursement from the Authority) the first $200,000, adjusted by the Inflation Adjustor, of Hazardous Waste Costs incurred due to any Hazardous Waste that is delivered to the Project by any Person other than a Person described in Section 4.7(b) ("Unidentified Hazardous Waste"). After making the payments described in the preceding sentence, the Company must pay (without reimbursement from the Authority) 50 percent (50%) of any additional Hazardous Waste Costs incurred in a Fiscal Year due to Unidentified Hazardous Waste, subject to the limitations set forth in the next sentence. During each Fiscal Year the Authority must reimburse the Company for (A) 50% of Hazardous Waste Costs in excess of $200,000, adjusted by the Inflation Adjustor, that are paid by the Company and result from Unidentified Hazardous Waste and (B) all Hazardous Waste Costs that are paid by

the Company during a Fiscal Year due to Unidentified Hazardous Waste, after the Company has paid (without reimbursement from the Authority) $1,000,000, adjusted by the Inflation Adjustor, for Hazardous Waste Costs during the Fiscal Year due to Unidentified Hazardous Waste. All payments required of the Authority under this Section must be made within 45 days of receipt by the Authority of (1) an invoice therefor, accompanied by reasonable documentation of such Hazardous Waste Costs, and (2) written verification that the Company has paid the first $200,000, adjusted by the Inflation Adjustor, or a total of $1,000,000 adjusted by the Inflation Adjustor (as the case may be) of Hazardous Waste Costs due to Unidentified Hazardous Waste during the Fiscal Year. If, after the date on which the Authority makes a payment under this subsection, the Company receives proceeds from insurance or any other third party for any Hazardous Waste Costs, the Company must reimburse itself and the Authority pro rata, in accordance with amounts previously paid for their respective shares of such costs which each has previously paid.

4.8. Disposal of Unacceptable Waste.

The Company must dispose of Unacceptable Waste (other than Hazardous Waste) that is accepted by the Company at a Designated Landfill or, if Unacceptable Waste is not acceptable at the Designated Landfill, at an alternative disposal site in accordance with Applicable Law. The Authority will reimburse the Company for the actual costs incurred by the Company for the removal from the Project and the transportation and disposal of Unacceptable Waste (other than Hazardous Waste), excluding (1) any and all costs or liabilities incurred due to the Company's failure to comply with the requirements of this Agreement or the negligence or willful misconduct of the Company or its personnel or subcontractors in connection with Unacceptable Waste or (2) any and all costs or liabilities paid by any third party or insurance policy.

4.9. Manner of Deliveries; Vehicle Size; Rules and Regulations.

The Company must implement and enforce the rules and regulations for the delivery of waste to the Transfer Station attached to this Agreement as Schedule 17, which include regulations regarding vehicular movement on the Transfer Station Site and inspections to prevent the delivery of Unacceptable Waste or the use of vehicles that may leak or spill refuse. No other rules or regulations are effective against the Authority, the County or Designated Haulers unless approved by the Authority Representative and the County Representative, which approval must not be unreasonably withheld.

The Company may refuse to receive Acceptable Waste for a period prescribed in the Company's rules and regulations (which, except as provided in this Section, may not exceed 30 days) from any Designated Hauler (other than the County) that within any six-month period commits three violations if the Company

gives the Designated Hauler, the County and the Authority three Business Days' written notice. This notice must contain the name of the affected Designated Hauler, the reasons for such refusal and the duration of such refusal. The Company may refuse to accept Acceptable Waste for a period not exceeding six months from any Designated Hauler which has delivered or attempted to deliver Hazardous Waste to the Project if the Company gives the Designated Hauler, the County and the Authority three Business Days' written notice. Subject to Applicable Law, the Authority must cooperate with the Company in connection with the enforcement of its rules and regulations for the Project.

4.10. Contract for Project Management.

(a) The parties acknowledge that the dependable operation and maintenance of the Project is in the interests of the parties to this Agreement. The Company must not enter into or maintain any contract or subcontract with any Person other than an Affiliate of the Company or an Approved Subcontractor for any substantial portion of the operation, management or control of the Project or the performance of any of the Company's obligations under this Agreement if the amount to be paid to such Person under the contract or subcontract during any calendar year exceeds $500,000 without the prior approval of the Authority Representative; provided, however, that the approval of the Authority Representative is not required for contracts for the purchase of scrubber reagent, water treatment chemicals, lubricants, auxiliary fuel, ammonia, urea, and telephone, telecopy, computer and copier services. The procedures to be followed in obtaining the approval of the Authority Representative will be the procedures set forth in Section 2.2. The Authority Representative may withhold its approval for any reason upon which the Authority Representative may disapprove or reject a proposed Company subcontractor pursuant to Section 2.2 of this Agreement.

(b) No contract or subcontract between the Company and any other Person will affect the Company's obligations under this Agreement.

4.11. Repairs and Maintenance.

(a) The Company, at its own expense, must operate and maintain the Project and the Project Sites in good condition at all times and in accordance with the requirements of Applicable Law and the Project Agreements. The Company must make all repairs and replacements required and conduct its operation so as to cause the Project to satisfy the Performance Standards, to enable the Company to perform its obligations under this Agreement and to maintain manufacturer's warranties, proprietary licensing agreements or Required Insurance in effect. The Company must maintain the safety of the Project at a level consistent with Applicable Law and normal waste-fired boiler and steam generating plant practices. The Company must perform periodic maintenance described in Schedule 13 and the Operation and Maintenance Manual. Upon reasonable notice and the request of the

Authority Representative or the County Representative, the Company must permit the Authority Representative, County Representative and the Consulting Engineer to inspect the Company's maintenance records. The Company must maintain the Project Sites in good repair and in a neat and orderly condition to protect the Project and the Project Sites against deterioration and to maintain the aesthetic quality of the Project and the Project Sites. The Company must maintain a current written inventory of all tools, equipment and supplies having a value in excess of $100.00 that are used in connection with the operation and maintenance of the Project and must make a reproducible copy of such inventory available to the Authority Representative or the County Representative on request. On the Company Termination Date, the Company must deliver the Project to the Authority or its designee, in good condition and repair, reasonable wear and tear excepted.

(b) The Company agrees to perform certain housekeeping items at the Facility as described and in the time frames set forth in Schedule 53 (the "Scheduled Housekeeping List").

(c) Disputes arising out of the Parties' obligations under this Section, including but not limited to obligations set forth in Schedule 13, shall be resolved pursuant to Section 14.15 of this Agreement. 22

4.12. Authority and County Access.

The Authority, the County and their respective agents, licensees and invitees may visit or inspect the Project and the Project Sites at any reasonable time during the term of this Agreement after giving the Company 24 hours' notice. The Authority Representative or its designees, the County Representative or its designees and the Consulting Engineer may inspect the Project and the Project Sites at any time and from time to time without notice. The Authority, the County and their respective agents, licensees and invitees must conduct visits to the Project and the Project Sites in a manner that does not cause unreasonable interference with the Company's operations. The Company may require any Person on the Project Sites to comply with its reasonable rules and regulations and to sign a statement agreeing (a) to assume the risk of the visit but not the risk of injury due to the intentional or negligent acts of the Company or any of its subcontractors, agents or employees and (b) not to disclose or use any Confidential Information of the Company other than for the purpose for which it was furnished or, in the case of Authority or County employees and agents, except in accordance with Section 14.11.

4.13. Clean-Up and Disposal.

The Company must keep the Project Sites free from accumulation of waste materials or rubbish caused by operations at the Project Sites and must

22 Boldfaced text added pursuant to Change Order #115.

maintain and operate the Project so as to prevent the Project from becoming a nuisance under Applicable Law. The Company must promptly dispose of all waste materials and rubbish that accumulate at the Project Site in accordance with Applicable Law. If the Company fails to clean up or dispose of waste materials and rubbish at the Project Site as required by this Agreement, upon 24 hours' prior notice to the Company, the Authority or the County may clean-up or dispose of such waste and (i) during the Construction Period, the Authority may reduce the amounts payable in respect of the Construction Period Service Fee or the Delay Period Service Fee (as the case may be) by an amount equal to the reasonable direct costs incurred therefor or (ii) after the Acceptance Date the Authority may reduce the Service Fee by an amount equal to the cost thereof.

4.14. Annual Inspection.

The Consulting Engineer or any other Person designated by the Authority (the "Inspector") may conduct an inspection of the Project annually to determine that the Project is being operated and maintained in accordance with this Agreement and the other Project Agreements. The Company must cooperate with the Person conducting this inspection and provide all data, records and assistance required by the Inspector. The Inspector must provide the Authority, the County and the Company with the results of the inspection. Neither the performance of any inspection nor the failure to perform any inspection pursuant to this Section 4.14 creates any liability of the Authority or the County to the Company, to third parties or otherwise, or relieves or excuses the Company of any of its obligations under this Agreement.

4.15. Business of Company.

The Company must not engage in any business or enterprise except the design, construction, engineering, equipping, testing, operation and management of the Project and the performance of its obligations under this Agreement and the other Project Agreements.

4.16. Regulatory Requirements.

The Company must perform its obligations under this Agreement and operate the Project in accordance with all requirements of Applicable Law. The Company must obtain and maintain, or cause to be obtained and maintained, all permits and licenses required by Applicable Law to perform its obligations under this Agreement, provided that the Company will not breach its obligations under this Section if (a) the Company is contesting the Applicable Law in good faith by appropriate proceedings conducted with due diligence and Applicable Law permits continued operation of the Project pending resolution of the contest or (b) the Company is diligently seeking to comply with such Applicable Law or to obtain or

maintain any such permit or license and Applicable Law permits continued operation of the Project.

4.17. Environmental Monitoring.

The Company must conduct the environmental monitoring tests and purchase, install, operate and maintain the environmental monitoring equipment set forth in Schedule 19. If the environmental monitoring programs reveal the Company has failed to satisfy its environmental guarantee and the criteria set forth in Schedule 19, the Company must take such actions and pay damages to the Authority as set forth in Schedule 19.

4.18. Operation and Maintenance of Compactor #4 at Transfer Station.

Prior to the first use of the compactor and within 90 days of completion of the installation, the Company will develop a written "Compactor #4 O&M Plan" that is acceptable to the County, Authority, and Company. The Compactor #4 O&M Plan, which will be developed in accordance with the manufacturer's recommendation and current Transfer Station practices, will set conditions for operating and maintaining Compactor #4. The Compactor #4 O&M Plan will include steps to properly start-up, shut down and provide regular maintenance for the intended intermittent use of the compactor. Any party may alter the Compactor #4 O&M Plan upon written consent of all parties. The Company will perform all operations in accordance with the Compactor #4 O&M Plan.

The Company shall be responsible for operating, maintaining and replacing Compactor #4 and all costs associated with O&M of Compactor #4 described below pursuant to Section 4.11 of this Agreement. These costs include:

- **Operating and maintaining Compactor #4 equipment**
- **All repairs not covered by Manufacturers warranties**
- **All repairs not covered by installation warranties**
- **Outage and overhaul costs**

The electrical costs for Compactor #4 will be an Approved Pass Through Cost in accordance with Section 5.1(a)(iv) and Schedule 29 of this Agreement. The insurance and insurance cost for Compactor #4 will be handled in accordance with this Agreement. 23

23 Section 4.18 added pursuant to Change Order #93.

4.19. Transfer Station Public Unloading Facility Waste Disposal Drop-Off Area (PUF).

The Company will provide operating and maintenance services for the operation of the PUF in accordance with Schedule 48. The Authority has the right to consider and exercise a terminate for convenience provision regarding the Company's operation of the PUF. Such termination shall not cause the termination of the Company's operation at the Transfer Station or at other sites identified in the Service Agreement. Termination of the Company's operation at the Transfer Station shall cause termination of the Company's operation at the PUF and the Upper Lot. 24

4.20. Electricity Supply at the Transfer Station.

The Company shall pay for the purchase of electricity from the solar array in accordance with Section 6.1 of the SPSA. The Company shall be responsible for the procurement of contracts to provide electricity from electricity suppliers or purchase electricity from PEPCO to supplement the electricity provided from the solar array at the Transfer Station for use at the Transfer Station upon the expiration of any existing contracts for electricity supply from a wholesale power supplier. These procurements shall be done with input and support from the Authority and their advisors and no contracts shall be signed without the approval of the Authority. If an electricity supplier is not chosen, the Company will purchase electricity from the utility. Costs of metered use will be reimbursed to the Company in accordance with Section 5.1 (a) (iv). Charges from the Solar Service Provider for costs other than actual metered electric energy used by the Company shall not be included in the determination of reimbursement under Section 5.1 (iv), but shall be considered an Approved Pass Through Cost. Such charges include, but are not limited to potential damages due to the Provider or costs for consultants performing work related to the Project, if such costs are not the result of actions taken by the Company. Encumbered charges resulting from the actions of the Company will be billed separately to the Company. 25

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24 Section 4.19 added pursuant to Change Order #99, and underlined text added pursuant to Change Order #114.

25 Section 4.20 added pursuant to Change Order #107 and underlined text added pursuant to Change Order #111.

4.21. Upper Lot.

The Company will provide operation and maintenance services for the operation of the Upper Lot at the Transfer Station in accordance with Schedule 49 of this Agreement. The Authority has the right to consider and exercise a terminate for convenience provision regarding the Company's operation of the Upper Lot. Such termination shall not cause the termination of the Company's operation at the Transfer Station or at other sites identified in the Service Agreement. Termination of the Company's operation at the Transfer Station shall cause termination of the Company's operation at the Upper Lot and the PUF. 26

4.22. SNCR, Inconel and LN™ Improvements.

The Company agrees to design, engineer, construct, install, operate and maintain certain improvements to the Resource Recovery Facility to accomplish a replacement and upgrade of the NOx emission control system and to install improvements to lower the overall NOx emissions from the Facility. Requirements, specifications, and other details of this change, including contractual provisions governing the parties' rights and responsibilities in the event Company obtains a patent or patents regarding the LN™ low NOx system, are set forth in Schedule 54. 27

4.23. Ash Reduction Initiative.

The Company intends to decrease the Facility's historic ash production levels by installing new ash reduction systems (the "Ash Systems") at its sole cost and expense. In connection therewith, the Company will target, though not guarantee Residue generation that annually on a wet basis, does not exceed 0.278 tons of Residue (excluding Recovered Materials) per ton of waste Processed (as adjusted to account for the actual amount of reagent injected in connection with operation of the mercury control and dolomitic lime addition systems, but in no event more than 0.022 tons of Residue on a wet basis per ton of waste Processed which is derived from a rate of 2 lbs of carbon added per ton of waste processed and 20 lbs of dolomitic lime with an equivalent amount of water added per ton of waste Processed) (the "Ash Reduction Target"). The Company's efforts to attain the Ash Reduction Target shall commence no later than September 1, 2012 with the goal of commencing reduction on July 1, 2012, if reasonably possible.

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26 Section 4.21 added pursuant to Change Order #114.

27 Section 4.22 added pursuant to Change Order #106.

In order to confirm its commitment to annually attain the Ash Reduction Target, the Company agrees that for any Fiscal Year in which it fails to meet the Ash Reduction Target, the Company shall pay the Authority its Residue Disposal Costs for that Fiscal Year (prorated for any period less than a full Fiscal Year) for the difference between the actual Residue tons on a wet basis (excluding Recovered Materials) and the Ash Reduction Target (the "Ash Reduction Target Shortfall Fee"). The Company's obligation to pay the Ash Reduction Target Shortfall Fee shall begin on September 1, 2012 and shall be in effect for each subsequent fiscal year. The Ash Reduction Target Shortfall Fee shall not exceed $500,000 for any Fiscal Year (escalated in accordance with the Operating Charge Inflation Adjustor, utilizing Fiscal Year 2012 as the Base Year and pro-rated for any period less than a full Fiscal Year). The Ash Reduction Target Shortfall Fee shall be the Authority's sole remedy for the Company's failure to achieve the Ash Reduction Target and shall be reconciled annually at the conclusion of each Fiscal Year.

The Parties acknowledge that the Ash Systems may minimally increase ash dusting within the Facility as a housekeeping matter. That notwithstanding, the Company reconfirms its commitment to comply with all Applicable Laws regarding the Facility, including the Ash Systems, as required by the Service Agreement. The Parties agree to cooperate to put into effect procedures that will minimize any increased dusting from the installation of the Ash Systems.

The Parties agree that for any Fiscal Year in which the Project generates Residue below the Ash Reduction Target, the Authority shall share all of its savings in Residue Disposal Costs associated therewith equally with the Company, as reflected in Subsection 5.1(vii). 28

4.24. Adjustment to Energy Revenue Sharing.

No later than each March 1st during the initial Term of the Service Agreement or any renewal thereof, the Parties will mutually determine the appropriate energy production strategy to be applied in the succeeding Fiscal Year, taking into account the then current energy contract and the anticipated Facility waste volumes. The Parties may implement an Energy Revenue Optimization Incentive Agreement in the form of Schedule 52 or continue with the Guaranteed Kilowatt Production ("GKP") approach that is outlined in Section 5.4.2 of Schedule 5 to the

28 Section 4.23 added pursuant to Change Order #115.

Service Agreement. The Parties agree that the Company will be entitled to relief of the GKP for Permissible Turbine Downtime. 29

5. SERVICE FEE; LIQUIDATED DAMAGES; AND PAYMENTS

5.1. Service Fee. 30

(a) From and after the Acceptance Date, the Authority must pay the Company the Service Fee for the disposal of all Acceptable Waste delivered to the Company by or on behalf of the Authority or its Designated Haulers and accepted by the Company for disposal under this Agreement during a Fiscal Year. The Service Fee for a Fiscal Year is an amount, which may be a positive or negative number, equal to the sum of the (i) Operating Charge ("OC"), plus (ii) Approved Pass Through Costs ("APTC"), plus (iii) Revenue Credits ("RC"), plus (iv) Service Fee Adjustments ("SFA"), minus (v) Liquidated Damages ("LD"). The Service Fee is expressed as the following formula:

$$SF = OC + APTC + RC + SFA - LD$$

Where:

"Operating Charge" for a Fiscal Year, is an amount equal to the amount calculated according to Schedule 40. The Authority will prorate the Operating Charge for any Fiscal Year in which the Service Fee is not in effect for the entire Fiscal Year or for any Fiscal Year consisting of less than 12 full calendar months. The Operating Charge includes all amounts payable to the Company for the performance by the Company of the Authority's obligations under the Project Agreements, the proper operation, ordinary and extraordinary maintenance (including, without limitation, all timely renewals and replacements) of the Project and the performance by the Company of its obligation to pay the Company Contribution and all of its obligations under this Agreement, except the items included as Approved Pass Through Costs and Service Fee Adjustments.

"Approved Pass Through Costs" for a Fiscal Year, is an amount equal to the sum of the following items, without duplication of amounts. Except for amounts paid pursuant to clause (ii) below, the amount of Approved Pass

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29 Section 4.24 added pursuant to Change Order #115.

30 Section 5.1 restated in full pursuant to Third Amendment.

Through Costs must not exceed the amount of the actual out-of-pocket costs incurred by the Company for the following items:

(i) An amount equal to the sum of the aggregate fees paid by the Company to the Authority, the County or any other operator of the Designated Landfill during the Fiscal Year for the disposal of Nonprocessible Waste, Permissible Bypassed Waste and Qualified Residue at the Designated Landfill; and

(ii) Commencing on the Acceptance Date, the Company will receive as an excess waste disposal fee during a Fiscal Year an amount equal to the sum of: (A) 8.20 (adjusted by the Operating Charge Inflation Adjustor) multiplied by the number of tons of Nonprocessible Waste and Permissible Bypassed Waste that the Company accepts and loads into the Authority Trailers or containers in accordance with Section 4.6 during the Fiscal Year before the Company has accepted and Processed 558,450 tons of waste plus the number of tons of Overs transported and Processed under Section 4.6 (adjusted pursuant to Sections 8.1, Changes in Design, Construction or Operation, and 9.5, Changes Necessitated by Uncontrollable Circumstances) during such Fiscal Year; (B) the following amounts (escalated in accordance with the Operating Charge Inflation Adjustor, utilizing Fiscal Year 2012 as the Base Year) multiplied by the number of tons of waste that the Company accepts and Processes during the Fiscal Year after the Company has processed 558,450 tons of waste plus the number of tons of Overs transported and Processed in accordance with Section 4.6 (adjusted pursuant to Sections 8.1, Changes in Design, Construction or Operation, and Section 9.5, Changes Necessitated by Uncontrollable Circumstances) in accordance with the following Table:

558,450 to 568,450 tons: $29.71/ton
568,450 to 578,450 tons: $27.00/ton
578,450 to 588,450 tons: $25.00/ton
588,450 tons and above: $22.00/ton 31

(C) 10.20 (adjusted by the Operating Charge Inflation Adjustor) multiplied by the number of tons of Acceptable Waste that the Company accepts and loads into the Authority Trailers or containers in accordance with Section 4.6 during the Fiscal Year after the Company has accepted and Processed 558,450 tons of waste plus the number of Tons of Overs transported and Processed in accordance with Section 4.6 (adjusted pursuant to Sections 8.1, Changes in Design, Construction or Operation, and 9.5, Changes Necessitated by Uncontrollable Circumstances) during such Fiscal Year.

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31 Subsection 5.1(a)(ii)(B) restated in full pursuant to Change Order #115.

NOTE: the fee for tons of Overs Processed is addressed in Section 5.1(a)(xxvi) and shall not be double billed in this paragraph, as shown in the example calculation below; and

(iii) The aggregate amount paid by the Company during the Fiscal Year for transportation and disposal of Recovered Materials that cannot be marketed by the Company as provided in Section 4.6; and

(iv) An amount equal to the sum of (A) the lesser of (1) the total amount actually expended by the Company at the Facility for purchase from utilities or electricity suppliers of potable water, sewage service, electricity and electric demand during the Fiscal Year or (2) the total amount that would have been expended for the purchase from utilities or electricity suppliers of potable water, sewage service, electricity and electric demand at the Facility in amounts equal to the Guaranteed Maximum Utility Utilization at the Facility at the actual average rate as determined from actual billings from the utilities or electricity suppliers for that Fiscal Year as illustrated in Schedule 29 and (B) the lesser of (1) the total amount actually expended by the Company at the Transfer Station for purchase from utilities or electricity suppliers of potable water, sewage service, electricity and electric demand during the Fiscal Year or (2) the total amount that would have been expended for the purchase from utilities or electricity suppliers of potable water, sewage service, electricity and electric demand at the Transfer Station in amounts equal to the Guaranteed Maximum Utility Utilization at the Transfer Station at the actual average rate as determined from actual billings from the utilities or electricity suppliers for that Fiscal Year as illustrated in Schedule 29; provided that (i) the Authority will pay only the electricity demand charge at the Facility for the first six billing periods in which a demand charge occurs during a Fiscal Year, (ii) for the purposes of calculating the average electric demand charge price at the Facility, only the first six billing period invoices which contain an electric demand will be used, (iii) for the purposes of this Section 5.1(a)(iv), all taxes, including sales tax, associated with the utility or electricity supplier charges described above shall be paid as part of this Pass Through Section and shall be included in the calculations described above, (iv) the water consumption and wastewater discharge components of the Guaranteed Maximum Utility Utilization set forth in Part A of Schedule 29 must be adjusted on a pro rata basis by the Authority if the Company Processes more than the Guaranteed Throughput Capacity (without any adjustment for higher heating value) during the Fiscal Year and (v) all of the components of the Guaranteed Maximum Utility Utilization set forth in Part B of Schedule 29 must be adjusted on a pro-rata basis if the Company accepts more than 821,250 tons of waste at the Transfer Station during the

Fiscal Year. For the purposes of this Agreement, the Authority's Solar Service Provider should be considered an electricity supplier; [32] **and**

(v) The aggregate amount paid by the Company during the Fiscal Year pursuant to the Rail Transportation Agreement for (A) transporting Acceptable Waste from the Transfer Station to the Facility in conformance with the packaging and rail car utilization performance standards set forth in Section 5.4.6 of Schedule 5 and (B) transporting certain materials from the Facility to the Transfer Station in conformance with the packaging and rail car utilization performance standards set forth in Section 5.4.6 of Schedule 5, provided that such amount must not include increased payments, damages or extraordinary charges or costs paid by the Company pursuant to the Rail Transportation Agreement if such payments were the result of the negligence, gross negligence or willful misconduct of the Company or the failure of the Company to perform its obligations in accordance with this Agreement or the other Primary Project Agreements or the unexcused failure of the Company to perform its obligations under the CSX Overtime Protocol; and

(vi) The aggregate amount paid by the Company during the Fiscal Year for increases in permit and license fees over the levels in effect on February 1, 1990, and for taxes, fees, assessments, and other charges based on or measured by the value of real or personal property levied or imposed on the Company, the Project or the Project Sites by the County (or any agency, public authority, special district, subdivision or other instrumentality of the County), the State of Maryland, the United States or any other governmental entity or authority having jurisdiction over the Project or the Project Sites, but not including (A) any such taxes, fees, assessments or other charges that are based on or measured by net income, sales or excise taxes, user fees, assessments or other charges or benefits, services, utilities, licenses or permits, in each case payable by a broad range of businesses and industries and not imposed on or levied against only waste, waste disposal services or waste disposal facilities, and (B) interest, penalties or fines; and

(vii) The aggregate amount paid by the Company during the Fiscal Year for sales or use taxes payable by the Company in connection with its performance of its maintenance and operation obligations under this Agreement, provided that the sales or use taxes paid in connection with the purchase from utilities of potable water, sewage service, electricity and electric demand will only be paid in accordance with Section 5.1(a)(iv); and

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[32] Subsection 5.1(a)(iv) revised pursuant to Change Orders #107 and 111.

(viii) The portion of the premiums payable on insurance coverages provided by the Company for the insurance coverages shown below in accordance with Schedule 12; and the premiums payable on the insurance coverages provided by the Company for all other insurance coverages in Schedule 12;

(a) Workers' Compensation Insurance – 90% (to reflect that payroll related to the truck shuttle operation is not to be an Approved Pass Through Cost)

(b) Employer's Liability Insurance – 90% (to reflect that payroll related to the truck shuttle operation is not to be an Approved Pass Through Cost)

(c) Comprehensive Automobile Liability Coverage – 0% on trucks and chassis used for the rail truck system at the Transfer Station and the Facility and 100% on all other vehicles

(ix) The aggregate amount of all payments made by the Company to CSX, PEPCO or third parties pursuant to the Primary Project Agreements (other than this Agreement and other than as provided in clauses (iv) and (v) of this Section) during a Fiscal Year, except any payments made by the Company as a result of (A) the negligence or willful misconduct of the Company; or (B) the Company's unexcused breach of, or failure to perform its obligations under, this Agreement (including, without limitation, satisfaction of the Performance Standards) or any other Primary Project Agreement (other than the Primary Project Agreement pursuant to which the payment is being made); or (C) the unexcused breach of, or failure to perform its obligations under the CSX Overtime Protocol provided that such amount must not be duplicative of the amount described in clauses (iv) and (v) or include any costs that result from utility usage in excess of the Guaranteed Maximum Utility Utilization or are paid by the Company under the Rail Transportation Agreement for the purchase of railcars or for the haulage of Excess Residue; and

In case any action shall be brought against the Company, in respect of which payment may be sought against the County or the Authority pursuant to this clause (ix), the Company must promptly notify the County and the Authority in writing, and the County and/or the Authority will be entitled to participate, at their own expense, in the defense, or if they so elect, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such

claim, but if they so elect to assume the defense, such defense will be conducted by counsel chosen by them and approved by the Company, which approval will not be unreasonably withheld. In the event that the County elects to assume the defense of any such suit and retains such counsel, the Company will cooperate in such defense and have the right to retain separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Company unless the retaining of such counsel has been specifically authorized by the County. Neither the County nor the Authority will be liable for amounts payable in respect of any settlement of any such action effected without the consent of the County. If the Company makes payments in satisfaction of such an action pursuant to a settlement made with the consent of the County or pursuant to a judgment for the plaintiff, then said payments will be Approved Pass Through Costs under this Section 5.1(a)(ix); and

(x) The aggregate amount of all reasonable out-of-pocket costs and liabilities to third parties and penalties paid by the Company or its Affiliates during the Fiscal Year pursuant to Applicable Law as a result of the use of the Designated Landfill by the Company for the disposal of waste and Residue in accordance with this Agreement, the presence of Brunswick Waste Management Facility, Inc. or its contractors at the Project Sites, or in connection with its presence at the Transfer Station, handling or disposal of RACM hereunder (including, without limitation, reasonable out-of-pocket costs of response, removal, remediation, any other clean-up costs, liabilities and penalties under the Comprehensive Environmental Response Compensation and Liability Act [42 U.S.C. 9601 et seq-1.], the Solid Waste Disposal Act [42 U.S.C. 6901 et seq.] and the Maryland Hazardous Substances Spill Response Law (Maryland Annotated Code, Health Environmental Article, §§7-201, et. seq.) or comparable local, State or federal law; and

In case any action shall be brought against the Company, in respect of which payment may be sought against the County or the Authority pursuant to this clause (x), the Company will promptly notify the County and the Authority in writing, and the County and/or the Authority will be entitled to participate, at their own expense, in the defense, or if they so elect, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if they so elect to assume the defense, such defense will be conducted by counsel chosen by them and approved by the Company, which approval will not be unreasonably withheld. In the event that the County elects to assume the defense of any such suit and retains such counsel, the Company will cooperate in such defense and have the right to

retain separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Company unless the retaining of such counsel has been specifically authorized in writing by the County. Neither the County nor the Authority will be liable for amounts payable in respect of any settlement of any such action effected without the consent of the County. If the Company makes payments in satisfaction of such an action pursuant to a settlement made with the consent of the County or pursuant to a judgment for the plaintiff, then said payments will be Approved Pass Through Costs under this Section 5.1(a)(x); and

(xi) Any other item that the Company Representative, the County Representative and the Authority Representative designate in writing as an Approved Pass Through Cost, including the costs and charges described in Schedule 54; and [33]

(xii) The aggregate amount paid by the Company during the Fiscal Year for the credit enhancement mechanisms described in clauses 19 and 21 of Section A of Schedule 23; and

(xiii) The aggregate amount of all reasonable out-of-pocket costs paid by the Company or its Affiliates during the Fiscal Year to perform non-continuous emission monitoring environmental stack tests required by Facility permits or by the Authority Representative or the County Representative; and

(xiv) The aggregate amount paid by the Company during the Fiscal Year for the disposal, in an economical and safe manner that complies with Applicable Law, of sludge that results from the operation of wastewater treatment plant at the Facility; and

(xv) The aggregate amount paid by the Company during the Fiscal Year for hydrated lime used in the Facility furnace lime injection system; provided, however, that if lime consumption (for the slaked lime scrubber) is less than 17 pounds per ton of waste Processed, the differential between 17 pounds per ton multiplied by the tons Processed and the actual number of pounds of lime used for the slaked lime scrubber will be multiplied by the average cost of lime and one half of this value must be subtracted from that amount otherwise payable to the Company for hydrated lime pursuant to this clause (xv); provided that such subtractions must not result in a payment by the Company; and

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33 Underlined text added pursuant to Change Order #106.

(xvi) The aggregate amount of direct costs incurred by the Company during the Fiscal Year to operate (A) the noise mitigation measures as described in the noise plan, referred to in Schedule 23 and (B) the NOx reduction equipment referred to in Schedule 2, if such measures and/or equipment are installed, provided that if the AMA standard for NOx is 115 parts per million on an annual average basis, the amount described in clause (B) will not be more than $0.30 per ton of waste Processed; and

(xvii) An amount equal to $1.55 (adjusted by the Operating Charge Inflation Adjustor) per ton of waste Processed at the Facility during the Fiscal Year for the operation and maintenance of the mercury control facilities; and

(xviii) For the Fiscal Years commencing on July 1, 2000, through June 30, 2015, fifty percent (50%) of the aggregate amount of direct costs incurred by the Company during the Fiscal Year to maintain the coating of or to re-coat the stack. The Company will propose a scope of maintenance or re-coating which must be approved by the Authority before the work is initiated. Such approval will not be unreasonably withheld; and

(xix) The sum of (A) the aggregate amount paid by the Company during the Fiscal Year for dolomitic lime to be used to treat the Residue produced at the Facility, (B) a "Variable Charge" of $14.75 (adjusted by the Operating Charge Inflation Adjustor) due for each ton of dolomitic lime used when the dolomitic lime addition system is in operation; and (C) one of the following charges, as applicable, for the dolomitic lime addition system:

(a) A "Standby Charge" of $4,275 (adjusted by the Operating Charge Inflation Adjustor) for each Fiscal Year when the dolomitic lime addition system is not used, but is kept in readiness for use at any time. The Standby Charge will be prorated to reflect the number of months during the Fiscal Year that the dolomitic lime addition system is not used but is kept in readiness; or

(b) A "Fixed Charge" of $32,500 (adjusted by the Operating Charge Inflation Adjustor) for the Fiscal Year when the dolomitic lime addition system is in operation. The Fixed Charge will be prorated to reflect the number of months during the Fiscal Year that the dolomitic lime addition system is in operation.

The Company and the Authority may, from time to time, modify the amounts charged for the Standby Charge, the Fixed Charge

and the Variable Charge to reflect the Company's operating experience in connection with operation of the dolomitic lime addition system; and

(xx) A negative amount equal to $1.19 (adjusted by the Operating Charge Inflation Adjustor) per ton of waste Processed at the Facility during the Fiscal Year; 34 **and**

(xxi) An amount equal to $0.50 (adjusted by the Operating Charge Inflation Adjustor) per ton of waste Processed at the Facility during the Fiscal Year; 35 **and**

(xxii) The aggregate amount of direct costs incurred by the Company for services performed pursuant to Section IV of Schedule 18 to this Agreement; and

(xxiii) A "Fixed Charge" of $212,667 (adjusted by the Operating Charge Inflation Adjustor) for each month of the Fiscal Year when the Company is operating the PUF. 36

(xxiv) [reserved] 37

(xxv) The aggregate amount of direct costs incurred by the Company for maintenance of the backup diesel generator at the Transfer Station in accordance with Section 7.20 of Schedule 1B of this Agreement.

(xxvi) An amount equal to $5.51 (as adjusted by the Operating Charge Inflation Adjustor) multiplied by the tons of Overs transported and Processed by the Company; and

(xxvii) An amount equal to $52.37 (as adjusted by the Operating Charge Inflation Adjustor) multiplied by the number of containers of yard waste transported via rail from the Transfer Station to the Facility then transported via shuttle truck operation from the Facility to the Dickerson yard trim composting facility.

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34 Subsection 5.1(a)(xx) restated in full pursuant to Change Order #116.

35 The Third Amendment states that "this amount is not duplicative of the $0.50 pass through charged noted in Change Order No. 26."

36 Subsection 5.1(a)(xxiii) restated pursuant to Change Order #99 and 114.

37 Subsection 5.1(a)(xxiv) made obsolete by restatement of Section 5.9 in Project Implementation Agreement.

(xxviii) The aggregate amount paid by the Company during the Fiscal Year for 19 weight percent ammonia aqueous solution subject to a maximum average annual usage of 5 pounds of ammonia (as NH3) per ton of waste processed, in boilers for which LN Operating Dates have occurred. For the transition period beginning with the LN Operating Date First Unit and ending with the LN Operating Date Third Unit, the amount for this section shall also include the aggregate amount paid for anhydrous ammonia used in any boiler for which an LN Operating Date has occurred and shall be based upon an allocation of anhydrous ammonia usage as measured by meters for each boiler. 38

(xxix) For operation of the Upper Lot in accordance with Schedule 49 an amount equal to the sum of the following:

(a) An amount equal to $592,311, escalated in accordance with Schedule 9 of the Service Agreement.

(b) A charge of $50,473.38, in accordance with Schedule 9 of the Service Agreement, per Lot Attendant hired by the Company (with the written approval of the Authority) if necessary beyond the four attendants hired to operate the Upper Lot.

(c) Direct Costs to the Company associated with the hiring or utilization of temporary workers to meet short-term needs and to address peak season requirements as approved by the County and Authority. The Company is required to pay the temporary workers (at minimum) the "Living Wage" as defined by the Montgomery County Office of Business Relations and Compliance. Invoice from the third party provider, if any, to be attached to the Company's monthly invoice. Company will not charge mark-up or overhead. If an individually defined temporary position is filled for five consecutive months or for a total of nine months during any rolling 12-month period, such position will be eligible to be converted to a permanent position pursuant to Section 5.1 (xxviii)(b). The conversion of the position from temporary to permanent shall be approved in writing by the Authority and the County.

(d) Charges for major maintenance on County equipment listed in Table 49.1, such as new tires, rubber cutting edges, engine rebuilds, transmission rebuilds, and differential rebuilds, labor inclusive. Invoice from the third party provider of parts and labor will be attached to the Company's monthly invoice. Company will not charge overhead or

38 Section 5.1(a)(xxviii) added pursuant to Change Order #106.

mark-up on parts and labor supplied by third parties. Documentation of costs for parts and labor provided by the Company will be attached to the Company's monthly invoice. Company will not charge mark-up or overhead costs.

(e) Direct charges of subcontractors used to dispose of recovered and contaminated refrigerants, capacitors or other items requiring specialized disposal. Invoice from the third party provider to be attached to the Company's monthly invoice. Company will not charge overhead.

(f) Direct charges to the Company associated with the recycling of commodities. Invoice from third party provider to be attached to the Company's monthly invoice. Company will not charge overhead. 39

"Revenue Credits" means an amount equal to the sum of (i) Company share of Electricity Revenues and (ii) Company share of Ferrous Recovery Revenues,

Where:

(i) Company share of Electricity Revenues means 8% of Annual Electricity Revenues, up to an annual maximum Company share of $960,000 escalated in accordance with the Operating Charge Inflation Adjustor, utilizing Fiscal Year 2012 as the Base Year. 40

(ii) Company share of Ferrous Recovery Revenues means fifty percent (50%) of the Company's net revenue from the sale of Recovered Materials during the Fiscal Year.

"Annual Electricity Revenues" means, for a Fiscal Year, the actual amount paid for energy and capacity produced at the Facility.

"Service Fee Adjustments" means, for a Fiscal Year, the following items, without duplication of amounts:

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39 Section 5.1 (a)(xxix) added pursuant to Change Order #114 (Amendment No. 1).

40 Subsection (i) restated pursuant to Change Order #115.

(i) Any increase or decrease in the reasonable costs of the Company associated with the operation and maintenance of the Project and the performance of its obligations hereunder (as the case may be) due to an Uncontrollable Circumstance, to the extent provided in Article IX;

(ii) Any increase or decrease in the costs of the Company associated with the operation and maintenance of the Project as a result of the Authority entering into any Energy Sales Agreement (other than the Electricity Sales Agreement), to the extent provided in Section 6.3 of this Agreement;

(iii) Any increase or decrease in the Company's reasonable operating and maintenance costs incurred because of any change in the design, construction or operation of the Project after the Acceptance Date to the extent provided in Section 8.1(c);

(iv) The Service Fee for a Fiscal Year must decrease by an amount equal to the amount of any out-of-pocket expenses or increased payments paid by the Authority or the County for any taxes, assessments or similar fees that are required to be paid by the Company pursuant to this Agreement, for any insurance premiums that are required to be paid by the Company pursuant to this Agreement or to cure any other Company failure to make payments (other than damage payments) to any party other than the Authority or the County in accordance with this Agreement or the Primary Project Agreements during the Fiscal Year to the extent the Authority Representative provides reasonable notice to the Company of its non-performance prior to the incurring of these costs by the Authority and to the extent these amounts have not been previously recovered by the Authority, plus interest at the Late Payment Rate from the date of actual payment of such amounts by the Authority; provided, however, that these amounts must be reimbursed to the Company together with interest at the Late Payment Rate if it is later determined by dispute resolution procedures that the Company did not fail to perform its obligations and the Authority was not entitled to incur the costs for which the Service Fee was decreased pursuant to this clause;

(v) The Service Fee for a Fiscal Year must increase or decrease (as the case may be) by an amount equal to the difference between (A) the reasonable cost of transporting Nonprocessible Waste and Permissible Bypassed Waste from the Transfer Station to a Designated Landfill other than that specified in Section 6.6(e) of this Agreement and (B) the cost of transporting Nonprocessible Waste and Permissible Bypassed Waste from the Transfer Station to the Transfer Station staging

area; provided, however, that the amount by which the cost of transporting this material exceeds $0.60 per ton-mile, adjusted by the Operating Charge Inflation Adjustor, must not be included in calculating the amount of this adjustment;

(vi) The Service Fee for a Fiscal Year must increase or decrease (as the case may be) by an amount equal to the difference between (A) the reasonable cost of transporting Qualified Residue, Nonprocessible Waste and Permissible Bypassed Waste from the Facility to a Designated Landfill other than that specified in Section 6.6 (e) of this Agreement and (B) the cost of transporting Qualified Residue, Nonprocessible Waste and Permissible Bypassed Waste from the Facility to the Facility rail yard; provided, however, that the amount by which the cost of transporting this material exceeds $0.45 per ton-mile, adjusted by the Operating Charge Inflation Adjustor, must not be included in calculating the amount of this adjustment.

(vii) The Service Fee for a Fiscal Year shall increase as a result of the Facility having generated less Residue than the Ash Reduction Target. The Authority shall pay the Company fifty percent (50%) of the savings that accrue from the product of (a) the Authority's average per ton Residue hauling and disposal cost for that Fiscal Year (prorated for any period less than a full Fiscal Year) (the "Residue Disposal Costs"), and (b) the difference between the Ash Reduction Target and the Project's actual tons of Residue on a wet basis (excluding Recovered Materials). Any such savings shall be reconciled annually at the conclusion of the Fiscal Year. 41

"Liquidated Damages" means, for any Fiscal Year, the amount calculated according to Schedule 42.

(b) The Service Fee that is calculated pursuant to this Section 5.1 might be a positive or negative number. If it is a positive number, the Authority must pay such amount to the Company. If it is a negative number, the Company must pay such amount to the Authority.

41 Subsection (vii) added pursuant to Change Order #115.

EXCESS WASTE FEE & OVERS EXAMPLE CALCULATIONS

SECTION 5.1 SERVICE FEE – APPROVED PASS THROUGH COSTS
SECTION 5.1(a)(ii)(B)

		TONS
FY 20XX TONS PROCESSED:		**620,000**
LESS COMPOST "OVERS/REJECTS" PROCESSED		**-4,000**
SUBTOTAL		**616,000**
LESS TONS PROCESSED PER SEC 5.1(a)(ii)B)		**-558,450**
EXCESS WASTE PROCESSED		**57,550**
SEC 5.1(a)(ii)(B) PER TON FEE (1989$) = $16.10		
INFLATION ADJUSTOR FY 20XX =	**1.4618**	
PER TON FEE (FY 20XX$) =	**$23.53**	
EXCESS WASTE FEE = 57,550 X $23.53 =		**$1,354,151.50**

SECTION 5.1(a)(xxvi) OF THE SERVICE AGREEMENT

COMPOST "OVERS/REJECTS" PROCESSED		**4,000**
SEC 5.1(a)(xxvi) PER TON FEE (1989$) =	**$5.51**	
INFLATION ADJUSTOR FY 20XX =	**1.4618**	
PER TON FEE (FY 20XX$) =	**$8.05**	
OVERS PROCESSED FEE = 4,000 X $8.05 =		**$`32,200.00**

NOTE: The Overs Processed fee is not included in the Excess Waste fees of Section 5.1(a)(ii)(A)(B)(C) (ie, not double-billed).

5.2. Monthly Payments. [42]

(a) Invoice Requirements The Authority Representative will provide in writing, as approved by the County, the specific details required to be in each statement or invoice provided by the Company, including format, to be consistent with other agreements regarding the Project, which may be changed in writing from time to time by consent of the parties. Each monthly invoice must specify for the applicable period (A) all deliveries of waste and Residue made during the applicable period, (B) the amount of all waste Processed, (C) the amount of all Bypassed Waste, (D) the amount of all Wrongfully Bypassed Waste, (E) the amount of all Diverted Waste, (F) the amount of all Wrongfully Diverted Processible Waste, (G) the amount of all Wrongfully Diverted Nonprocessible Waste, and (H) all information on the related weight records. In addition, each invoice must set forth the amount of the Service Fee due to the Company for the applicable period, together with supporting documentation sufficient to allow the Authority to verify the Company's calculations of the Service Fee for such period. All Company invoices and statements must be delivered by hand or mailed first class, postage prepaid, to the representatives for the Authority and the County.

(b) Invoice Schedule All amounts payable in respect of the Construction Period Service Fee, the Delay Period Service Fee and the Service Fee will be calculated and paid on a monthly basis. The Company must provide the Authority with a statement or invoice for amounts payable as provided in this Section 5.2 by the 9th day of the month following the month for which such amounts apply. By the 12th day of the month in which the Authority receives the Company statement or invoice, the Authority will deliver to the County an invoice which will include the Company's statement or invoice and other charges and revenues allowed under the Waste Disposal Agreement between the Authority and the County. Amounts invoiced by the Company are due to be transferred to the Trustee within thirteen (13) days after the County receives the Authority invoice. Amounts invoiced by the Company are due to the Company within thirteen (13) days plus two (2) Business Days after the County receives the Authority invoice. If any of the above-referenced days are not a Business Day, the respective action will be due on the next succeeding Business Day. For each statement or invoice, the Authority will instruct the Trustee to transfer to the Company the amounts due the Company no later than one (1) Business Day after the Trustee receives the transfer from the County. Approved Pass Through Costs must not be estimated.

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[42] Section 5.2 restated in full pursuant to Second Amendment.

(c) After the Acceptance Date, the portion of the Service Fee payable for each calendar month in accordance with Section 5.2(a) will be an amount calculated as follows:

(i) The monthly portion of the annual Operating Charge as calculated in accordance with Section 5.1 and Schedule 40; plus

(ii) Actual Approved Pass Through Costs and Revenue Credits due to the Company based on Revenues actually received by the Authority, plus

(iii) Actual Service Fee Adjustments; minus

(iv) Monthly Liquidated Damages, as calculated in accordance with Schedule 42

(d) The amount of the monthly Service Fee payable pursuant to this Section 5.2 might be a positive or negative number. If it is a positive number, the Authority must pay such amount to the Company. If it is a negative number, the Company must pay such amount to the Authority.

(e) The Authority is a multi-county agency and an instrumentality of the State. It receives no State funds to support its overhead or operations. Under the Project Agreements, the Authority will own the Project. In order to provide funds to assure the continued availability of the Authority, the Company will pay to the Authority the Company Contribution. On or before the first day of each month after the Acceptance Date, the Company shall pay to the Authority one-twelfth of the Company Contribution for such Fiscal Year. The "Company Contribution" means, for a Fiscal Year, an amount equal to $342,535 [43] **adjusted by the Operating Charge Inflation Adjustor.**

5.3. Payment for Out-of-Hours or Additional Deliveries.

At least 30 days before the Commencement Date, the Company must give the Authority a schedule of charges for deliveries of Acceptable Waste outside of the Receiving Hours pursuant to Section 4.4(b). On or before January 1 of each Fiscal Year, the Company must provide the Authority with the proposed schedule of charges for such deliveries for the Fiscal Year following such Fiscal Year; the Company may revise the proposed schedule of charges until the March 1 preceding

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[43] Amount modified by the Project Implementation Agreement.

the Fiscal Year for which the charges are effective. The charges must equal the Company's estimate of its reasonable direct costs for labor, maintenance and other Company operating costs and overhead attributable to out-of-hours deliveries. The Company must furnish the Authority, upon request, information justifying these charges. The Company may include any amounts payable by the Authority for deliveries outside of Receiving Hours or deliveries of Waste in excess of that required to be accepted by the Company pursuant to Section 4.2 during a prior calendar month in the monthly invoice delivered to the Authority under Section 5.2, or may separately invoice the Authority from time to time, as the Company elects.

5.4. Late Payment.

Any amounts payable under this Agreement by the Authority or the Company that are not paid when due in accordance with this Agreement must, unless otherwise specifically provided, bear interest, to the extent permitted by Applicable Law, at an annual rate (compounded monthly) equal to the Late Payment Rate.

5.5. Certain Matters as to Service Fee Adjustments and Company Liquidated Damages.

If the Company or the Authority disputes any adjustment to the Service Fee or any amount owed by the Authority or the Company under this Article V, pursuant to the dispute resolution procedures set forth in Section 14.15 or judicial action, the disputed portion of such adjustment is not effective until resolution of the dispute. Immediately after the resolution of a dispute concerning a Service Fee adjustment, the party whose position does not prevail must reimburse the other party for the aggregate amount of any underpayment or overpayment, plus interest accrued from the date originally due at the Late Payment Rate.

5.6. Estimates of Service Fee.

On or before January 1 of each Fiscal Year, the Company must provide the Authority and the County with a reasonable estimate of the Construction Period Service Fee, the Delay Period Service Fee, or Service Fee (as the case may be) for the Fiscal Year following such Fiscal Year, including reasonable documentation supporting any adjustment or surcharge to the Construction Period Service Fee, the Delay Period Service Fee, or Service Fee (as the case may be) and the assumptions upon which the estimate is based. Estimates must be reasonable and must be based on the assumption that (a) the Authority delivers Weekly Capacity Minimum Tonnages and (b) the Company produces the Guaranteed Kilowatt Production for sale under the Electricity Sales Agreement for each ton of Processible Waste delivered to the Transfer Station. The Company may amend its estimate at any time before March 1 of such Fiscal Year by a statement delivered to the Authority and the County. If the Company does not provide a reasonable estimate by March 1,

the Authority may elect to have the estimated Construction Period Service Fee or Service Fee (an the case may be) for the following Fiscal Year equal the Construction Period Service Fee or Service Fee (an the case may be) in effect during the previous Fiscal Year. Except with respect to liquidated damages as provided in Section 5.2(b)(ii), the estimates made in accordance with this Section 5.6 will be the basis of all payments required to be made by the Authority under Section 5.2 of this Agreement.

5.7. Books and Records, Audit and Reports.

(a) The Company must maintain all books, records and accounts necessary to record all matters affecting the Construction Period Service Fee, the Delay Period Service Fee or Service Fee (as the case may be), Liquidated Damages or other amounts payable by or to the Authority or the Company under this Agreement or the other Project Agreements, including, but not limited to, policies for Required Insurance, policy amendments, and all other related insurance documents. The Company must maintain all such books, records and accounts in accordance with GAAP. The Company's books, records and accounts must accurately, fairly and in reasonable detail reflect all the Company's dealings and transactions under this Agreement and the other Project Agreements and must contain sufficient data to enable those dealings and transactions to be audited in accordance with generally accepted auditing standards. The Company must make all such books, records and accounts available for inspection and photocopying by the Authority or the County on reasonable notice to the extent necessary to enable the Authority and the County to verify the accuracy of statements provided by the Company under this Agreement and amounts paid to the Company and the Authority under this Agreement. The Company must keep all such books, records and accounts for at least six years (or any longer period required by Applicable Law).

(b) The Company must provide the Authority and the County with the reports and information set forth in Schedule 7 at the times required by Schedule 7.

5.8. Company Collection and Payment of Project Revenues.

All Project Revenues collected by the Company on behalf of the Authority in accordance with Article VII of this Agreement are the property of the Authority. The Company must deposit all such Project Revenues with the Trustee in accordance with this Agreement and the Trust Indenture. The Trustee will disburse such Project Revenues in accordance with the Trust Indenture. The Company must collect the Project Revenues, including, but not limited to, all amounts owed by PEPCO pursuant to the Electricity Sales Agreement on behalf of the Authority, and deposit them with the Trustee in accordance with this Section 5.8 and the Trust Indenture. The rights of the Company to receive payment under

this Agreement are contingent upon the collection and deposit of Project Revenues as herein provided and their disbursement in accordance with the Trust Indenture. The Company hereby waives any and all rights of setoff, credit or other rights to withhold payment of Project Revenues to the Trustee, notwithstanding the nonpayment of any amounts owed to the Company by the Authority, the County or the Trustee; provided, however, that (i) upon mutual agreement of the Authority Representative, the County Representative and the Company Representative or (ii) upon final resolution of any dispute (whether pursuant to Section 14.15, judicial proceeding or otherwise) whereupon it is determined that the Company is entitled to specific amounts under this Agreement that were not paid when due to the Company, then the Company may, to the extent consistent with the Trust Indenture, set-off the amounts owed to it under this Agreement that have not been so paid against Project Revenues collected by the Company on behalf of the Authority and this set-off will constitute payment of the amount owed by the Authority.

5.9. Security for Extraordinary Maintenance Obligations. 44

(a) The Company is obligated to perform, at its cost, the Extraordinary Maintenance items of work in the time frames all as set forth in Schedule 46 which is attached hereto and made a part hereof. The Company will, within 10 days of completing each item of work on Schedule 46, provide notice to the Authority that the item has been completed.

(b) An O&M Reserve Fund was created to secure payment by the Company of the costs of Extraordinary Maintenance as set forth in Schedule 46.

(c) After delivery of the Security instruments provided for in subsection (d) below, and receipt of the Security instruments by the Authority substantially in the forms attached hereto and made a part hereof, the O&M Reserve Fund shall be terminated and liquidated and the $5,000,000 contained therein distributed to the County and the Company in the amounts of $3,000,000 and $2,000,000, respectively. The Authority and the County agree to take all actions required to effect the purposes of this Section 5.9 including, but not limited to, actions required to comply with Applicable Law, the provision of any notices and the receipt of any consents or approvals, and the taking of any actions as may be required pursuant to financing documents or other outstanding obligations.

(d) Within thirty (30) days after January 1, 2012, Covanta, at its own cost, shall provide to the Authority a letter of credit in the amount

44 Section 5.9 restated in full pursuant to Change Order #115.

of $2,500,000 ("Extraordinary Maintenance Letter of Credit") and a performance bond in the amount of $2,500,000 ("Extraordinary Maintenance Bond") (collectively, the "Security"). The Extraordinary Maintenance Letter of Credit shall be issued by a financial institution with a rating of (1) A2 or better by Moody's Investors Services so long as the Standard & Poor's rating is at least A-, or (2) A or better by Standard & Poor's so long as the Moody's rating is at least A3 or better, shall be secured by assets or credits other than the Project and other than assets of the Authority or the County, and shall permit the Authority to make drawings thereunder for the costs to perform the Company's Extraordinary Maintenance obligations in Schedule 46 if the Company fails to perform these obligations and after failure to resolve any dispute about these obligations pursuant to the terms of the Service Agreement. The Extraordinary Maintenance Letter of Credit shall be substantially in the form attached hereto as Schedule 50. The Extraordinary Maintenance Bond shall be underwritten by a surety company authorized to do business in the State of Maryland, and shall permit the Authority to draw upon the bond for the costs to perform the Company's Extraordinary Maintenance obligations in Schedule 46 if the Company fails to perform these obligations and after failure to resolve any dispute about these obligations pursuant to the dispute resolution provisions of the Service Agreement. The Extraordinary Maintenance Bond shall be substantially in the form attached hereto as Schedule 51. Both the Extraordinary Maintenance Letter of Credit and the Extraordinary Maintenance Bond shall be renewed or replaced annually no later than ten (10) Business Days prior to their annual expiration dates over the full term, including any renewal terms, of the Service Agreement. The Authority shall have the right to draw on the Extraordinary Maintenance Letter of Credit to the extent it has not been renewed by midnight eastern standard time on the day which is ten (10) Business Days prior to the annual expiration of such Extraordinary Letter of Credit. In the event the Extraordinary Maintenance Bond has not been renewed by midnight eastern standard time on the day which is ten (10) Business Days prior to its annual expiration date, each year of the full term of the Service Agreement including any renewal terms, the Authority may require the Company to elect either at the Company's option an additional Extraordinary Maintenance Letter of Credit in the $2,500,000 amount of the expired bond, or to deposit $2,500,000 in cash in an escrow account with the Trustee. The Authority shall have the right to draw upon the Extraordinary Letter of Credit, to its full amount, before invoking, or without invoking, the Extraordinary Maintenance Bond. If the Authority draws upon the Extraordinary Maintenance Letter of Credit and/or invokes the Extraordinary Maintenance Bond, the Company agrees to replenish the Security such that the amount available to the Authority under this

section is maintained consistently at $2,500,000 from each Security instrument. Any such replenishment shall be accomplished no later than ten (10) Business Days after a draw or invocation exercised in accord with the terms of the Service Agreement. The Company may, in lieu of renewing or replenishing a Security instrument as aforesaid, deposit the equivalent amount in cash in an escrow account with the Trustee. If the Company creates an escrow account with the Trustee in lieu of renewing a bond or replenishing an Extraordinary Maintenance Letter of Credit or an Extraordinary Maintenance Bond, funds from such an escrow account will be released by the Trustee during any period that the Service Agreement is in effect in accord with the provisions of Section 4.09 of the Trust Indenture, as amended.

(e) Each year, on or before November 1, the Company will advise the Authority Representative regarding whether, based upon the actual condition of the Project at the time, the Company has determined that one or more items of Extraordinary Maintenance should be accelerated so that such item or items will be implemented in the immediately succeeding calendar year. If the Authority disagrees with any such determination of the Company to defer any items, it will advise the Company by December 1. The Company will implement the item of Extraordinary Maintenance in accordance with the determination of the Authority unless the Company advises the Authority by December 15 that it disagrees with the Authority's determination, in which case the Company may refer the matter to dispute resolution in accordance with Section 14.15.

(f) The Company acknowledges and agrees that the availability of the Security for the payment of the costs of Extraordinary Maintenance in no manner limits the obligation of the Company under this Agreement to maintain, repair and replace the Project at its expense as provided in this Agreement, and that such maintenance, repair and replacement obligation includes, without limitation, the payment of the costs of Extraordinary Maintenance in their entirety, including such costs, if any, in excess of the amount of the Security.

(g) The Security shall be reduced upon the Transfer System Change Effective Date to such amount as mutually agreed to by the Authority and the Company.

5.10. Accounting.

(a) Within 90 days following the end of each Fiscal Year, the Company must provide an accounting of all Project Revenues collected by the Company on behalf of the Authority, all monthly Construction Period Service Fee,

all monthly Delay Period Service Fee, or monthly Service Fee payments made by the Authority for the Fiscal Year, all amounts payable by the Authority as Construction Period Service Fees, Delay Period Service Fees, or Service Fees for such Fiscal Year, all amounts paid by the Company in respect of Monthly Liquidated Damages , and all amounts payable by the Company in respect of Liquidated Damages, or with respect to a Fiscal Year during the Extension Period amounts payable and paid by the Company in respect of Delay Damages.

(b) If (i) the amounts payable by the Authority as Service Fees (calculated including all adjustments and Liquidated Damages) exceed the monthly payments made by the Authority pursuant to Section 5.2 (including all adjustments and all Monthly Refusal Liquidated Damages and Monthly Electricity Liquidated Damages and Monthly Designated Landfill Depletion Damages), or (ii) the amounts payable by the Authority as Construction Period Service Fees (calculated including all adjustments) exceed the payments of Construction Period Service Fees, or (iii) the amounts payable by the Authority as Delay Period Service Fees (calculated including all adjustments and Delay Damages) exceed the payments of Delay Period Service Fee made by the Authority during such Fiscal Year, the Authority must, within 45 days of receiving written notice from the Company, pay the Company an amount equal to the deficiency.

(c) If (i) the amounts of monthly payments pursuant to Section 5.2 (including all adjustments and all Monthly Electricity Liquidated Damages, Monthly Refusal Liquidated Damages and Monthly Designated Landfill Depletion Damages) exceed the amounts payable by the Authority as Service Fees (calculated including all adjustments and Liquidated Damages), or (ii) the amounts paid by the Authority as Construction Period Service Fees exceed the amounts payable by the Authority an Construction Period Service Fees (calculated including all adjustments), or (iii) the amounts paid by the Authority as Delay Period Service Fees exceed the amounts payable by the Authority as Delay Period Service Fees (calculated including all adjustments and Delay Liquidated Damages), during such Fiscal Year, the Company must, within 45 days following the accounting required by this paragraph, pay the excess to the Authority.

5.11. Rated Capacity of the Facility.

(a) After the Acceptance Date, the Company must design, engineer, construct, operate and maintain the Project so that the Rated Capacity and Validated Capacity of the Facility as defined under the Electricity Sales Agreement are not less than 40 megawatts; provided that this amount must be adjusted appropriately if the higher heating value of the waste is less than 5000 BTU/pound, for waste delivery fluctuations as provided in Schedules 5 and 10**, and for any**

reduction in the Annual Facility Operating Level pursuant to Section 8.3. 45

(b) After the Acceptance Date, the Authority may from time to time and at its sole discretion, establish the Rated Capacity at an amount below the guarantee amount set forth in Section 5.11(a).

(c) Upon the mutual agreement of the Authority Representative, the County Representative and the Company Representative, the Rated Capacity must be established at an amount above the guarantee amount set forth in Section 5.11(a).

(d) For periods prior to the Acceptance Date, the Rated Capacity must be established by mutual agreement by the Company and the Authority.

(e) If the Company fails to perform its obligations with respect to the Rated Capacity and Validated Capacity of the Facility as provided in Section 5.11(a) for any reason other than an Uncontrollable Circumstance, the amount of Annual Electricity Liquidated Damages described in Section 5.1 and Monthly Electricity Liquidated Damages described in Section 5.2 will be calculated assuming the Rated Capacity and Validated Capacity of the Facility described in Section 5.11(a) or 5.11(b), as the case may be.

(f) Prior to the Acceptance Date, the Company is solely responsible for any damages, penalties or other costs arising as a result of the establishment of the Rated Capacity or the Validated Capacity level above the levels set forth in Section 5.11(a).

5.12. Holidays Under Rail Transportation Agreement.

Notwithstanding any other provision of this Agreement, the Company will be reimbursed, as an Approved Pass Through Cost or as an adjustment to the Construction Period Service Fee or the Delay Period Service Fee, for freight charges for shipments outside the Transportation Hours (as defined in the Rail Transportation Agreement) which are required because of the need to transport waste or Residue on any Holiday under the Rail Transportation Agreement which is not a Holiday under this Agreement.

45 Boldfaced text added pursuant to First Amendment.

6. PROJECT DOCUMENTS AND FINANCINGS

6.1. Documents to be Delivered.

The Authority must deliver to the Company one conformed copy of each of the Project Agreements not previously executed and delivered, and any amendments or supplements thereto as soon as practicable after the effective date thereof.

6.2. Compliance with Project Agreements.

(a) The Company must perform the Authority's obligations under the Electricity Sales Agreement, the Rail Transportation Agreement, the Facility Site Agreement and all other Primary Project Agreements, except this Agreement and the obligations retained by the Authority pursuant to Schedule 27, unless otherwise directed in writing by the Authority. If the Company receives any notice of default from the party or parties, other than the Authority, to any of the Project Agreements, other than this Agreement and the Bond Documents, it must cure such default within the time permitted under the applicable Project Agreement; provided, that the Company may, in its discretion, contest, in good faith, the assertion of such default by appropriate proceedings. Copies of all notices sent to the party or parties, other than the Authority, to any of the Project Agreements, other than this Agreement and the Bond Documents, by the Company or received by the Company from the party or parties, other than the Authority, to any of the Project Agreements, other than this Agreement and the Bond Documents, must be delivered to the Authority Representative and the County Representative within two business days following receipt or delivery by the Company of such notices.

(b) The Company must pay all amounts (including without limitation any penalty, fine, claim, loss, cost or expense, attorneys fees, court costs and amounts payable under indemnification provisions) that are required to be paid by the Authority or the County under each of the Primary Project Agreements other than this Agreement (except payments in respect of obligations retained by the Authority pursuant to Schedule 27), as and when due in accordance with these Primary Project Agreements. The Authority will reimburse the Company for amounts so paid by the Company as a Fixed Construction Price Adjustment to the extent provided in Section 3.2, or as an adjustment to the Construction Period Service Fee or the Delay Period Service Fee to the extent provided in Section 2.13, or as a Service Fee Adjustment to the extent provided in Section 5.1.

(c) The Authority and the County at their option will assign or delegate to the Company all of their respective rights, benefits, duties and obligations under each of the Primary Project Agreements, excluding this Agreement, except those rights, benefits and obligations described in Schedule 27 (the "Reserved Rights"). The Company must accept these assignments or

delegations if they are in a form reasonably acceptable to the Company and must execute documents reasonably necessary to evidence its acceptance of the assignments or delegations. The Authority and the County may, at any time or from time to time, revoke all or any part of its assignment or delegation (as the case may be) under this Section with respect to any right, benefit, duty or obligation under any Primary Project Agreement, provided, however, that this revocation will be an Uncontrollable Circumstance to the extent the Company is materially and adversely affected by the revocation and the other criteria are satisfied for relief due to the occurrence of an Uncontrollable Circumstance.

(d) The Company must notify the Authority Representative and the County Representative of, and confer with the Authority Representative and the County Representative regarding, (i) any negotiations, agreements or disputes between the Company and any other party to a Primary Project Agreement that could adversely affect the County or the Authority or result in an increase in amounts owed by the Authority under the Service Agreement or the County under the Waste Disposal Agreement and (ii) the anticipated delivery by the Company of a notice of default under a Primary Project Agreement.

(e) The Authority Representative will consult with the Company Representative regarding (i) negotiations, agreements, or disputes between the Authority and any other party to a Primary Project Agreement that could adversely affect the ability of the Company to perform its obligations under the Agreement, and (ii) the exercise by the Authority of any Reserved Right of the Authority.

(f) The Authority and the County may at any time or from time to time, amend, modify or supplement the Primary Project Agreements or the Project Agreements (other than this Agreement) or enter into any new agreement necessary or desirable in connection with the Project and designate such amendment, modification, supplement or new agreement as a Primary Project Agreement or a Project Agreement (as the case may be); provided, however, that (i) if the Company does not approve the change, modification, amendment or new agreement (which approval must not be unreasonably withheld) and this change, modification, amendment or new agreement materially and adversely affects the Company's rights, benefits, obligations, or ability to perform its obligations under this Agreement, then such change, modification, amendment or new agreement will constitute an Authority Change to the extent the criteria for an Authority Change are satisfied pursuant to Article VIII, and (ii) without the prior consent of the Company, the Authority or the County may not execute any new agreement or any change, modification or amendment to, or termination of, the Waste Disposal Agreement or the Trust Indenture that (A) will materially and adversely affect the Company's priority of payments or expectation of payment under the Service Agreement and the Trust Indenture or change in any respect the Company Benefit Provisions as set forth and defined in the Waste Disposal Agreement or the Trust Indenture, or (B) extends the maturity date or changes the amortization schedule or

increases the amount of indebtedness for which the Company may be responsible to pay as part of its damage payments under this Agreement, except additional indebtedness incurred under Section 3.1, 3.2, 8.1, 9.5 and 9.6 to pay additional costs of the Project under this Agreement. After the Maturity Date, the Authority shall exercise its remedies with respect to any breach of the Waste Disposal Agreement (including without limitation giving any instruction pursuant to Section 7.1 of the Master Authorization) at the direction of the County.

(g) The Authority hereby covenants to exercise its rights and enforce the obligations of the County under the Waste Disposal Agreement to the extent permitted by Applicable Law.

(h) No breach or default or alleged failure of performance by the Company of any obligation of the Authority under any Primary Project Agreement that is assigned to the Company shall constitute a breach or default under this Agreement unless (1) the other party to such Project Agreement asserts such breach or default and (2) it is determined after appropriate dispute resolution procedures (including litigation under the applicable Project Agreement) that the Company is in breach or default. Nothing in the preceding sentence will adversely affect the Company's obligations under this Agreement or adversely affect the Authority's right to enforce the Company's obligations under this Agreement (excluding this Section 6.2, Section 7.1 and other provisions of similar intent).

6.3. Alternate Energy Contracts.

The Company must not sell any steam or electricity or other forms of energy without the Authority's consent.

The Company must make all changes in its operating procedure and any additions or modifications to the Project reasonably required by the Authority in order to provide for the sale of steam or electricity or other forms of energy pursuant to any Energy Sales Agreement, **including but not limited to the starting and/or operating of individual boiler units as reasonably required by the Authority to maximize the energy output for the purpose of the Authority receiving capacity and/or energy payments,** provided (i) the Service Fee is adjusted to reflect increased or decreased costs of the Company associated with the operation and maintenance of the Project as a result of such Energy Sales Agreement, (ii) the Net Revenues from Other Sources component of the Service Fee is increased by an amount equal to the amount, if any, of the Company's proportionate share of revenues under the Electricity Sales Agreement then in effect that are lost due to the sale of energy under such Energy Sales Agreement and (iii) the costs of all additions or modifications to the Project required

as a result of or in order to perform the obligations imposed under such Energy Sales Agreements are paid by the Authority in accordance with Section 8.1(c). 46

6.4. Cooperation with Financing.

The Company must cooperate with the Authority and the County in the financing or refinancing of the Project or Changes to the Project and provide the Authority with any information that it may reasonably request in order to effect the financing or refinancing of the Project or Changes to the Project. The Company must make available information reasonably necessary for a public offering of the Bonds or other financing or refinancing of the Project or Changes to the Project. In addition, the Company must make available to the Authority, its underwriters, their counsel, bond counsel, the rating agencies, independent engineers or feasibility consultants, credit facility providers and other financing institutions or parties involved in the financing process and the issuance of the Bonds, such information in the control of the Company and its Affiliates (including financial information concerning the Company, its Affiliates and the Project Guarantor) as may reasonably be requested. The Company must provide certification of and indemnities for, such information made available in connection with the financing or refinancing of the Project and issuance of the Bonds or other financing or refinancing of the Project or Changes to the Project. The Company must make available to the Independent Engineer and the feasibility consultant designated by the Authority information concerning the Project that they reasonably request so they can render opinions concerning the Company's ability to perform its obligations under this Agreement and the other Project Agreements. The Company must also make available to bond counsel, on a confidential basis, those available elements of the Fixed Construction Price pertaining to the County's allocation of the estimated costs of the Project which bond counsel reasonably requires to render its opinion with respect to tax-exempt Bonds.

6.5. Compliance with Internal Revenue Code.

It is the intention of the parties hereto that the interest on Bonds that are initially issued as tax-exempt bonds remain exempt from federal income taxation to the extent permitted by the Internal Revenue Code in effect on the date of issuance of the Bonds. Unless requested by the Authority Representative or required by Applicable Law, the Company covenants that it will not intentionally take any action that would materially adversely affect the tax-exempt status of any tax-exempt Bonds or other obligations issued to finance costs of the Project or Changes to the Project. The Company must make the County and the Authority third party beneficiaries of all covenants, agreements, representations and

46 Boldfaced text added pursuant to the Second Amendment.

warranties of the Company made to preserve or establish the tax-exempt status of Bonds.

6.6. Designated Landfill.

(a) To the extent permitted by Applicable Law, the Landfill Agreement and the Waste Disposal Agreement, the Authority must make a Designated Landfill available to the Company for the disposal of waste and Residue. The Company must comply with all of the County's rules and regulations for the Designated Landfill. After the Commencement Date, the Company must pay the Authority, the County or any other third party designated in a written notice from the Authority to the Company the fees and charges for the disposal by the Company of waste and Residue at the Designated Landfill as set forth in Schedule 18. The Company agrees that the Authority and the provider of the Designated Landfill may increase or decrease Designated Landfill disposal fees and charges pursuant to agreements between the Authority and the provider of the Designated Landfill and that any increase or decrease of the fees and charges for landfill disposal at the Designated Landfill that are required to be reimbursed to the Company by the Authority pursuant to the provisions of this Agreement must be effective with regard to the Company immediately upon receipt by the Company of a notice from the Authority setting forth such adjusted Designated Landfill fees and charges. No increase of fees and charges for landfill disposal at the Designated Landfill that are not reimbursed to the Company by the Authority pursuant to this Agreement will be effective against the Company unless otherwise agreed by the Company Representative. Any such notice from the Authority constitutes an amendment of Schedule 18 to this Agreement, effective as to the Authority and the Company upon the date of receipt of such notice by the Company. Upon the written request of the Authority Representative, the Company must pay the County or other operator of the Designated Landfill directly for use of disposal capacity at the Designated Landfill in accordance with reasonable invoice and payment procedures described in the written notice; provided, however, that if these payment procedures materially adversely affect the Company' s ability to, or cost of, performing its obligations under this Agreement, the implementation of these procedures will constitute an Authority Change to the extent provided in Article VIII.

(b) Notwithstanding any other provision of this Agreement, the Authority, the County or the owner or operator of a Designated Landfill may refuse delivery at the Designated Landfill of any waste that is not acceptable under the rules and regulations for that facility or that the County or the provider of the Designated Landfill cannot accept at the Designated Landfill under Applicable Law. The Authority and the County have the right, but not the obligation, to inspect all vehicles delivering waste to the Designated Landfill for the account of the Company and to require the Company to remove from any such vehicle before it is unloaded all waste that is not acceptable at the Designated Landfill.

(c) Except as otherwise specified in a written notice from the Authority Representative and the County Representative to the Company, the Company must use the Designated Landfill for the disposal of all waste (other than Unacceptable Waste) and Residue. Upon at least 48 hours prior written notice to the Authority Representative and the County Representative, the Company may use an alternative disposal facility for the disposal of Wrongfully Bypassed Waste and Excess Residue if (1) the Company demonstrates to the reasonable satisfaction of the Authority Representative and the County Representative that (a) the alternate disposal facility is currently accepting waste of the type proposed to be disposed of by the Company from other generators located outside the jurisdiction in which the alternate disposal facility is located, (b) the alternate disposal facility has the capability, and the proposed facility owner intends and agrees, to accept waste from the Company for disposal at the proposed facility, and (c) no state or local governmental entity or agency that exercises control or authority over the proposed facility has objected to the Company's proposed use of the facility for the disposal of waste or Residue; and (2) the Authority does not provide the Company with a resolution adopted by the Montgomery County Council or an order of the Montgomery County Executive stating that the use of the disposal facility proposed by the Company is not in the best interest of the County and directing the Company to cease or refrain from using this facility. If the Company proposes an alternate disposal facility that satisfies the foregoing criteria, as these criteria may be waived or modified upon the mutual agreement of the Authority Representative and the County Representative, then the Company may use the alternative disposal facility for as long as it continues to satisfy these criteria and the Company will not be required to pay any amount in respect of Annual Designated Landfill Depletion Damages (as defined in Section 5.1) or Monthly Designated Landfill Depletion Damages or the amount described in clause (iii) of the definition of Delay Damages in Section 3.6(a) for Wrongfully Bypassed Waste or Excess Residue that it disposes of at the alternative disposal facility in accordance with this Agreement.

(d) The Company Representative must provide the Authority Representative, the County Representative and the Consulting Engineer with notice of the Company's intent to use an alternate disposal facility (and all supporting materials evidencing satisfaction of the requirements of the preceding paragraph) at least 30 days prior to the first day the Company proposes to use the facility. The Company must cooperate with, answer reasonable inquiries of and provide any information in its possession reasonably requested by the Authority Representative, the County Representative or the Consulting Engineer concerning the proposed alternative disposal facility. If the Authority or the County notifies the Company that it has failed to satisfy the requirements of paragraph (c) of this Section for use of an alternate disposal facility, the Company may not use the facility until the Authority Representative and the County Representative agree that the Company has satisfied all conditions for use of the alternate disposal facility or the dispute is resolved with a determination that the Company has, as of

the date of the dispute and the date of the decision, satisfied all conditions for use of the proposed alternate disposal facility.

(e) If the Designated Landfill is not made available to the Company by the Authority for the disposal of all Residue, Nonprocessible Waste and Bypassed Waste, the Company must locate a landfill or other facilities for the disposal of Acceptable Waste and Residue that the Company is capable of accepting and disposing of and for which the Authority has not provided a Designated Landfill. The Company will use reasonable efforts to locate a landfill or other disposal facilities that satisfy the requirements described in Section 6.6(c)(i), however, in order to be used by the Company pursuant to this Section 6.6(e), a facility must only be properly permitted and capable of accepting Acceptable Waste and Residue from Montgomery County, Maryland in accordance with Applicable Law. The reasonable direct costs incurred by the Company to locate and make available this landfill or other facilities for the disposal of Acceptable Waste and Residue under this Agreement will be paid to the Company as an adjustment to the Construction Period Service Fee or Delay Period Service Fee under Section 2.13 or as a Pass Through Cost under Article V. In no event will the unavailability of the Designated Landfill (i) constitute an Event of Default by the Authority, (ii) in and of itself constitute an Uncontrollable Circumstance (in the absence of the occurrence of any of the events listed in the definition of Uncontrollable Circumstances), or (iii) otherwise relieve the Company of its obligation to accept or dispose of Acceptable Waste and Residue under this Agreement; provided, however, that during the period the Company is taking appropriate steps as necessary to arrange for use of alternative facilities for the disposal of Residue, Bypassed Waste and Nonprocessible Waste, which period will not exceed 30 days (plus any additional time required for the Authority and the County to consider and take any necessary action with respect to the proposed facility including amendment of the Solid Waste Management Plan), the Company will not be liable for Liquidated Damages (as defined in Article V) for Acceptable Waste the Company cannot accept at the Transfer Station or Process at the Facility solely as a result of the unavailability of a Designated Landfill. If the Company locates a landfill that satisfies its obligations under this Section 6.6(e) in all respects but such facility has not been included as an authorized disposal facility under the Solid Waste 10 Year Plan and the County is not diligently pursuing the inclusion of such facility in the Solid Waste 10 Year Plan and without providing an alternative Designated Landfill, such failure will constitute a violation of Section 2.15.

7. PROJECT OPERATIONS AND THE PROJECT GUARANTOR

7.1. Project Operations.

The Company has sole responsibility for the operation of the Project and for coordinating Project operations with the County, PEPCO and CSX. The Company must coordinate with the County, PEPCO and CSX on a routine basis to

ensure the day-to-day coordination of activities among the Company, the County, CSX and PEPCO. The Company must additionally administer the Primary Project Agreements (other than this Agreement) for the Authority and must perform all of the obligations of the Authority under the Primary Project Agreements (other than this Agreement) including, but not limited to, the payment of any and all amounts payable by the Authority, as and when such payments are due, and the collection of all amounts payable to the Authority, as and when such payments are due. The Company must deposit all amounts collected by the Company on behalf of the Authority with the Trustee in accordance with the Trust Indenture.

Except as otherwise specifically included as Pass Through Costs or Service Fee Adjustments under Article V or adjustments to the Construction Period Service Fee or the Delay Period Service Fee under Section 2.13 or Fixed Construction Price Adjustments under Article III, the costs and expenses of the Company incurred in connection with the performance of its obligations under this Section 7.1 are included in the Construction Period Service Fee, the Delay Period Service Fee, the Fixed Construction Price or the Operating Charge component of the Service Fee (as the case may be).

7.2. Project Guarantor.

(a) The Company's obligations under this Agreement are guaranteed by Ogden Corporation pursuant to the Guaranty Agreement among Ogden Corporation, the Authority and the County.

(b) If the County provides a County Commitment to the Project that would result in at least an "A" rating for the Series 1990 Bonds absent considerations relating to the negligence, nonperformance or other fault of the Company, and the Guarantor's rating is less than "A", prior to the Commencement Date, the Company must provide and maintain thereafter a Credit Support Mechanism that, together with the County's commitments, results in at least an "A" rating for the Series 1990 Bonds. The Authority is not required to use the Credit Support Mechanism, but if it does so, the Company must take any actions necessary to effect the issuance of the Credit Support Mechanism to secure the Series 1990 Bonds. The costs of the Credit Support Mechanism must be paid by the Authority.

"Credit Support Mechanism" means a long-term letter of credit, surety, or insurance securing the Bonds or the Guaranty Agreement, but in no event shall it include any obligation of the County.

The County Commitment includes its obligations under the Waste Disposal Agreement and other Project Agreements, and letters of credit, guarantees, surety agreements or insurance furnished by the County, but does not include any County obligation to make payments in excess of those required under the Waste Disposal Agreement.

To the extent that the County provides a Credit Support Mechanism as part of the County Commitment, the Company must be entitled to provide a Credit Support Mechanism in conjunction with the County Credit Support Mechanism. In that connection, if requested by the Company, the Authority must act as the account party on the Reimbursement Agreement with respect to a jointly provided credit support mechanism, but only if the credit support provider agrees to pursue remedies against the Company and against the Guarantor pursuant to its Guaranty as its exclusive remedy for a default under the Reimbursement Agreement that is due to a Company default.

If the Authority does not use the Credit Support Mechanism furnished by the Company, the Company shall cooperate with the Authority's financing plan. The Company, however, shall not be obligated to undertake obligations in connection with the issuance of the Series 1990 Bonds that are not required by this Service Agreement and the Guaranty Agreement or that are greater than those which would have been required to implement the Credit Support Mechanism proposed by the Company.

After the initial issuance of the Series 1990 Bonds, the Company must not be required to provide any additional or different credit support mechanism or become the account party with respect to any credit support mechanism except to the extent it was the account party at the time of the initial issuance. The Company shall, however, continue to provide the same or equivalent credit support mechanism in the event that the Series 1990 Bonds are refinanced or such financing is otherwise restructured.

7.3. Guarantor Security.

(a) In order to obtain a favorable rating on the Bonds, the Parties intend that the Guarantor maintain a credit rating of **(1) A2 or better by Moody's Investor Services so long as the Standard & Poor's rating is at least A-, or (2) A or better by Standard & Poor's so long as the Moody's rating is at least A3 or better** (an "Investment Grade Rating") with regard to the Guarantor's senior debt, subordinated debt and preferred stock ("Guarantor's Debt"). Moody's Investors Service, Inc. and Standard & Poor's Corporation are each referred to as a "Rating Agency" in this Agreement. 47

(b) The Company must obtain and maintain and deliver to the Authority, a Guarantor Security Letter of Credit if (i) either Rating Agency assigns the Guarantor's Debt a rating less than an Investment Grade Rating, or (ii) the Company receives a written notice from the County Representative requiring the Company to obtain and maintain a Guarantor Security Letter of Credit. The

47 Boldfaced text modified pursuant to Change Order #115.

Company must obtain the Guarantor Security Letter of Credit within 30 days of (A) receipt of notice from, or a release of public information by, either Rating Agency to the effect that a Rating Agency has assigned the Guarantor's Debt a rating less than an Investment Grade Rating, or (B) receipt by the Company of the notice described in clause (ii) above (as the case may be).

(c) The Company, at its sole cost and expense, must obtain and maintain any Guarantor Security Letter of Credit required pursuant to Section 7.3(b)(i).

(d) The Authority must reimburse the Company for all direct costs incurred by the Company to obtain and maintain any Guarantor Security Letter of Credit required pursuant to Section 7.3(b)(ii); provided, however, that commencing on the date that either Rating Agency assigns the Guarantor's Debt a rating less than an Investment Grade Rating, the Company must pay, for its own account, all costs thereafter incurred to maintain the Guarantor Security Letter of Credit. The Company must pay, for its own account, all costs incurred to obtain and maintain a Guarantor Security Letter of Credit required pursuant to Section 7.3(b)(ii) if either Rating Agency assigns the Guarantor's Debt less than an Investment Grade Rating within 90 days after the delivery to the Authority of a Guarantor Security Letter of Credit initially required pursuant to Section 7.3(b)(ii), and any amount reimbursed by the Authority to the Company in respect of costs incurred to obtain or maintain the Guarantor Security Letter of Credit must be paid by the Company to the Authority within 30 days of receipt by the Company of an invoice for these amounts. Unless otherwise requested by the County Representative pursuant to clause (ii) of paragraph (b) above, the Company may terminate any letter of credit required by clause (i) of paragraph (b) above upon an upgrading by any Rating Agency that assigned the Guarantor's Debt less than an Investment Grade Rating so that Guarantor's Debt is rated Investment Grade by each Rating Agency.

(e) The Company must maintain any Guarantor Security Letter of Credit required pursuant to Section 7.3(b)(i) until the earlier of (i) the date of final payment by the Company of all amounts (if any) owed to the Authority or the County under the Service Agreement resulting from the occurrence of the Company Termination Date or (ii) 10 days after the date on which there is again in effect an Investment Grade Rating with regard to the Guarantor's Debt from each Rating Agency. The Company must maintain any Guarantor Security Letter of Credit required pursuant to Section 7.3(b)(ii) until earlier of (i) the date of final payment by the Company of all amounts (if any) owed to the Authority or the County under the Service Agreement resulting from the occurrence of the Company Termination Date or (ii) the date specified in a written notice from the County Representative to the Company.

(f) "Guarantor Security Letter of Credit" means a letter of credit in the **Security LOC Amount, as determined pursuant to Schedule 43,** 48 issued by a financial institution with a rating of **(1) A2 or better by Moody's Investors Services so long as the Standard & Poor's rating is at least A-, or (2) A or better by Standard & Poor's so long as the Moody's rating is at least A3 or better**, 49 that is secured by assets or credits other than the Project or assets of the Authority or the County and that permits the Authority to make drawings thereunder, as follows: (i) if the Authority certifies in writing that the Company has not paid any amount due to it in accordance with the provisions of the Service Agreement within 90 days after written notice from the Authority that the subject amount is due and payable to the Authority, the Authority may draw an amount equal to the amount certified by the Authority that is payable to the Authority (including any late payment charges); provided, however, that if it is subsequently determined that this amount was not owed by the Company as alleged in the Authority's notice, the Authority must (A) return the proceeds of this draw to the Company, and (B) pay the Company an amount equal to the sum of (1) all fees, interest and other amounts paid by the Company to the issuer of the Guarantor Letter of Credit as a result of the Authority's draw under the Guarantor Letter of Credit, plus (2) interest on the amount described in clause (1) of this paragraph at the Late Payment Rate during the period beginning on the date the Company pays the amount described in clause (1) of this paragraph to the issuer of the Guarantor Letter of Credit and ending on the date the Authority repays such amount to the Company, plus (3) interest at the Late Payment Rate on the amount of any draw under the Guarantor Letter of Credit that the Company is required to repay to the issuer of the Guarantor Letter of Credit before the Authority returns the proceeds of the draw to the Company; or (ii) if within 30 days before the expiration of the Guarantor Security Letter of Credit, the Company has not furnished the Authority with another Guarantor Security Letter of Credit or proof of the extension or renewal of the Guarantor Security Letter of Credit, the Authority may draw the entire amount of the Guarantor Security Letter of Credit and deposit the proceeds in escrow with the Trustee to be drawn upon by the Authority upon the events described in clause (i) above. Any proceeds remaining after the payment by the Company of all amounts due under this Agreement as a result of a termination due to an Event of Default by the Company must be returned to the Company, without interest, within 90 days of receipt by the Authority of a certificate of the Company representing that all amounts owed to the Authority and the County by the Company or the Guarantor under this Agreement have been paid.

(g) Except as provided in Section 3.6, the Authority may not draw under the Guarantor Security Letter of Credit during a dispute as to whether the

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48 Boldfaced text added pursuant to Third Amendment.

49 Boldfaced text restated pursuant to Change Order #115.

Company has performed its obligations under this Agreement. The Authority may make drawings under the Guarantor Security Letter of Credit notwithstanding a dispute with respect to the matters described in Section 3.6(e) but the proceeds of this draw must be deposited by the Authority into an interest bearing account pending resolution of the dispute. If the dispute regarding the matters described in 3.6(e) is resolved in favor of the Authority, the Authority may withdraw the proceeds from the account and apply them as provided in this Section 7.3. If this dispute is resolved in favor of the Company, the Authority must (A) return the proceeds of this draw to the Company, and (B) pay the Company an amount equal to the sum of (i) all fees, interest and other amounts paid by the Company to the issuer of the Guarantor Letter of Credit as a result of the Authority's draw under the Guarantor Letter of Credit, plus (ii) interest on the amount described in clause (i) of this paragraph at the Late Payment Rate during the period beginning on the date the Company pays the amount described in clause (i) of this paragraph to the issuer of the Guarantor Letter of Credit and ending on the date the Authority repays such amount to the Company, plus (iii) interest at the Late Payment Rate on the amount of any draw under the Guarantor Letter of Credit that the Company is required to repay to the issuer of the Guarantor Letter of Credit before the Authority returns the proceeds of the draw to the Company.

(h) The Authority, at its sole election, may (1) deduct up to $1,000,000 per Fiscal Year (deducted on a monthly pro-rata basis) from any amount owed by the Authority to the Company under this Agreement or (2) terminate this Agreement without obligation to the Company, except as provided in Section 11.8, upon 30 days' prior written notice, during any period when the Company fails to obtain or maintain a Guarantor Security Letter of Credit required under Section 7.3(b)(i).

(i) The Authority may deduct up to $1,000,000 per Fiscal Year (deducted on a monthly pro-rata basis) during any period when the Company fails to obtain or maintain a Guarantor Security Letter of Credit required under Section 7.3(b)(ii); provided, however, that the Authority must deposit the amount deducted pursuant to this Section 7.3(i) in an interest bearing account maintained by the Trustee. The Authority may draw amounts on deposit in this account for the same purposes and under the same circumstances the Authority would be entitled to make a draw under the Guarantor Security Letter of Credit had the Company performed its obligations to provide the Guarantor Security Letter of Credit under this Section 7.3(b)(ii). This account must be maintained until either of the conditions described in Section 7.3(e) are satisfied or the Company provides the Guarantor Security Letter of Credit required pursuant to Section 7.3(b)(ii) and any amount thereafter remaining on deposit in this account, including accrued interest, must be returned to the Company upon receipt by the Authority of a written invoice for this amount from the Company.

(j) In lieu of renewing or replenishing the Guarantor Security Letter of Credit, the Company may deposit the cash equivalent in an escrow account with the Trustee. If the Company creates an escrow account with the Trustee in lieu of renewing or replenishing the Guarantor Security Letter of Credit, funds from such an escrow account will be released by the Trustee in accord with Section 4.09 of the Trust Indenture, as amended, in accord with and until the expiration date of the required Guarantor Security as set forth in Schedule 43 to the Third Amendment to the Service Agreement. 50

8. ALTERATIONS AND ADDITIONS

8.1. Changes in Design, Construction or Operation.

(a) Subject to the provisions of Section 9.5, the Company must make all restorations, alterations, additions or modifications (together referred to as "Changes") to the Project or the operations of the Company with regard to the Project that are required or necessary to meet the Performance Standards, to comply with Applicable Law and good engineering practices, to meet its other obligations under this Agreement or the other Primary Project Agreements, or to repair or replace any damage to the Project. The Company must pay the full cost of any Change and will be reimbursed for costs and expenses relating to certain Changes resulting from Authority Changes and Uncontrollable Circumstances as provided in Sections 2.13, 3.2, 8.1(c), 9.5 and 9.6.

(b) The Company is not obligated to perform any Change under this Agreement that causes the Company or any Affiliate to be regulated as a public utility or a common carrier.

(c) At the written request of the Authority Representative, the Company must make any Change that (i) does not violate Applicable Law or good engineering practices, (ii) does not reduce the throughput capacity of the Facility below 60%, and (iii) is related to the provision of services for the receipt, transportation and disposal of waste by the Company on the Project Sites. These Changes may include, but are not limited to, Changes requiring the Company to perform recycling activities at the Project, changes in the Company's operations or costs resulting from an amendment or modification to the Primary Project Agreements and designation of a location other than the Transfer Station for the delivery of waste by or on behalf of the Authority to the Company or the transport of waste delivered to the Transfer Station or the Facility. In connection with any Authority Change pursuant to this Section, the Authority must (i) reimburse the Company, or provide Construction Commitments sufficient to provide for the

50 Subjection 7.3(j) added pursuant to Change Order #115.

payment to the Company of, 107.5% of the reasonable direct costs incurred by the Company to make the Change (including the salary related expenses of Company personnel performing work necessary to make the Change, but excluding home office overhead and administrative expenses of the Company and its Affiliates and management expenses of the Company relating to the Change), (ii) reimburse the Company for any Delay Costs caused by the Change, (iii) consent to the amendment of this Agreement to waive or modify any obligations of the Company (including without limitation, the components of Liquidated Damages described in Article V and adjustment of the Scheduled Acceptance Date) that the Company cannot perform because of the Change and to reduce, if appropriate, the amounts of Acceptable Waste and Processible Waste above which the Company may reject additional waste pursuant to Sections 4.2(a) and 4.3(b), the tonnage targets for payments of additional per ton fees set forth in paragraph (ii) of the definition of Approved Pass Through Costs in Section 5.1 and the tonnage amount used to calculate additional payments pursuant to Section 2.13(c), (iv) adjust the Construction Period Service Fee or the Delay Period Service Fee as provided in Article II or the Service Fee as provided in Article V, as the case may be, by the amount of any reasonable increase or decrease in the direct operating costs incurred by the Company because of the Change and (v) reimburse the Company for all penalties or other increased or additional costs paid by the Company as a result of the effect of the Change under the other Project Agreements and all penalties, rebates, capacity credits or other additional charges that are incurred by the Company because of the effect of the Change on the production or delivery of energy in accordance with the Electricity Sales Agreement or any Energy Sales Agreement. The adjustments and amounts described in the preceding clauses (i) through (v), inclusive, include only adjustments or amounts that (1) are not duplicative of other amounts paid to the Company, (2) are identified in writing to the Authority by the Company within 30 days after the Authority Representative provides the Company Representative with a written description of the proposed Change and any information in the Authority's control concerning the proposed Change that the Company reasonably requests and (3) the Company bears and meets the burden of establishing that (A) these cost increases were caused solely and directly by an Authority Change, (B) the Company used all reasonable efforts to mitigate any cost increases and (C) the increases do not include indirect costs of the Company such as lost profits or lost business opportunities related to the Authority Change. The Company must not make any Authority Change that conflicts with Applicable Law.

(d) After having given the Authority materials required by Section 8.l(e), the Company may make, at its expense, any Change to the Project if the Change (i) involves only additions or modifications to the Project which are consistent with the Specifications and good engineering standards and practices, (ii) does not increase the Fixed Construction Price, (iii) does not in any way affect the Service Fee, and (iv) does not in any way adversely affect the Company's or the Authority's ability to perform any of their respective obligations under the Project Agreements.

(e) The Company must not make (i) any Change to the Project unless it has submitted the specifications and Detailed Plans for the Change to the Authority Representative, the County Representative and the Consulting Engineer at least 30 days before the intended implementation date of the Change (or a shorter period acceptable to the Authority Representative) or (ii) any Change in the operation of the Project or the activities conducted at the Project, unless it has submitted a written description of the Change to the Authority Representative, the County Representative and the Consulting Engineer at least 30 days before the intended implementation date of the Change (or a shorter period acceptable to the Authority Representatives). The Company must discuss and answer any inquiries of the Authority Representative, the County Representative or the Consulting Engineer relating to the proposed Change. The Authority or the County may, but is not obligated to, have the Consulting Engineer review the specifications and Detailed Plans or written description (as the case may be) to determine whether the proposed Change impairs the ability of the Project to meet the Performance Standards and Applicable Law during the remaining term of this Agreement. Upon request of the Authority or the County, the Company must discuss the specifications and Detailed Plans or written description (as the case may be) with the Authority Representative, the County Representative and the Consulting Engineer and answer their inquiries.

Notwithstanding the foregoing provisions of this Section 8.1, the Company, at its sole risk and for good cause, may proceed to make a Change permitted by this Section 8.1 immediately after the delivery of a written description of, and specifications and Detailed Plans for, this Change to the Authority Representative, the County Representative and the Consulting Engineer; provided, however, that the Authority may reasonably reject or require amendment of the proposed Change, other than a Change described in Section 8.1(a), within 30 days following receipt of these materials from the Company and in this event, the Company must remove the disapproved work and restore or repair the Project to its condition immediately prior to the commencement of work relating to the proposed Change, or in the case of an amendment, alter such work to conform to the approved amendment, at the Company's sole cost.

(f) The Company must not make any Change to the Project unless the Change is required by this Agreement, permitted by Section 8.1(d), or approved by the Authority Representative in writing.

8.2. Design and Construction Responsibility.

Any Change to be constructed or performed on the Project Sites that materially adversely affects the obligations of the Company under this Agreement or is made by the Company at its sole cost must be designed and constructed by the Company or an Affiliate of the Company or a Person approved by the Company. In connection with any other Change made at the expense, in whole or in part, of the

Authority, the Company must design, engineer, construct and equip the Change; provided that, the Authority Representative may recommend any Persons as a subcontractor of the Company to perform all or any portion of the work relating to the Change. Upon receipt of this recommendation, the Company must obtain a written proposal from the recommended Person as well as at least one other Person (who may be the Company) to perform the work. If the Person recommended by the Authority Representative (i) is qualified to do the work, (ii) presents a responsive proposal that satisfies the Company's financial (excluding price) and technical criteria for the work, (iii) proposes a competitive cost to perform this work, (iv) is not a competitor of the Company or the Guarantor, and (v) will not cause the Company to violate the requirements of Applicable Law or labor requirements relative to the Project if selected to do the proposed work, then the Company must use this Person as a subcontractor with respect to this work. The Company, an Affiliate of the Company or any Person selected by the Company who performs a Change to the Project must use reasonable efforts to perform all work or services required for the Change in a cost efficient manner.

8.3. Estimation of Tons of Acceptable Waste. 51

(a) On or before July 15 of each year, the Authority Representative will provide the Company Representative with written notice of the Estimated Tons of Acceptable Waste to be delivered to the Company for processing ("ETP") for the current Fiscal Year. In addition, on or before January 15 of each year, the Authority Representative will provide the Company Representative with written notice of any revisions to the ETP for the current Fiscal Year.

In each case, the ETP provided by the Authority Representative will be stated to the nearest 1,000 tons of Acceptable Waste estimated for delivery to the Company in such Fiscal Year and will be based on (i) quantities of Acceptable Waste actually delivered to the Company in prior Fiscal Years; (ii) planned or anticipated changes in County programs that may affect the quantities of Acceptable Waste delivered to the Company; and (iii) other factors in the regional municipal solid waste marketplace that may affect the quantities of Acceptable Waste delivered to the Company. Any dispute between the Company and the Authority regarding the ETP shall be resolved in accordance with Section 14.15. The Overs as described in Section 4.6(i) will not be included in the ETP or in the calculation of the Operating Charge as adjusted in accordance with Schedule 40. 52

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51 Section 8.3 added pursuant to First Amendment and restated in full by Second Amendment.

52 Boldfaced and underlined text added pursuant to Change Order #88.

(b) From the first (1st) through the fifteenth (15th) day of any month, the Company, the Authority or the County may request by notice to the other Parties a revised ETP and an adjustment to the Operating Charge if, the aggregate tons of Acceptable Waste actually delivered to the Company in the Fiscal Year through the month preceding the request (the "Calculation Month") varies by 35,000 or more tons from the prorated value of the ETP for the Fiscal Year to date. The Authority Representative will provide a revised ETP to the Company Representative by the end of the month in which the request is made. The revised ETP will include (i) the number of tons of Acceptable Waste actually delivered to the Company in the calendar months elapsed in the current Fiscal Year prior to the date of the revision and (ii) a revised estimate of the tons to be delivered for the remainder of the Fiscal Year. Any dispute among the Company, the Authority or the County regarding the revised ETP will be resolved in accordance with Section 14.15.

(c) Whenever the ETP is revised according to subsection (b) of this section, the Service Fee paid pursuant to Sections 5.1 and 5.2 will be recalculated to reflect a new Operating Charge (OC) as provided for in Schedule 40.

(d) The Parties agree that the OC will be adjusted according to Schedule 40 and the Fiscal Year 2000 Adjustment Payment will be paid as specified in Schedule 40, Part III.

EXAMPLE:

Set forth below is an example of calculations to illustrate adjustments to the ETP:

Assume an ETP of 420,000 tons per year, which gives a prorated value of 35,000 tons per month. Assume that at the end of February the actual accumulated quantity delivered is 330,000 tons. Based on the ETP, the accumulated total to the end of February should have been 280,000 tons. The difference is 50,000 tons. Because the difference is greater than 35,000 tons, adjustments to the ETP and OC may be made if requested by one of the parties.

Any adjustment of the ETP will be made in accordance with Section 8.3(a). Assume the Authority determines there are no changes in County programs or the regional municipal solid waste marketplace that affect the quantities of Acceptable Waste to be delivered to the Company for the remainder of the Fiscal Year. Then the revised ETP will be

prorated based on receiving 330,000 tons in eight months, equating to 495,000 tons in the Fiscal Year.

9. PROCESSING CAPACITY REDUCTIONS, TRANSFER STATION SHUTDOWNS AND UNCONTROLLABLE CIRCUMSTANCES

9.1. Effect of Uncontrollable Circumstances.

A party to this Agreement is not in default under this Agreement or liable to the other party for its failure to perform obligations under this Agreement, if such failure results from an Uncontrollable Circumstance, provided, that in no event will an Uncontrollable Circumstance affecting a party excuse it from any obligation to make any payment in accordance with this Agreement. Each party must diligently overcome or remove such Uncontrollable Circumstance as soon as possible. A party claiming the benefit of this Section 9.1 must give prompt notice of such claim to the other party and the County Representative and must provide the other party and the County Representative with reasonably requested information concerning the nature of such claim and the efforts to overcome or remove the Uncontrollable Circumstance.

Any date by which any obligation under this Agreement must be performed must be extended to the extent reasonably necessary to allow for delay due to an Uncontrollable Circumstance.

9.2. Notice.

The Company must immediately advise the Authority Representative and the County Representative by telephone of any Processing Capacity Reduction or Transfer Station Shutdown, its effect on the Company's ability to perform its obligations hereunder and under the Electricity Sales Agreement and the other Project Agreements, and the Company's best estimate of its probable duration. The Company must confirm such advice in writing within 24 hours. The Company must use its best efforts to resume normal operation of the Project as soon as possible. Following any Processing Capacity Reduction or Transfer Station Shutdown, the Company must, upon the request of the Authority Representative or the County Representative, provide the Consulting Engineer with information necessary for the Consulting Engineer to determine the cause of the Processing Capacity Reduction or Transfer Station Shutdown and to make its estimate of the Restoration Date.

9.3. Company Operations During a Processing Capacity Reduction or Transfer Station Shutdown.

(a) During a Processing Capacity Reduction, the Company must Process as much of the Acceptable Waste delivered under this Agreement as possible and must continue to accept at the Transfer Station and dispose of all

Acceptable Waste delivered under this Agreement. During a Processing Capacity Reduction, the Company must use its best efforts to minimize the expenses of operating and maintaining the Project and providing the services rendered hereunder. During the period of any Processing Capacity Reduction, the Service Fee will decrease by the amount of any reduction in the Company's expenses of operation and maintenance achieved pursuant to the preceding sentence. Subject to the provisions of Section 9.8 of this Agreement, if a Processing Capacity Reduction is caused by an Uncontrollable Circumstance, then during the period of such Processing Capacity Reduction, the Service Fee will increase by the amount of any additional reasonable expenses of operation and maintenance of the Project and providing the services rendered hereunder which are caused by such Uncontrollable Circumstance (for which the Company must provide the Authority and the County with cost substantiation) to the extent that the Company bears and meets the burden of establishing that (A) these cost increases were caused solely and directly by an Uncontrollable Circumstance, (B) the Company used all reasonable efforts to mitigate any cost increases and (C) the increases do not include indirect costs of the Company such as lost profits or business opportunities related to the Uncontrollable Circumstances.

(b) During a Transfer Station Shutdown, the Company must accept as much Acceptable Waste delivered to the Transfer Station under this Agreement as possible. During a Transfer Station Shutdown, the Company must use its best efforts to minimize the expense of operating and maintaining the Project and providing the services rendered hereunder. During the period of such Transfer Station Shutdown, the Construction Period Service Fee, the Delay Period Service Fee, or the Service Fee (as the case may be) must decrease by the amount of any reduction in the Company's expenses of operation and maintenance achieved pursuant to the preceding sentence. Subject to the provisions of Section 9.8 of this Agreement, if a Transfer Station Shutdown is caused by an Uncontrollable Circumstance, during the period of such Transfer Station Shutdown, the Construction Period Service Fee, the Delay Period Service Fee, or the Service Fee (as the case may be) must increase by the amount of any additional reasonable expenses of operation and maintenance of the Project and providing the services rendered hereunder caused by the Uncontrollable Circumstance (for which the Company must provide the Authority and the County with cost substantiation) to the extent that the Company bears and meets the burden of establishing that (A) these cost increases were caused solely and directly by an Uncontrollable Circumstance, (B) the Company used all reasonable efforts to mitigate any cost increases and (C) the increases do not include indirect costs of the Company such as lost profits or business opportunities related to the Uncontrollable Circumstance.

9.4. <u>Company Invoices to the Authority</u>.

(a) The Company must not invoice the Authority for any net increase in the Service Fee as adjusted pursuant to Section 9.3(a) for the 45-day

period following the beginning of the Processing Capacity Reduction. At the end of this 45-day period, the Company may begin invoicing the Authority for the net increases in the Service Fee described above, which will include increases effective as of the beginning of the Processing Capacity Reduction which accrued but were not invoiced during the 45-day period.

(b) The Company must not invoice the Authority for any net increase in the Construction Period Service Fee, the Delay Period Service Fee or the Service Fee (as the case may be) as adjusted pursuant to Section 9.3(b) for the 45-day period following the beginning of the Transfer Station Shutdown. At the end of this 45-day period, the Company may begin invoicing the Authority for the net increases in the Construction Period Service Fee, the Delay Period Service Fee or Service Fee (as the case may be) as described above, which will include increases effective as of the beginning of the Transfer Station Shutdown which accrued, but were not invoiced during this 45-day period.

9.5. Capital Changes Necessitated by Uncontrollable Circumstances.

(a) If the Authority makes available to the Company additional Bond proceeds in accordance with the provisions of the Trust Indenture or other Construction Commitments which, in the aggregate together with insurance or condemnation proceeds, is an amount at least equal to the Additional Capital Investment, or if the Company provides financing as described in Section 9.5(d), which in the aggregate together with insurance or condemnation proceeds provides an amount sufficient to pay the cost of a Change, the Company must make or cause to be made any Changes to the Project required on or after the Commencement Date as a result of an Uncontrollable Circumstance to repair or replace any damaged or destroyed portion of the Project, to achieve or restore operating levels of the Project to those set forth in the Performance Standards, to enable the Company to perform its obligations under this Agreement, to enable the Authority to perform its obligations under this Agreement or to comply with the requirements of Applicable Law ("Capacity Maintenance Change").

(b) As soon as possible after an Uncontrollable Circumstance occurring on or after the Commencement Date, the Company must give the Authority Representative, the County Representative and the Consulting Engineer a statement describing the Uncontrollable Circumstance and its cause (to the extent known to the Company), a description of the conditions delaying the performance of the Company's obligations and an estimate of the amount of any required Additional Capital Investment. Subject to the provisions of Section 9.8 of this Agreement, the amount of such Additional Capital Investment for any Capacity Maintenance Change will equal the sum, without duplication of amounts and to the extent such amounts have not been previously paid by insurance proceeds or otherwise, of:

(1) (a) 100% of the reasonable direct capital costs and expenses for repair, restoration, modification or maintenance (including salary-related expenses of Company personnel performing work necessary to make the Capacity Maintenance Change, home office overhead and administrative costs of the Company and its Affiliates, and contract management personnel expenses) incurred by the Company for the repair, replacement or restoration of, or addition to, any portion of the Project necessitated by an Uncontrollable Circumstance (other than as described in clauses (k), (1), (m), (n), (o), (p) and (s) of the definition of Uncontrollable Circumstances); or

(b) 110% of the reasonable direct capital costs and expenses for repair, restoration, modification or maintenance (including salary-related expenses of Company personnel performing work necessary to make the Capacity Maintenance Change, home office overhead and administrative costs of the Company and its Affiliates, and contract management personnel expenses) incurred by the Company for the repair, replacement or restoration of, or addition to, any portion of the Project necessitated by an Uncontrollable Circumstance described in clauses (k), (1), (m), (n), (o), (p) and (s) of the definition of Uncontrollable Circumstances;

(2) any reasonable temporary operating cost increase determined in accordance with Section 9.6 that is a capital cost and not recovered by the Company through Construction Period Service Fee, the Delay Period Service Fee, or Service Fee adjustments (as the case may be);

(3) the amount of any penalties or increased payments paid by the Company under the Project Agreements as a result of the Uncontrollable Circumstance to the extent they are not included in the foregoing provision of paragraph (2) or Construction Period Service Fee adjustments, the Delay Period Service Fee adjustments, or Service Fee adjustments (as the case may be); and

(4) Delay Costs to the extent these costs are not otherwise provided for in this Section.

(c) The Company must answer any inquiries of the Authority Representative, the County Representative and the Consulting Engineer regarding the conditions caused by the Uncontrollable Circumstance or the Additional Capital Investment and must provide them with such information as they reasonably request, including, without limitation, information concerning all amounts previously paid by the Company during the Fiscal Year pursuant to Section 9.8.

(d) (i) The Authority must use its best efforts to issue additional Bonds or otherwise provide Construction Commitments or other financing in an aggregate amount (together with any available insurance proceeds and investment earnings) sufficient to pay an Additional Capital Investment or to preserve the

tax-exempt status of any bonds. At the Authority's reasonable written request, the Company must assist the Authority in obtaining financing for the cost of any Capacity Maintenance Changes at the written request of the Authority.

(ii) If the Authority is unable to provide financing as described in clause (d) (i) above, upon the written request of the Authority, the Company must use its best efforts to arrange debt financing for the Authority of any Additional Capital Investment or Capacity Maintenance Change from any Person other than the Company or its Affiliates, on terms and conditions reasonably satisfactory to the Authority and at a rate of interest equal to or less than the Late Payment Rate. If the Authority incurs this debt, the Delay Period Service Fee will be increased by an amount sufficient to make payments in respect of debt service on the debt incurred.

(iii) Upon the written request of the Authority, the Company must provide debt financing or an equity contribution to finance any Additional Capital Investment or Capacity Maintenance Change, up to a maximum of $50,000,000 (aggregate amount outstanding at any particular time) of such debt financing or equity contribution, at an interest rate equal to the Late Payment Rate, having a term not in excess of seven years and prepayable without penalty at any time. The Authority must accept such financing, and the Service Fee must be increased pursuant to a Service Fee Adjustment or, the Construction Period Service Fee or Delay Period Service Fee must be increased pursuant to an adjustment (as the case may be) by the amount necessary to compensate the Company for such financing, at a rate of interest equal to the Late Payment Rate.

(e) The Company and Authority must agree on appropriate adjustments as provided in Sections 8.1(c)(iii) and (iv) in connection with the Change.

9.6. Operating Cost Increases Resulting from Uncontrollable Circumstances.

If any Uncontrollable Circumstance necessitates an increase after the Commencement Date in the Company's direct operating costs due to any increase in the number or qualification of the Company's labor or security forces or of personnel under contract to the Company, or in the activities to be performed by them, or in the amounts or quality of materials used in connection with the operation of the Project, the Company must make such Changes and, subject to the provisions of Section 9.8, the Construction Period Service Fee, the Delay Period Service Fee, or the Service Fee (as the case may be) must increase by the amount of any additional reasonable direct expenses incurred by the Company to operate and maintain the Project and provide the services rendered hereunder which costs are caused by such Uncontrollable Circumstance (for which the Company must provide the Authority and the County with cost substantiation). The Company must not invoice the Authority for any net increase in the Construction Period Service Fee, the Delay

Period Service Fee, or the Service Fee for the 45 day period following the beginning of the Uncontrollable Circumstance. At the end of this 45-day period, the Company may begin invoicing the Authority for the net increase in the Construction Period Service Fee, Delay Period Service Fee, or Service Fee (as the case may be) as described above, which will include increases effective as of the beginning of the Uncontrollable Circumstance that accrued but were not invoiced during this 45-day period.

9.7. Insurance Proceeds; Third Party Payments.

If after the effective date of any Construction Period Service Fee, Delay Period Service Fee or Service Fee adjustment under Section 9.5 or 9.6, the Company receives proceeds from insurance or any other third party for any loss or claim in respect of which the Service Fee adjustment was made, it must recalculate the Fixed Construction Price, Construction Period Service Fee, Delay Period Service Fee, or Service Fee adjustment (as the case may be) taking the recovery into account, and reimburse the Authority for the Fixed Construction Price, Construction Period Service Fee, Delay Period Service Fee or Service Fee adjustment (as the case may be) from such proceeds, after deducting reasonable collection costs. This Section does not apply to insurance proceeds received by the Company that were taken into account in the calculation of the Fixed Construction Price, Construction Period Service Fee, Delay Period Service Fee, or Service Fee adjustment (as the case may be).

The Company must effect the recovery of proceeds described in the preceding paragraph and take all action required by the County Representative and the Authority Representative with respect to the recovery of such proceeds. The Company is not required under this paragraph to take any action if the Company Representative, the Authority Representative and the County Representative agree that such action is not justified by the amount of any potential recovery, the likelihood of the recovery or the expense of such action.

9.8. Company Share of Costs Resulting from Uncontrollable Circumstances.

(a) With respect to Uncontrollable Circumstances, for each occurrence of an event that is an Uncontrollable Circumstance (other than an Uncontrollable Circumstance of the type referred to in clauses (k), (l), (m), (n), (o) (p) and (s) of the definition of Uncontrollable Circumstances set forth in Schedule 16), the Company must reduce the amount owed by the Authority to the Company as a result of the occurrence of the Uncontrollable Circumstance (other than an Uncontrollable Circumstance of the type referred to in clauses (k), (l), (m), (n), (o), (p) and (s) of the definition of Uncontrollable Circumstances set forth in Schedule 16) by an amount equal to fifty percent (50%) of the direct capital costs and operating cost increases incurred by the Company (net of insurance and

condemnation proceeds) in connection with the Project as a result of this Uncontrollable Circumstance, up to a maximum amount payable by the Company under this Section for each occurrence of an event that is an Uncontrollable Circumstance (other than an Uncontrollable Circumstance of the type referred to in clauses (k), (l), (m), (n), (o), (p) and (s) of the definition of Uncontrollable Circumstances set forth in Schedule 16) of $500,000, adjusted by the Inflation Adjustor.

(b) After the Commencement Date and at the written request of the Authority Representative (but in no event more frequently than annually), the Company must review the amount of each policy of Required Insurance, other than policies of liability insurance, and make a reasonable written recommendation to the Authority Representative and the County Representative regarding the amount of coverage under these Required Insurance policies for the succeeding twelve months. Upon the reasonable prior request of the Authority Representative, representatives of the Company must meet with representatives of the Authority and the County to discuss the Company's insurance recommendations. The Authority may, but is not obligated to, adjust the Required Insurance requirements to reflect the recommendations of the Company. If the Authority requests the insurance recommendation described in this paragraph, in addition to the provisions of the preceding paragraph (a) the Company must pay all of the costs incurred by the Authority or the Company or owed by the Authority or the Company to any Person as a result of the occurrence of an Uncontrollable Circumstance during the Fiscal Year for which the recommendation is effective (other than an event that is an Uncontrollable Circumstance of the type referred to in clauses (k), (l), (m), (n), (o), (p) and (s) of the definition of Uncontrollable Circumstances set forth in Schedule 16), which costs are (A) of a type covered by Required Insurance and (B) in excess of the amount of the Required Insurance covering these costs or the amount of Required Insurance covering these costs that was recommended by the Company, whichever is higher.

(c) The Authority must pay the Company, as a Service Fee Adjustment or as an adjustment to the Construction Period Service Fee or the Delay Period Service Fee an amount equal to $50,000 each time the Authority requests and the Company provides insurance recommendations as described in Section 9.8(b).

9.9. Special Service.

(a) If the Authority Representative notifies the Company Representative in writing that an identified amount of Acceptable Waste generated in the County is not or may not be delivered to the Company on behalf of the Authority under this Agreement and that the Company is being requested to provide the special services under this Section, then the Company must use its best efforts to deliver, or cause the delivery, of Acceptable Waste generated in the

County to the Project in an amount not to exceed the amount identified in the Authority notice, on such terms and conditions and at such rates and charges in the opinion of the Company, will best accomplish the mitigating result of reducing rates and charges that the County would otherwise be required to impose pursuant to its Rate Covenant under Section 5.13 of the Master Authorization.

(b) [Reserved] 53

(c) After the Waste Disposal Agreement Termination Date, and upon the request of the Authority Representative, the Company must use reasonable efforts to provide for the delivery to the Project of an amount of waste up to **558,450** tons of Processible Waste annually and the Authority must permit the Company to obtain such waste if the Authority is unable or unwilling to provide such Processible Waste. 54

(d) Any contracts or agreements entered into by the Company for the delivery of Acceptable Waste to the Project (i) shall be on such terms and conditions and at such rates and charges as in the sole opinion of the Company shall best accomplish (A) the mitigating result of reducing the rates and charges that the County would otherwise be required to impose pursuant to its Rate Covenant under Section 5.13, or as applicable, (B) the purpose of subsection 9.9(b) hereinabove, and (ii) must not, without the prior written consent of the Authority Representative, have a term in excess of one calendar year. The Company must use reasonable efforts to include provisions in any such agreements that state that the County and the Authority, as applicable, are third party beneficiaries of such agreements.

(e) All costs and expenses incurred by the Company to arrange for the delivery of waste to the Project pursuant to this Section must be paid by the Authority within 30 days after delivery by the Company to the Authority Representative of an invoice therefor together with supporting documentation reasonably satisfactory to the Authority; provided, however, in no event will the Authority or the County by reason of Section 9.9 assume to be responsible for, or be deemed to waive their right of indemnification with respect to, liability for delivery of Hazardous Waste and the clean-up costs and expenses related thereto under Applicable Law.

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53 Subsection 9.9(b) deleted pursuant to First Amendment.

54 Boldfaced text added pursuant to First Amendment.

10. INSURANCE AND INDEMNIFICATION

10.1. Types of Insurance for the Company.

(a) From the Acceptance Date until the Company Termination Date, the Company**, unless provided by the Authority or the County,** must obtain and maintain, or cause to be obtained and maintained, the Required Insurance in forms approved by the Authority and otherwise in accordance with Schedule 12. 55 The deductible limits contained in Schedule 12 must not be increased. The Company must procure and maintain any additional insurance coverage requested by the Authority that is available on commercially reasonable terms and such other insurance required by Applicable Law if the Authority agrees that the cost of the additional insurance is an Approved Pass Through Cost. Insurance required to be obtained by the Company pursuant to this Section 10.1 is "Required Insurance" for all purposes of this Agreement.

(b) If any policy of Required Insurance is not commercially available to the Company on reasonable terms (excluding, with respect to insurance required to be maintained after the Acceptance Date, consideration of cost) the Authority Representative must, upon the written request of the Company, modify the terms of this Required Insurance or the Company's obligation to provide this Required Insurance.

(c) The Authority will notify the Company, 60 (sixty) days prior to the effective date, if the Authority or the County will be providing or discontinuing any portion of the Required Insurance and the period for which the coverage will be in place or removed. 56

10.2. Delivery of Evidence of Insurance; Certain Required Provisions.

(a) **Each of the** Company**, the Authority and the County (the "Parties")** must deliver to the **other Parties** copies of all certificates of insurance for Required Insurance **that it is providing** and **make available for review** any policy amendments and policy renewals and, upon the reasonable request of the **Parties Representatives**, any additional information relating to Required Insurance. Each policy must name the Authority, the Trustee**, the Company** and the County as additional insureds, **as the case may be. Each policy provided by the Parties must** require the insurer to provide the Authority, the Trustee**, the County** and the **Company, as the case may be, sixty (60)** days prior written

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55 Boldfaced text added pursuant to Change Order #86.

56 Boldfaced text added pursuant to Change Order #86.

notice of termination or cancellation or of any change in coverage or deductibles under such Policy.

(b) The **Parties** must use only responsible insurance companies of recognized standing which are authorized to do business in Maryland as providers of all Required Insurance. The **Parties** must carry all Required Insurance with insurance companies rated at least "A" or its equivalent by Best's Key Rating or another national rating organization or other comparable insurance companies acceptable to the Authority. The **Parties** may **affect** Required Insurance by endorsement of blanket insurance policies.

(c) The **Parties** must not take out separate insurance concurrent in form or contributing in the event of loss with Required Insurance if the existence of such insurance reduces amounts payable under Required Insurance. The **Parties** must immediately notify the **other Parties** whenever it applies for any separate insurance and must promptly deliver the policy or policies evidencing the separate insurance to the **other Parties**.

(d) The **Parties** must submit to the appropriate insurer timely notices and claims of all losses insured under any Required Insurance policy **which the party is responsible for**, pursue such claims diligently and comply with all terms and conditions of Required Insurance policies. The **Parties** must promptly give the **other Parties, as** the **case may be,** copies of all notices and claims of loss and any documentation or correspondence related to such losses. The **Parties** must make all policies for Required Insurance, policy amendments, and other related insurance documents available for inspection and photocopying by the **other Parties, as** the **case may be** on reasonable notice. 57

10.3. Indemnification.

(a) Injury or Death or Property Loss or Damage.

The Company must protect, indemnify, and hold the Authority, the County, and their respective officers, employees and agents (the "Indemnified Parties") harmless from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, liens, encumbrances, suits or actions and attorneys' fees, and the cost of the defense of the Indemnified Parties in any suit, including appeals, for personal injury to, or death of, any person or persons, or loss or damage to property caused by the willful misconduct or negligent acts, errors or omissions of the Company, its agents, contractors or employees, in connection with or as a result of this Agreement or the performance by the Company of its obligations hereunder, except to the extent that the injury, death, loss or damage

57 Boldfaced text added pursuant to Change Order #86.

was the result of the willful misconduct or negligent acts, errors or omissions of such Indemnified Party. Each Indemnified Party must promptly notify the Company of the assertion of any claim against which it is indemnified hereunder, must, to the extent permitted by Applicable Law, give the Company the opportunity to defend such claim, and must not settle such claim without the approval of the Company, which approval must not be unreasonably withheld. These indemnification provisions are for the protection of the Indemnified Parties only and must not establish, of themselves, any liability to third parties.

In case any action shall be brought against the Indemnified Parties, in respect of which payment may be sought against the Company pursuant to this Section, the Indemnified Party shall promptly notify the Company in writing, and the Company shall be entitled to participate, at its own expense, in the defense, or if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Indemnified Party, which approval shall not be unreasonably withheld. In the event that the Company elects to assume the defense of any such suit and retains such counsel, the Indemnified Party shall cooperate in such defense and have the right to retain separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless the retaining of such counsel has been specifically authorized by the Company. The Company shall not be liable for amounts payable in respect of any settlement of any such action effected without its consent, but if settled with the consent of the Company, or if there be a final judgment for the plaintiff in any such action, the Company agrees to pay all such costs.

(b) Patent Infringement.

The Company must protect, indemnify and hold harmless the Indemnified Parties from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits or actions and attorney's fees, and the cost of the defense of the Indemnified Parties in any suit, including appeals, based upon or arising out of an allegation of infringement, violation or conversion of any patent, license, proprietary right or other related interest in connection with or as a result of this Agreement or the performance by the Company of any of its obligations under this Agreement, except patents, licenses, proprietary rights or other related interests for any portion of the Project constructed or installed by a Person other than the Company or its agents, subcontractors or Affiliates as a result of a Change ordered by the Authority under Section 3.2(a) or 8.1(c).

(c) Violation of Applicable Law.

The Company must protect, indemnify and hold the Indemnified Parties harmless from and against all penalties, fines and charges of any federal,

state or local government having jurisdiction over the Project, all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits or actions and attorneys' fees, and the cost of the defense of the Indemnified Parties in any suit or action (including appeals) arising from any violation of Applicable Law by the Company, in connection with or as a result of this Agreement or the performance of its obligations under this Agreement. The Company is not responsible to an Indemnified Party under this Section for a violation of Applicable Law to the extent that the violation was the result of the willful misconduct or negligent acts, errors or omissions of such Indemnified Party, or a violation of Applicable Law that was caused by a Change directed by the Authority under Section 3.2(a) or 8.1(c) at its own expense, if the plans and specifications for the Change were submitted to the Company and the Company notified the Authority and the County that the Change might cause a violation of Applicable Law of the type indemnified against. Each Indemnified Party must promptly notify the Company of the assertion of any claim against which it is indemnified hereunder, must, to the extent permitted by Applicable Law, give the Company the opportunity to defend such claim, and must not settle such claim without the approval of the Company, which approval must not be unreasonably withheld. The indemnification provisions contained in this paragraph are for the protection of the Indemnified Parties only and do not establish, of themselves, any liability to third parties.

(d) Use of a Company Landfill.

The Company must protect, indemnify and hold harmless the Indemnified Parties from and against all liabilities, actions, damages, claims, penalties, demands, judgments, losses, costs, expenses, suits or actions and attorney's fees, and the costs of defense of the Indemnified Parties (including, without limitation, any costs of response, removal of, remediation, any other clean up costs, liabilities and/or penalties under the Comprehensive Environmental Response Compensation and Liability Act, [42 U.S.C. 9601 et seq.], the Solid Waste Disposal Act [42 U.S.C. 6901 et seq.] or comparable State or federal law) based upon or arising out of (i) the actual use of or (ii) the discovery of Hazardous Waste or hazardous substances at, any alternate disposal facility used by the Company or its agents, subcontractors, or Affiliates for the disposal of waste or Residue pursuant to Section 6.6(c).

(e) To the extent permitted by Applicable Law, the Authority and the County must assert all limitations of liability available to them pursuant to the Maryland Tort Claims Act (being Title 12 of the State Government Article of the Annotated Code of Maryland, 1984 Volume and 1989 Cumulative Supplement), as amended, in connection with any action against the Authority or the County for which the Company is liable pursuant to this Section.

11. DEFAULT AND TERMINATION

11.1. Remedies for Default.

(a) If either party breaches one or more of its obligations under this Agreement, the right of the other party to recover damages or to be reimbursed ordinarily constitutes an adequate remedy. Therefore, except as provided in Sections 3.1, 11.5, 11.6, 11.7(d) and 12.3, a party may not terminate its obligations under this Agreement unless an Event of Default (as defined in Sections 11.2 and 11.3) on the part of the other party has occurred and is continuing.

(b) The remedies for an Event of Default and for other violations of this Agreement as to which specific liquidated damages are set forth in this Agreement are exclusive, and the parties waive any other remedies they may have at law or in equity for such Events of Default or violations of this Agreement; provided, however, that either party may seek judicial enforcement of any remedy provided in this Agreement and any amounts payable by the other party under this Agreement. The parties agree that the specific provisions for liquidated damages set forth in this Agreement are intended to measure as accurately as possible the direct damages of the party entitled to such damages. Except as specifically set forth as a component of liquidated damages described in this Agreement, neither party may recover lost profits, lost revenues, indirect, consequential or punitive damages as a result of an Event of Default or a violation of this Agreement by the other party.

11.2. Events of Default by the Company.

Each of the following constitutes an Event of Default on the part of the Company:

(a) The Company fails to pay any amount in excess of $500,000, adjusted by the Inflation Adjustor, that the Company is required to pay to the Authority under this Agreement within 90 days after receipt by the Company of written demand from the Authority Representative accompanied by a notice stating that unless the delinquent amount is paid within 90 days after this demand, the failure will constitute an Event of Default;

(b) (1) The Company persistently or repeatedly fails or refuses to design, engineer, construct, operate, repair and maintain the Project in accordance with this Agreement or to substantially fulfill any of its material obligations to the Authority in accordance with this Agreement other than as provided in Section 11.2(a), notwithstanding the payment by the Company of any damages or other amounts provided for under this Agreement, unless such failure or refusal is excused or justified pursuant to this Agreement, provided that failure of the Facility to perform at or above the full Performance Standards will not constitute an Event of Default so long as no Event of Default described in clause (2) of this Section 11.2(b) shall have occurred, and the Company pays nonperformance damages for

such failure as and when due under this Agreement (provided that nothing herein is intended to shorten the cure period provided in Section 11.2(a)), (2) refusal or failure of the Company, after the Acceptance Date, for a period of 12 consecutive months to operate the Facility at or above the Minimum Performance Standard or (3) the failure or refusal by the Guarantor to fulfill any of its obligations in accordance with the Guaranty Agreement, notwithstanding the payment by the Company of any damages or other amounts provided under this Agreement.

No failure or refusal on the part of the Company or the Guarantor (as the case may be) described in clause (b) above shall constitute an Event of Default unless and until:

(i) the Authority has given written notice to the Company stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that must, unless corrected, constitute a material breach of this Agreement on the part of the Company and that give the Authority a right to terminate its obligations to the Company under this Agreement for cause under this Section, unless such default is corrected within a reasonable period of time; and

(ii) the Company or the Guarantor, as the case may be, has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which must in any event be not less than five days from the date of the notice given pursuant to clause (i) of this Section 11.2(b)); provided, however, that if the Company or the Guarantor has commenced to take reasonable steps to correct such default within such reasonable period of time, the default must not constitute an Event of Default for as long as the Company or the Guarantor, as the case may be, is continuing to take reasonable steps to correct it.

(c) If, by order of a court of competent jurisdiction, a receiver or liquidator or custodian or trustee of either the Company or the Guarantor or of a major part of either of their property is appointed and is not discharged within 60 days, or if, by decree of such a court, the Company or the Guarantor is adjudicated insolvent, or a major part of either of their property is sequestered, and such decree has continued undischarged and unstayed for 60 days after the entry of such decree, or if a petition to reorganize the Company or the Guarantor pursuant to the Federal Bankruptcy Code or any other similar statute applicable to the Company or the Guarantor, as now or hereinafter in effect, is filed against the Company or the Guarantor and is not dismissed within 60 days after such filing;

(d) If either the Company or the Guarantor is adjudicated bankrupt or files a petition in voluntary bankruptcy under any provision of any bankruptcy law or consents to the filing of any bankruptcy or reorganization petition against either the Company or the Guarantor under any such law, or (without limitation of the generality of the foregoing) files a petition to reorganize the Company or the

Guarantor pursuant to the Federal Bankruptcy Code or any other similar statute applicable to the Company or the Guarantor, as now or hereafter in effect;

(e) If either the Company or the Guarantor makes an assignment for the benefit of creditors, or admits in writing an inability to pay debts generally as they become due, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of either the Company or the Guarantor or of a major part of either of their property; or

(f) If the Acceptance Date does not occur on or before the last day of the Extension Period.

To the extent that the Company does not perform an obligation under this Agreement as a direct and sole result of the nondelivery by or on behalf of the Authority of Acceptable Waste to the Project, the Company's nonperformance will not constitute an Event of Default under this Agreement or give rise to a cause of action for damages or otherwise (other than an action for the enforcement of the damage provisions specifically set forth in this Agreement); provided that the Authority's nondelivery of waste is due to any reason other than the misconduct or negligence of the Company or failure of the Company to perform its obligations as provided in this Agreement. The Company must bear and meet the burden of proof to establish that its failure to perform an obligation under this Agreement is the direct and sole result of the nondelivery of waste.

11.3. Events of Default by the Authority.

Each of the following constitutes an Event of Default on the part of the Authority:

(a) The failure by the Authority to pay any amount in excess of $500,000, adjusted by the Inflation Adjustor, that the Authority is required to pay to the Company under this Agreement within 90 days after receipt by the Authority Representative and the County Representative of written demand from the Company accompanied by notice stating that unless the delinquent amount is paid within 90 days after this demand the failure will constitute an Event of Default.

(b) The persistent or repeated failure or refusal by (1) the Authority substantially to fulfill any of its material obligations to the Company in accordance with this Agreement, or, (2) the County substantially to comply with any of the Company Benefit Provisions in the Waste Disposal Agreement; other than as provided in subparagraph (a) above unless the failure or refusal is excused or justified pursuant to the provisions of this Agreement or otherwise results from the failure of the Company to perform its obligations in accordance with this Agreement and the other Project Agreements.

No failure or refusal on the part of the Authority described in this clause (b) constitutes an Event of Default unless and until:

(i) the Company has given prior written notice to the Authority Representative and the County Representative stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exists and unless corrected, constitute a material breach of this Agreement on the part of the Authority and gives the Company a right to terminate this Agreement for cause under this Section 11.3(b) unless such default is corrected within a reasonable period of time; and

(ii) neither the Authority nor the County has corrected such default nor initiated steps to correct it within a reasonable period of time (which in any event must be not less than 5 days from the date of the notice given pursuant to clause (i) of this Section 11.3(b)), provided that if the Authority or the County has commenced to take reasonable steps to correct such default within such reasonable period of time, the default does not constitute an Event of Default for as long as the Authority or the County is continuing to take reasonable steps to correct it.

(c) A violation of the covenant set forth in Section 6.2(f)(ii).

The Authority's failure to deliver waste does not constitute an Event of Default under this Agreement.

11.4. Termination on Default.

(a) Either party may terminate this Agreement while an Event of Default of the other Party exists. The right of termination for an Event of Default may be exercised only by a Notice of Termination (the "Notice of Termination") given to the party in default. Subject to Section 14.13(b), the proper exercise of the right of termination is in addition to and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination. When one party terminates its obligations to the other party in accordance with this Agreement, all of the rights, remedies, powers and privileges of both parties under this Agreement are terminated, except as provided in Section 11.7 and 11.8.

(b) The Company's right to termination for default may not be exercised while dispute resolution proceedings, under this Agreement or pursuant to judicial action, are pending or underway regarding the reasons for or validity of the Company's exercise of its right to terminate for default.

(c) The Authority may terminate this Agreement due to an alleged Event of Default by the Company on the date specified in the Notice of Termination, notwithstanding the initiation of dispute resolution proceedings regarding the termination. If the Company disputes such termination, the Company shall not be

required to pay the Default Termination Damages pursuant to Section 11.7 unless and until the Authority prevails in dispute resolution (whether under this Agreement or by judicial action permitted by this Agreement). If the Authority does prevail, the Company must pay, in addition to Default Termination Damages, Debt Service paid by the Authority after the date specified in the Notice of Termination, plus interest on such payments at the Late Payment Rate. If, as a result of dispute resolution proceedings (whether under this Agreement, or by judicial action permitted by this Agreement), it is finally determined that the Authority was not entitled to terminate this Agreement due to a Event of Default by the Company, then the termination of this Agreement will be deemed to have been a termination for convenience by the Authority as provided in Section 11.6, effective as of the date of termination set forth in the Notice of Termination, and the Authority must pay the Company any additional amounts payable pursuant to Section 11.6 plus interest on such payments at the Late Payment Rate.

11.5. Termination for Certain Uncontrollable Circumstances.

(a) The Authority may terminate this Agreement at any time if, as a result of the occurrence of one or more Uncontrollable Circumstances (other than an Uncontrollable Circumstance of the type described in clauses (k) and (m) of the definition of Uncontrollable Circumstances set forth in Schedule 16), (1) the Facility is permanently shut down or (2) the Facility cannot be repaired, reconstructed or retrofitted so as to be capable of processing at least 60% of the Guaranteed Throughput Capacity and comply with Applicable Law. In addition, the Authority may terminate this Agreement at any time if (1) the occurrence of one or more Uncontrollable Circumstances (other than an Uncontrollable Circumstance of the type described in clauses (k) and (m) of the definition of Uncontrollable Circumstances set forth in Schedule 16) in any Fiscal Year after the Acceptance Date would result in a permanent increase in the Disposal Fee per ton of more than 25% measured by calculating the percentage by which (A)(i) the Disposal Fee in the first full Fiscal Year subsequent to the completion of any Change(s) necessitated by the Uncontrollable Circumstance(s), divided by (ii) the Guaranteed Throughput Capacity to be in effect after completion of any Change(s) necessitated by the Uncontrollable Circumstance(s), exceeds (B)(i) the Disposal Fee that would have been payable in such subsequent first Fiscal Year had the Uncontrollable Circumstance(s) not occurred, divided by (ii) the Guaranteed Throughput Capacity in effect prior to the occurrence of the Uncontrollable Circumstances(s); or (2) the occurrence of one or more Uncontrollable Circumstances (other than Uncontrollable Circumstances of type described in clauses (k) and (m) of the definition of Uncontrollable Circumstances set forth in Schedule 16) prior to the Acceptance Date would result in a permanent increase in the Disposal Fee per ton of more than 25% measured by calculating the percentage by which (A)(i) the Disposal Fee payable in the first full Fiscal Year following Acceptance and completion of any Changes(s) necessitated by the Uncontrollable Circumstance(s), divided by (ii) the Guaranteed Throughput Capacity to be in effect after completion of any Change(s)

necessitated by the Uncontrollable Circumstance(s), exceeds (B)(i) the Disposal Fee that would have been payable in such first Fiscal Year, divided by (ii) the Guaranteed Throughput Capacity set forth in this Agreement prior to the occurrence of such Uncontrollable Circumstance(s). For purposes of the preceding sentence, the Disposal Fee will be calculated to include the Service Fee and all amounts payable by the Authority under the Bond Documents; provided that (i) any extraordinary expenses of the Authority (other than the expenses of financing any Changes(s) necessitated by the Uncontrollable Circumstance(s) as provided below) shall be excluded, and (ii) the additional capital cost of any Change(s) necessitated by such Uncontrollable Circumstance(s) shall be amortized over the then remaining term of this Agreement (excluding renewal options not already exercised) irrespective of the actual term over which such capital cost is financed.

(b) The Authority may exercise its right to terminate the Agreement pursuant to this Section by (i) paying the Company the Termination Settlement Amount and (ii) providing the releases specified in accordance with Schedule 22.

(c) If the Authority proposes to operate the Facility at any time within five years after terminating this Agreement due to an Uncontrollable Circumstance as provided in Section 11.5(a), the Company will have a right of first refusal to provide operating and maintenance services upon the terms and conditions set forth in this Agreement, applicable as though this Agreement had not been terminated but recognizing adjustments to reflect the Uncontrollable Circumstance as provided in (a) above.

11.6. Termination for Convenience.

After the Commencement Date and notwithstanding any other provision of the Agreement to the contrary, the Authority may terminate all of its obligations to the Company under this Agreement ('Termination for Convenience') at any time by (i) giving the Company at least 180 days' notice of such termination, (ii) paying the Company the Termination Settlement Amount, (iii) providing the releases in accordance with Schedule 22, and (iv) paying the Company a 'Termination for Convenience Payment' in an amount equal to: 58

(a) if the Authority and the County abandon operation of the Facility, as the operations are described in this Agreement, in conjunction with the termination of this Agreement, an amount equal to 15% of the Termination Settlement Amount; and

58 This paragraph restated in full pursuant to Second Amendment.

(b) if after termination of this Agreement, the Authority or the **County intends to continue operation of the Facility: (A) $15,000,000, if this** Agreement is terminated for convenience between the Commencement Date and the Acceptance Date, and (B) if this Agreement is terminated for convenience after the Acceptance Date, the following amount (where "Operating Year" means the number of Fiscal Years commencing on the Fiscal Year that begins on the Acceptance Date):

OPERATING YEAR	AMOUNT (each adjusted by the Inflation Adjustor)
Effective Date to June 30, 2004	**$15,000,000**
July 1, 2004 to June 30, 2008	**10,000,000**
July 1, 2008 to June 30, 2009	**6,500,000**
July 1, 2009 to June 30, 2010	**6,000,000**
July 1, 2010 to June 30, 2011	**5,000,000**
July 1, 2011 to June 30, 2012	**4,000,000**
July 1, 2012 to June 30, 2013	**3,000,000**
July 1, 2013 to June 30, 2014	**2,000,000**
July 1, 2014 to the end of initial term	**1,000,000**

The parties agree that no amount is payable to the Company under Section 11.6 if this Agreement expires or is terminated on the last day of its initial term or at any time thereafter. 59

11.7. Default Termination Damages.

(a) If this Agreement is terminated by the Authority for cause as a result of an Event of Default by the Company, the Company must (A) at its sole cost and expense, perform a Performance Test in accordance with Schedule 6 of this Agreement or (B) submit to the Authority the results of the most recent Performance Tests conducted in accordance with Schedule 6 if such Performance Test was performed within the 30 days before the Authority's notice of termination of this Agreement. The performance level of the Project demonstrated by such

59 Table restated in full and boldfaced text after the Table amended pursuant to Third Amendment.

Performance Tests (the "Termination Performance Tests"), as certified by the Consulting Engineer, constitutes the Termination Performance Level.

(b) If this Agreement is terminated by the Authority for cause as a result of an Event of Default by the Company and the Authority provides written notice to the Company that the Authority intends to abandon operation of the Facility, as such operations are described in this Agreement, the Company must immediately, upon receipt of the Authority's Notice of Termination, (i) pay to the Trustee as a component of Default Termination Damages all amounts necessary to provide for defeasance or payment of all outstanding Bonds and Bond Documents, less an amount sufficient to defease or pay all outstanding indebtedness to the Company pursuant to Section 9.5(d)(iii) and this indebtedness will thereby be declared to have been paid in full, (ii) upon the written request of the Authority, raze the Facility and restore the Facility Site to its condition as of the date of this Agreement or such other condition as reasonably required by the Authority, provided that the cost of restoring the Facility Site to a condition required by the Authority other than its condition as of the date of this Agreement must not exceed the cost of restoring the Facility Site to its condition as of the date of this Agreement, (iii) pay the Authority as a component of Default Termination Damages an amount equal to fifty percent (50%) of all salvage proceeds received by the Company as a result of razing the Facility and restoring the Facility Site, (iv) pay to the Authority as a component of Default Termination Damages an amount equal to the sum of all increased payments, damages, penalties and any out of pocket expenses incurred by or on behalf of the Authority or the County under or pursuant to the other Primary Project Agreements, as a result of the termination of this Agreement and the termination, modification or violation of the other Project Agreements, and (v) pay to the Authority as a component of Default Termination Damages an amount equal to the following: (A) $15,000,000 if this Agreement is terminated for an Event of Default by the Company between the Commencement Date and the Acceptance Date, and (B) (where Operating Year means the number of Fiscal Years commencing on the Fiscal Year that begins on the Acceptance Date):

OPERATING YEAR	AMOUNT (each adjusted by the Inflation Adjustor)	OPERATING YEAR	AMOUNT (each adjusted by the Inflation Adjustor)
1-5 (inclusive)	$15,000,000	11	$9,000,000
6	14,000,000	12	8,000,000
7	13,000,000	13	7,000,000
8	12,000,000	14	6,000,000
9	11,000,000	15	5,000,000
10	10,000,000	16	4,000,000
		17	3,000,000
		18-Company Termination Date	2,000,000

(inclusive)

(c) If this Agreement is Terminated by the Authority for cause as a result of an Event of Default by the Company, and the Authority, in its sole discretion, certifies in writing to the Company that it or the County intends to continue operation of the Facility for the Processing of waste upon termination of this Agreement, the Company must immediately upon receipt of the Authority's notice of Termination pay to the Trustee as Default Termination Damages an amount equal to (i) the product of (A) the outstanding principal amount of the Bonds multiplied by (B) one minus a fraction, the numerator of which is the annual throughput capacity of the Facility demonstrated during the Termination Performance Tests and the denominator of which is the Guaranteed Throughput Capacity, plus (ii) the net present value (assuming a discount rate of 10% per annum) of the product of (A) $55.00 (adjusted by the Inflation Adjustor, using a projected inflation rate of 5% per annum for periods after the Company Termination Date) and (B) the product of (1) the difference between the Annual Guaranteed Throughput Capacity and the annual throughput capacity of the Facility demonstrated during the Termination Performance Tests and (2) the number of years between the Company Termination Date and the date that would have been the end of the term of this Agreement assuming neither party terminated this Agreement due to an Event of Default, and the Authority did not exercise its right to terminate for convenience and all renewal options were exercised by the party entitled thereto under Sections 12.1 and 12.2, plus (iii) an amount equal to all damages, lost profits, increased or accelerated payments or out-of-pocket expenses incurred by the Authority or the County under the Project Agreements or other contracts relating to the Project (except the Bond Documents, the Waste Disposal Agreement and the Landfill Agreement), or otherwise, as a result of the termination of this Agreement due to an Event of Default by the Company including, without limitation, all costs incurred to obtain a replacement operator for the Project less (iv) an amount sufficient to defease or pay all outstanding indebtedness to the Company pursuant to Section 9.5(d)(iii) and this indebtedness will thereby be declared to have been paid in full; provided, however, that the amount payable by the Company under this Section 11.7(c) as Default Termination Liquidated Damages must not exceed the sum of the principal amount of Bonds outstanding on the date of termination of this Agreement as set forth in the Authority's Notice of Termination, plus an amount equal to $5,000,000 adjusted by the Inflation Adjustor.

(d) If during any Fiscal Year, the Company repeatedly fails to perform any of its obligations in accordance with the provisions of this Agreement but such non-performance does not constitute an Event of Default under Section 11.2, and in three or more instances the Company fails after 30 days prior written notice from the Authority Representative to the Company to cure such non-performance (or such longer period as may be necessary to cure the non-

performance if the Company is actively pursuing such cure), the Authority may terminate this Agreement upon providing the Company with a Notice of Termination and payment to the Company of the Termination Settlement Amount plus $4,000,000; provided, however, that (i) if subsequent dispute resolution pursuant to this Agreement or judicial action results in a determination that the Authority was not entitled to terminate this Agreement for the reasons described above in this paragraph (d), or (ii) if the Project remains in operation and the aggregate cost of waste disposal for the County (including all costs of processing, transportation and disposal) is reduced (for other than a short-term basis) or the average per-ton cost of waste disposal for the County (including all costs of processing, transportation and disposal) is reduced below the average per-ton amount that would have been paid under this Agreement to dispose of the same amount of waste, in either case as a direct result of such termination, then, in either case, the termination pursuant to this paragraph will be treated as a termination for convenience pursuant to Section 11.6(b) and the Authority must pay the Company any additional amounts payable pursuant to Section 11.6 plus interest at the Late Payment Rate.

(e) If this Agreement is terminated by the Company as a result of an Event of Default by the Authority, the Authority must pay to the Company as Default Termination Damages, an amount equal to the sum of (i) the Termination Settlement Amount plus (ii) an amount equal to the following: (A) $15,000,000 if this Agreement is terminated for an Event of Default by the Authority between the Commencement Date and the Acceptance Date, and (B) (where Operating Year means the number of Fiscal Years commencing on the Fiscal Year that begins on the Acceptance Date):

OPERATING YEAR	AMOUNT (each adjusted by the Inflation Adjustor)	OPERATING YEAR	AMOUNT (each adjusted by the Inflation Adjustor)
1-5 (inclusive)	$15,000,000	11	$9,000,000
6	14,000,000	12	8,000,000
7	13,000,000	13	7,000,000
8	12,000,000	14	6,000,000
9	11,000,000	15	5,000,000
10	10,000,000	16	4,000,000
		17	3,000,000
		18-Company Termination Date (inclusive)	2,000,000

11.8. Survival of Certain Rights and Obligations.

The rights and obligations of the parties under Sections 2.10, 3.4, 3.6(e), 3.7, 4.7(b), (c), and (d), 5.4, the last sentence of 5.7(a), 6.5, 10.3, and Articles I, V, XI, XIII and XIV (other than Sections 14.18, 14.19 and 14.21) survive any termination of this Agreement. No termination of this Agreement limits or otherwise affects the rights and obligations, for the payment of money or otherwise, of any party that have accrued before the date of termination of this Agreement.

11.9. Termination Settlement.

Within sixty (60) days following termination of this Agreement under this Article XI, the Authority and the Company must reconcile all amounts then due and payable to each other under this Agreement, including any amounts payable pursuant to Article V and this Article XI, other than amounts payable to the Company pursuant to Schedule 4. Within ninety (90) days after such reconciliation, the Authority or the Company, as the case may be, must make final payment in complete discharge of its obligations under this Agreement except those obligations as to which there is a dispute. Any remaining balance must be promptly paid by the appropriate party after resolution of any dispute.

12. TERM; RENEWAL; COMMENCEMENT DATE

12.1. Term.

This Agreement is in effect from its date and, unless sooner terminated, continues in effect until the later of (a) the twentieth anniversary of the Acceptance Date or the end of the last renewal term (pursuant to Section 12.2 of this Agreement) or (b) the Maturity Date.

12.2. Renewal.

(a) The Agreement will automatically extend for a period of five years, until April 1, 2021 ("the First Renewal Term"), at a Service Fee calculated and paid as provided in Article 5.

(b) Unless at least 180 days before the end of the **First Renewal Term** of this Agreement the Authority Representative and the County Representative give the Company Representative written notice stating that the Authority and the County do not want the **First Renewal Term** of this Agreement to extend, this Agreement automatically extends for a second renewal term of 5 years at a Service Fee calculated and paid as provided in Article **5** of this Agreement**. The Authority and the County acknowledge that it is solely their obligation to renew or extend the Rail Transportation Agreement or direct new transportation arrangements pursuant to an Authority Change.**

(c) If the Authority Representative and the County Representative do not provide written notice to the contrary as described in the preceding paragraph, **at the conclusion of the First Renewal Term** the term of this Agreement will extend for **one additional five-year period** as provided in the preceding paragraph. 60

12.3. Commencement Date.

(a) The Commencement Date is the earliest date on which all conditions precedent set forth on Schedule 23 have been satisfied or waived in writing.

(b) If the Commencement Date does not occur on or before the first anniversary of the date of this Agreement, the Authority may, at any time, terminate its obligations under this Agreement, without obligation to the Company, except as provided in Section 11.8, if (1) it has given the Company at least 30 days' written notice under this Agreement, (2) the Commencement Date has not occurred during the 30-day period; and (3) the Authority provides written certification to the Company that the Authority does not then intend to continue efforts to develop the Project.

(c) Each party must use reasonable good faith efforts to cause the satisfaction of those conditions precedent set forth on Schedule 23 to the extent such conditions are within the party's control and each party must keep the other party advised of whether such conditions precedent have been satisfied or waived in writing by the party whose obligation in conditioned thereon. Neither party to this Agreement is required to waive any condition precedent. On the Commencement Date, the Authority and the Company must execute an acknowledgment stating that all of such conditions precedent have been satisfied or waived. Other than as provided in this Section 12.3 or as otherwise specifically provided, the obligations and rights of the parties under this Agreement will commence on the Commencement Date. Neither party is liable to the other party for the termination of this Agreement pursuant to this Section 12.3 and, if the Agreement is terminated pursuant to this Section 12.3, each party must bear its expenses attributable to the transactions herein contemplated. Notwithstanding the foregoing, no party is relieved of its obligations under this Agreement by the failure to satisfy any condition precedent set forth in Schedule 23 to the extent that such conditions are within the party's control.

(d) The following provisions of this Agreement shall be effective upon execution prior to satisfaction of the conditions set forth in Schedule 23 and the occurrence of the Commencement Date.

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60 Deletions made and boldfaced text added pursuant to Change Order #115.

(i) The provisions of Section 2.2 with respect to approved subcontractors;

(ii) The obligations of both parties set forth in Section 2.6 with respect to permits required to be obtained before the Commencement Date;

(iii) The obligations regarding construction staffing plans in Section 2.7;

(iv) Section 2.11(a) and (b);

(v) The provisions of Section 2.12 regarding erection of a fence and access to the site for such erection;

(vi) Section 2.15;

(vii) Sections 3.1(a), (b), (c) and (e) and Section 3.2;

(viii) Section 3.4(a) and (c);

(ix) Section 6.4;

(x) Section 12.3; and (xi) Article XIV.

13. REPRESENTATIONS AND WARRANTIES

13.1. Representations and Warranties of the Authority.

The Authority hereby makes the following representations and warranties, as of the date of execution and delivery of this Agreement, to and for the benefit of the Company:

(a) The Authority is a body politic and corporate validly existing under the Constitution and laws of the State of Maryland, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

(b) The Authority has duly authorized the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

(c) Neither the execution or delivery by the Authority of this Agreement, nor the performance of the Authority's obligations in connection with the transactions contemplated hereby nor the Authority's fulfillment of the terms or conditions of this Agreement (i) conflicts with, violates or results in a breach of any Applicable Law, or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment or decree, or any agreement or instrument, to which the

Authority is a party or by which the Authority or any of its properties or assets are bound, or constitutes a default thereunder.

(d) No approval, authorization, order or consent of, or declaration, registration or filing with, any governmental authority is required for the valid execution and delivery by the Authority of this Agreement, except those that have been duly obtained or made.

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

13.2. Representations and Warranties of the Company.

The Company hereby makes the following representations and warranties to and for the benefit of the Authority and the County:

(a) The Company is duly organized and validly existing as a corporation under the laws of the State of Maryland with full legal right, power and authority to enter into and perform its obligations under this Agreement, and is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary, including, but not limited to, the State of Maryland.

(b) The Company has duly authorized the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(c) Neither the execution or delivery by the Company of this Agreement, nor the performance by the Company of its obligations in connection with the transactions contemplated hereby, or the fulfillment by the Company of the terms or conditions of this Agreement (i) conflicts with, violates or results in a breach of any Applicable Law, or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment or decree, or any agreement or instrument, to which the Company is a party or by which the Company or any of its properties or assets are bound, or constitutes a default thereunder or (iii) will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever

upon any of the properties or assets of the Company, except as expressly contemplated by the Trust Indenture.

(d) No approval, authorization, order or consent of, or declaration, registration or filing with, any governmental authority is required for the valid execution and delivery of this Agreement by the Company, except such as have been duly obtained or made.

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

14. MISCELLANEOUS

14.1. Authority Representative, County Representative and Company Representative.

(a) The Authority Representative is the Executive Director.

(b) The Company Representative is the President of the Company or any vice president of the Company which the Company designates in writing as the Company Representative.

(c) The County Representative is the person designated as such under the Waste Disposal Agreement.

(d) Either party may change its authorized representative upon five Business Days' written notice to the other parties. Only the Authority Representative or the Company Representative may give the approvals, requests and notices to the other party under this Agreement.

14.2. Assignment.

Neither the Authority nor the Company may assign this Agreement without the prior written consent of the other party except that the Authority may assign its rights, remedies, powers and privileges under this Agreement to the Trustee or any other public entity, including, without limitation, the County, without the permission of the Company.

14.3. Notices.

All notices, designations, consents, approvals, and other communications required, permitted or otherwise delivered under this Agreement must be in writing and may be telexed, cabled or delivered by hand, mailed by first class registered or certified mail, return receipt requested, postage prepaid, or dispatched by next day delivery service and, in any case, must be addressed as follows:

If to the Authority:

Northeast Maryland Waste Disposal Authority
Attention: Executive Director
Tower II – Suite 402, 100 S. Charles St.
Baltimore, MD 21201-2705

With a copy to the County Representative:

Director
Montgomery County Department of Environmental Protection
101 Monroe Street
Rockville, Maryland 20850

If to the Company:

Covanta Montgomery, Inc.
c/o Covanta, Inc. 61
40 Lane Road, CN 2615
Fairfield, New Jersey 07007-2615
Attention: President

With a copy to:

Covanta Montgomery, Inc.
c/o Covanta, Inc. 62
40 Lane Road, CN 2615
Fairfield, New Jersey 07007-2615
Attention: General Counsel

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61 Company name changed pursuant to Change Order #78.

62 Company name changed pursuant to Change Order #78.

Any party entitled to receive communications under this Agreement may change the address to which its communications are delivered by notice to the other parties. Any communications given by mail in accordance with this Section 14.3 are deemed to have been given five Business Days after the date of mailing; communications given by any other means (including, without limitation, next day delivery service) are deemed to have been given when delivered.

14.4. Entire and Complete Agreement.

This Agreement (including all Schedules to this Agreement) constitutes the entire and complete agreement of the parties with respect to its subject matter and supersedes all prior or contemporaneous understandings, arrangements, commitments and representations, all of which, whether oral or written, are merged into this Agreement. The Schedules to this Agreement are an integral part of this Agreement and must be afforded full force and effect as though incorporated in their entirety in the Articles of this Agreement.

14.5. Binding Effect.

This Agreement binds and inures to the benefit of the parties to this Agreement and any successor or assignee acquiring an interest hereunder permitted by Section 14.2.

14.6. Further Assurances.

Each party must execute and deliver any instruments and perform any acts necessary and reasonably requested by the other party in order to give full effect to this Agreement.

14.7. Applicable Law.

The laws of the State of Maryland govern the validity, interpretation, construction and performance of this Agreement.

The Company and the Authority agree that they must bring any action, suit or proceeding arising out of this Agreement or any transaction contemplated by this Agreement in the Circuit Court of Montgomery County, Maryland. The Company and the Authority agree that neither will object to the institution and maintenance of any such action, suit or proceeding in such court based on improper venue, forum non conveniens, or any other ground relating to the appropriate forum for such action, suit or proceeding.

14.8. Counterparts.

The Authority and the Company may execute this Agreement in counterparts, each of which is deemed an original, and all of which, when executed and delivered, together constitute one and the same instrument.

14.9. Amendment or Waiver.

Neither the Authority nor the Company may change, modify, amend or waive this Agreement or any provision of this Agreement except by a written instrument signed by the party against whom enforcement of such change, modification, amendment or waiver is sought.

14.10. Relationship of the Parties.

No party to this Agreement has any responsibility whatsoever with respect to services provided or contractual obligations assumed by any other party and nothing in this Agreement is deemed to constitute one party a partner, agent or legal representative of any of the other parties or to create any fiduciary relationship between the parties.

14.11. Confidential Information.

The rights and obligations of the parties set forth herein with respect to Confidential Information are subject to Applicable Law, including Title 10, Subtitle 6 of the State Government Article of the Annotated Code of Maryland, as amended.

To the extent permitted by Applicable Law, the Authority and the Consulting Engineer must hold Confidential Information in strict confidence and take all reasonable precautions to prevent disclosure to third parties; provided, however, that the Authority may share all information provided by the Company, including all Confidential Information, with the County and its employees, agents and representatives. Prior to the Commencement Date, the Consulting Engineer must execute a confidentiality agreement in substantially the form set forth in Schedule 24.

The Authority must promptly notify the Company of the identity of any Person who requests a disclosure of Confidential Information. The Authority is not required to withhold disclosure of Confidential Information required to be disclosed pursuant to Applicable Law. The Authority must consider any information or legal arguments presented by the Company before the disclosure of the requested information.

The Company waives all rights to use images and/or descriptions of the solar array in any Company sponsored communications

without the prior written consent of the Authority. The Authority will provide the Company with approved images and statements about the solar array at the Transfer Station that the Company may use in Company communications. 63

14.12. Severability.

If a court of competent jurisdiction determines any provision of this Agreement is, for any reason, invalid, illegal or unenforceable in any respect, the parties hereto must negotiate in good faith and make such amendments, modifications or supplements of or to this Agreement, that to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein, and the other provisions of this Agreement must, as so amended, modified or supplemented, or otherwise affected by such action, remain in full force and effect.

14.13. Damages.

(a) The liquidated damages specified in this Agreement constitute the parties' sole and exclusive remedy for the acts, errors or omissions for which those liquidated damages are imposed.

(b) In no event, whether based upon contract, tort or otherwise, arising out of the performance or nonperformance by the Authority or the Company of any of their respective obligations under this Agreement, is the Authority or the Company liable or obligated to the other party, in any manner, to pay special, consequential, punitive or indirect damages unless such damages are a component of the liquidated damages specifically described in this Agreement.

14.14. Effect of Authority and County Approvals.

(a) No review, comment or approval by the Authority or the County under this Agreement affects the rights, remedies, powers or privileges of the Authority or the County in connection with (1) licenses, permits, reviews or approvals pursuant to Applicable Law, (2) enactment, interpretation or enforcement of any Applicable Law, (3) any of its other governmental functions, or (4) matters not related to the Project or this Agreement.

(b) No review, comment or approval, nor any failure to review, comment or give approval, by the Authority or the County under this Agreement or any of the other Project Agreements, relieves the Company of any of its obligations under this Agreement, or imposes any liability upon the Authority or the County; provided, that for purposes of this section 14.14, the Authority or the County, as the

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63 Boldfaced text added pursuant to Change Order #111.

case may be, will be deemed not to have objected to materials, information or proposals presented by the Company in the form and with all supporting documents required by this Agreement and concerning which the Authority or the County, as the case may be, has not responded within the time period prescribed by this Agreement for comment, approval or similar action by the Authority or the County, as the case may be.

14.15. Dispute Resolution. 64

(a) The Authority and the Company must in good faith attempt to resolve any dispute or matter in controversy under this Agreement. **In furtherance of this obligation, it is agreed that the Parties will first attempt to resolve any matter in dispute or controversy, at the Covanta Facility Manager/Authority Representative/County Representative level, and that failing resolution at that level, either Party may elevate the matter for resolution to the Covanta Regional Vice President/Authority management Representative/County Representative by placing the issue on the agenda for the next jointly attended monthly Facility meeting. If the Parties are unable to resolve the dispute at the monthly Facility meeting, resolution of the dispute will be in accord with Section 14.15(b) through 14.15(k).**

(b) All disputes arising under this Agreement having a design, engineering or construction issue of fact, **as well as issues arising out of the Parties' obligations under Section 4.11 of this Agreement, including but not limited to obligations set forth in Schedule 13,** must be resolved (with respect to these issues) pursuant to this Section 14.15 prior to resort to judicial resolution. Any dispute may be referred to the Independent Engineer for dispute resolution under the Section 14.15 by giving a written notice (the "Arbitration Notice") to the Independent Engineer and the other party within 20 Business Days (or such other period as (i) expressly provided in this Agreement or (ii) agreed to by both parties to this Agreement) after such party notifies the other party in writing, or is so notified by the other party in writing, (such writings being referred to as the "Pre-Arbitration Notice") that a dispute or controversy exists that cannot be resolved in accordance with Section 14.15(a). The Pre-Arbitration Notice must include a statement of the matter in controversy and the party's position with respect thereto. The other party must, within five Business Days of receipt of such Pre-Arbitration Notice, deliver a written response to such notice which must include a statement of its position with respect to the matter in controversy. Each such statement in the Pre-Arbitration Notice and the response thereto must be reasonably detailed and, where necessary, based upon appropriate professional opinion. Within 10 Business Days of receipt by a party of the Arbitration Notice, the

64 Boldfaced text added pursuant to Change Order #115.

Independent Engineer must commence hearings. The Independent Engineer must hear and determine the matter in controversy upon the evidence produced, notwithstanding the failure of a party duly notified to appear. The Independent Engineer must render a decision within five Business Days after such hearings are completed. The decision of the Independent Engineer must be in writing and must include written findings of fact.

(c) The time, place, rules and procedures to be followed to elicit the information and evidence required hereunder must be consistent with the provisions of the Maryland Uniform Arbitration Act, or any successor act or provisions, and, unless specifically provided herein or otherwise agreed to by both parties to this Agreement, must be determined by the Independent Engineer. The decision of the Independent Engineer will be final unless otherwise required by Applicable Law.

(d) The Independent Engineer must make all determinations and construe this Agreement in accordance with the provisions of Section 14.7.

(e) The Company and the Authority must, in good faith, take all reasonable measures necessary or required by the Independent Engineer to facilitate an expeditious determination by the Independent Engineer of a dispute or controversy hereunder. To the extent permitted by Applicable Law, if the Independent Engineer determines that a party has acted in bad faith in referring any dispute to dispute resolution hereunder or in the conduct of dispute resolution hereunder, the Independent Engineer may assess the party acting in bad faith more than one-half of the fees and expenses of the Independent Engineer hereunder and all or a portion of the costs of the other party, including attorney's fees, as the Independent Engineer determines to be just and reasonable.

(f) The Independent Engineer must be compensated, in an amount agreeable to the Authority and the Company, for its fees and expenses in connection with functions of the Independent Engineer under this Section 14.15. Except as otherwise provided in the preceding paragraph, the Company and the Authority must pay an equal share of such compensation to the Independent Engineer.

(g) Notwithstanding any other provision of this Agreement to the contrary, if the Authority is required to participate in dispute resolution proceeding pursuant to this Section 14.15, the County must be an essential party to such proceeding if reasonably requested by the Authority in a written notice delivered to the Independent Engineer and the Company.

(h) The Company must participate in all dispute resolutions, procedures or negotiations with any party to one or more of the Project Agreements or any other Person upon the reasonable request of the Authority, provided, that (1) such negotiations or dispute resolution procedures are related to the Project and (2)

the Authority agrees to pay the reasonable direct costs of the Company incurred in connection with such participation.

(i) Except as provided in Paragraph (j) below, if any dispute concerning the payment of money or the set-off of amounts due under this Agreement is referred for dispute resolution under this Section or is referred to a court of competent jurisdiction for resolution without resort to this Section (whether or not resort to judicial resolution is authorized by this Agreement), then the amount in controversy does not have to be paid or must not be set-off (as the case may be) unless and until the dispute is resolved in favor of the party claiming entitlement to the disputed payment or right of set-off.

(j) If any dispute concerning the payment of amounts by the Company in respect of the Debt Service portion of Delay Damages during the Extension Period and the amounts described in Section 3.7 that are determined by using the amount of outstanding Bonds as a factor is referred for dispute resolution under this Section or is referred to a court of competent jurisdiction for resolution without resort to this Section (whether or not resort to judicial resolution is authorized by this Agreement), then the amount in dispute (as well as any undisputed amount) must be paid by the Company when due under the Agreement (assuming the Company agreed that the amount was due and owing as alleged by the Authority) and before pursuing dispute resolution with respect to this amount. The disputed amount must be repaid to the Company, with interest at the Late Payment Rate from the date of payment, if the dispute is resolved in favor of the Company.

(k) All disputes arising under this Agreement having a design, engineering or construction issue of fact**, as well as issues arising out of the Parties' obligations under Section 4.11 of the Agreement, including but not limited to the obligations set forth in Schedule 13,** must be resolved (with respect to these issues) pursuant to this Section 14.15 prior to resort to judicial resolution. The resolution of any dispute pursuant to this Section that results in a decision in favor of a party for $250,000 or less shall be binding. Any decision for more than $250,000 may be appealed for de novo proceedings in any court of competent jurisdiction.

14.16. <u>Limitation of Liability and Defenses</u>.

(a) Notwithstanding any other provision of this Agreement to the contrary, the liability and obligation of the Authority for all monetary payments with respect to or arising as a result of this Agreement (including, but not limited to payments in respect of the Fixed Construction Price, the Service Fee, the Construction Period Service Fee, the Delay Period Service Fee and damage payments for breach of or default under this Agreement) are limited obligations payable solely from Project Revenues as and to the extent such Project Revenues

are received and available to pay such amounts under Applicable Law and the Bond Documents. The liability of the Authority for any monetary payments to the Company with respect to, or as a result of, this Agreement are not payable from the general funds of the Authority or any amounts received by the Authority in respect of the Authority Fee as defined in the Waste Disposal Agreement and the incurrence or nonperformance of such obligations or payments will not constitute or create a legal or equitable pledge of, or lien or encumbrance upon, or claim against, any of the assets or property of the Authority or of its income, receipts or revenues, except Project Revenues available to pay such amounts under Applicable Law and the Bond Documents.

(b) No recourse for the payment of any amounts due by the Authority under this Agreement or upon any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any document, certificate or instrument that this Agreement requires to be executed and delivered by the Authority or for any claim hereon or thereon shall be had by the Company, except from Project Revenues.

(c) The execution and delivery of this Agreement by the Authority does not impose any personal liability on the members, officers, employees or agents of the Authority. No recourse must be had by the Company for any claims based on this Agreement against any member, officer, employee or other agent of the Authority in his or her individual capacity, all such liability, if any, being expressly waived by the Company by the execution of this Agreement.

(d) The Company acknowledges that it is solely responsible for the design, engineering, construction, equipping, operation and maintenance of the Project and agrees that unless otherwise specifically permitted pursuant to the provisions of this Agreement with respect to the occurrence of an Uncontrollable Circumstance, and without limiting these provisions, the Company must not assert as a defense against any claim by the Authority or the County against the Company for failure to perform its obligations under this Agreement or the other Primary Project Agreements, (i) impossibility or impracticability of performance, (ii) lack of fitness for use of the Project, (iii) the existence, nonexistence, occurrence or nonoccurrence of any foreseen or unforeseen fact, event or contingency that may be a basic assumption of the Company, (iv) commercial frustration of purpose or (v) contract of adhesion.

In addition, the Company must not assert as a defense against failure to cause the Acceptance Date to occur, compliance with specifications or design (except where noncompliance with specifications or design is the basis for the Authority's claim).

(e) The Authority recognizes that it is obligated to enforce the Waste Disposal Agreement and to cause the County to comply with the Company

Benefit Provisions thereof and, to the extent permitted by Applicable Law, agrees that unless specifically permitted pursuant to the provisions of this Agreement with respect to the occurrence of an Uncontrollable Circumstance, and without limiting these provisions, the Authority must not assert as a defense against any claim by the Company against the Authority for failure to perform its obligations under this Agreement or the other Project Agreements (i) impossibility or impracticability of performance, (ii) existence, non-existence, occurrence or nonoccurrence of any foreseen or unforeseen fact, event or contingency that may be a basic assumption of the Authority, (iii) commercial frustration of purpose or (iv) contract of adhesion.

14.17. County as Third-Party Beneficiary.

The County is a third-party beneficiary of all of the obligations of the Company under this Agreement. The County has the right, but not the obligation, to enforce rights, remedies, powers and privileges of the Authority under this Agreement if the County provides 10 days' prior written notice to the Authority and the Authority does not deliver written notice to the County requesting that the County delay or forego such enforcement.

14.18. Nondiscrimination

(a) The Company must not discriminate or permit discrimination against any person because of race, color, religion, national origin or sex. This provision prohibiting discrimination is a material term of this Agreement.

(b) The Company agrees to comply with the nondiscrimination in employment policies in County contracts as required by Section 11B-3 and Section 27-19 of the Montgomery County Code, as well as all other applicable state and federal laws and regulations regarding employment discrimination. The Company assures the County that, in accordance with Applicable Law, it does not, and agrees that it will not discriminate in any manner on the basis of age, color, creed, national origin, race, religious belief, sexual preference or handicap.

The Company must include the provisions of this section in all subcontracts.

14.19. Minority Female and Disabled Individual Owned (MFD) Business Requirements.

During the term of this Agreement, the Company must comply with the MFD Protocol.

14.20. Public Ethics.

Pursuant to the requirements of the Montgomery County Code 1984, as amended, Chapters 11B and 19A, notice is hereby given as follows:

Any public employee who has or obtains any benefit from any contract with any person transacting business with the County in which the public employee has an interest, financial or otherwise, must report such benefit to the Ethics Commission. If such public employee knows or should have known of such benefit, and fails to report such benefits to the Ethics Commission, he or she is in violation of the ethical standards of this Article. This provision does not apply to a contract with a business entity where the employee's interest in the business has been placed in an independently managed trust.

It is unlawful for any person to offer, give or agree to give to any public or former public employee or for any public or former public employee to solicit, demand, accept or agree to accept from another person gifts for or because of:

(a) an official public action taken, to be taken, or which could be taken;

(b) a legal duty performed, to be performed, or which could be performed; or

(c) a legal duty violated, to be violated, or which could be violated by such public or former public employee. It is unlawful for any payment, gift, or benefit to be made by or on behalf of a subcontractor or higher tier subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

Unless authorized under Sections 11B-46 or 11B-54, it is unlawful for any person transacting business with the County to employ a public employee for employment contemporaneous with his or her public employment.

14.21. Transfer of the Project by the Authority

The Authority may, at any time and without the consent of the Company, sell, lease or otherwise transfer all or any portion of the Project to any Person. The rights and obligations of the Company under this Agreement must not be adversely affected in any material respect in connection with such disposition of the Project (including, without limitation, the rights of the Company to payments of amounts due it under this Agreement and the Company's security for these payments); and provided further, that the Company shall have a right of first refusal to purchase or lease (as the case may be) all or any portion of the Project the Authority proposes to sell or lease (as the case may be) to any nonpublic Person upon the same terms and conditions offered to such nonpublic Person.

IN WITNESS WHEREOF, the Authority and the Company have executed and sealed this Agreement as of November 16, 1990.

[SEAL]

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Attest:

By:_____

By:_____
Edward U. Graham
Authorized Member

By:_____

By:_____
Michael A. Gagliardo
Executive Director

[SEAL]

OGDEN MARTIN SYSTEMS OF MONTGOMERY, INC.

Attest:

By:_____
Patricia M. Collins

By:_____
Bruce W. Stone
Authorized Officer

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Schedule 1A
to
Service Agreement

TECHNICAL REQUIREMENTS - FACILITY

TABLE OF CONTENTS

1/ Boldfaced text added pursuant to First Amendment.

2/ Boldfaced text added pursuant to First Amendment.

3/ Boldfaced text amended pursuant to First Amendment.

4/ Boldfaced text added pursuant to Change Order #21.

5/ Boldfaced text added and amended pursuant to First Amendment.

6/ Boldfaced text added pursuant to Change Order #60.

TECHNICAL REQUIREMENTS – FACILITY

1.0 SCOPE

1.1 This Schedule as appended, covers the design, engineering, construction, start-up and testing of an 1,800-ton per day (TPD) mass burn waste-to-energy Facility. The Facility shall operate in accordance with the Environmental Guarantee while generating electrical power in accordance with the Electricity Production Guarantee. This Schedule discusses the minimum technical requirements and provides background information to be used as the basis for the design of the proposed Facility.

1.2 The Company shall engineer, design, construct, start up, test, and operate the Facility in accordance with these technical requirements, the Service Agreements and Applicable Law. If there is a conflict in the design, engineering or construction criteria described in these technical requirements, the Service Agreement or the applicable components of Applicable Law, the most stringent criteria will apply. The Facility shall include three units. The Facility shall include all equipment accessories, structures, items and appurtenances necessary for a complete, and operational Facility.

1.3 The Company shall provide equipment of a design, size, and type which are adequate to meet the Company's Performance Guarantees.

The Facility shall be designed to maximize electric power production in a manner consistent with the technical specifications of this schedule 1A and the Company's Performance Guarantees in Schedule 5.

The requirements established herein are the minimum prescribed requirements and are not intended in any way to be all inclusive or in any way to limit margins of conservatism which the Company may wish to apply. The Company is solely responsible for the design, construction and operation of this Facility. Nothing contained in this schedule 1A, or any subsequent reviews or approvals, shall change this responsibility.

1.4 The Facility shall be designed, engineered, constructed and operated in accordance with sound engineering practice. **Equipment will be manufactured new for use of Ogden Martin for the Montgomery County RRF Project. The containers will be shipped to the Site in accordance with standard industry practices, and may be shipped to the US with goods in them.**

Upon delivery to the Project each container shall be inspected and any damage will be corrected by the manufacturer or the Company. 7/

1.5 The Facility shall be designed using an "independent unit system" approach.

1.6 The Facility shall include three (3) identical, equally-sized, independently operable chute-to-stack systems, including furnaces/boilers, residue handling equipment up to the residue pit, pollution control equipment, auxiliaries such as fans and an independent flue in a common stack.

1.7 The Facility shall contain one electrical power generation system consisting of one turbine/generator set with steam condenser, switch gear, and cooling system, including steam bypass and dump system.

1.8 The interconnection for net power sales shall be furnished and constructed by PEPCO. Normal station power shall be self-generated (i.e. the Facility shall not operate on a buy gross – sell gross power basis.) Back-up station power shall be purchased only from PEPCO.

1.9 The Facility shall be designed to meet applicable state, local, OSHA, and federal codes and standards in addition to all fire and safety codes in effect on June 27, 1989. The design of the Facility shall be based upon a Use Group Classification F1, a Construction Classification of Type 2C and the assumptions that Section 501.1.1 and exception 1 to Section 504.1 of the 1987 BOCA code are applicable to the Facility and that the level of fire protection identified in, Section 7.35.6 of this Schedule meets Montgomery County building code official's approval. The preceding classifications and assumptions are based upon a Company interpretation of the BOCA Code. In the event that the responsible enforcing official interprets the BOCA Code or the County building code with respect to these assumptions to require different equipment or materials, such interpretation shall be treated as an Authority Change pursuant to the Service Agreement.

7/ Boldfaced text added pursuant to Change Order #49.

2.0 FACILITY DESCRIPTION

2.1 Acceptable Equipment Manufacturers

2.1.1 Where a manufacturer is specified for a particular system or piece of equipment in this Schedule 1A, the Company may propose an "equal," however, all substituted "equals" are subject to the reasonable approval of the Authority.

2.2 Operation and Turndown

2.2.1 The furnace/boiler combustion units shall be normally operated at unit Maximum Continuous Rating (MCR). They shall be capable of operating at a Maximum Continuous Turndown (MCTD) point, safely and for extended periods, without supplemental fuel firing. The MCTD for each boiler/stoker shall be 80% of the design heat input. When the boiler is operated below 80% of the design value, the superheater outlet steam temperature will fall below the design value.

3.0 GENERAL DESIGN AND OPERATING CONDITIONS

3.1 General Design Requirements

3.1.1 Each unit shall be designed such that the refuse fuel feed rate equals or exceeds one third of the MCR Load as defined in 3.1.2 below.

3.1.2 The Facility shall be designed such that, aside from periods of scheduled and forced outages including shutdown and start-up and provided sufficient quantities of Processible waste are available, the Facility shall operate continuously at a Guaranteed Load equal or exceeding 1,800 TPD based on HHV = 5.500 Btu/lb.

3.2 Site Design Conditions

3.2.1 Ambient design conditions shall conform to the criteria listed below or as indicated elsewhere in this schedule.

OUTDOOR DESIGN CONDITIONS

Summer - Design dry bulb/coincident wet bulb:

Administration and Control Room Areas	91°F db/75°F wb
Cooling Tower	94°F db/78°F wb

Balance of Plant	88°F db/74°F wb

Winter - Design dry bulb:

Administration and Control Room Areas	8°F
Balance of Plant	12°F

3.3 Fuel Analysis

3.3.1 The fuel supply shall be Processible Waste delivered by or on behalf of the County. The steam generators shall be designed to satisfy Throughput Capacity Guarantees (Schedule 5) when firing Processible Waste having a higher heating value in the range from 4,000 to 6,500 Btu/lb.

A typical description of Processible Waste in terms of proximate and ultimate analyses is furnished in Table 1A-1 for a range of higher heating values.

The HHV value 5,500 Btu/lb shall be used as the design value for the MCR capacity of the Facility and its individual furnace/boiler processing lines. Actual HHV values may fluctuate between 4,00 and 6.500 Btu/lb. Should the HHV of local MSW drop severely, the County may enhance the waste stream with additional Processible Waste to assure that Processible Waste fired at the Facility shall maintain an HHV value of at least 4,000 Btu/lb.

3.3.2 The units shall be designed to deliver steam at rated conditions on a continuous basis without excessive maintenance, slagging, fouling, or other operating difficulties when firing Processible Waste at rates sufficient to satisfy the Throughput Capacity Guarantees.

3.4 Residue Processing, Future 8/

An area for as yet unspecified future processing of residue shall be provided. There shall be no obvious impediment to the future addition of residue processing such as the need to relocate any major equipment.

8/ Renumbered pursuant to First Amendment.

3.5 Selective Non-Catalytic Reduction (SNCR) 9/

The terms of this section have been replaced with the Technical Description of Environmental Improvements, Attachment A to Schedule 54. 10/

3.6 Operating Schedule 11/

The Facility's operating schedule will be continuous.

TABLE 1A-1

Higher Heating Values (HHV)							
High Heating Value	Btu/lb.	4,000	4,500	5,000	5,000	6,000	6,500
Proximate Analyses of Processible Waste							
Residue & Inerts	WT %	22.30	21.00	20.00	16.20	14.00	11.50
Moisture	WT %	27.20	22.40	17.50	16.00	13.00	11.00
Combustion	WT %	50.50	56.60	62.50	67.80	73.00	77.50
Total	WT %	100.00	100.00	100.00	100.00	100.00	100.00
Ultimate Analysis of the Combustible Matter							
Carbon	WT %	22.92	25.74	28.51	31.13	33.77	36.25
Hydrogen	WT %	3.24	3.64	4.04	4.43	4.81	5.18
Oxygen	WT %	23.70	26.43	28.99	30.96	32.78	34.05
Nitrogen	WT %	0.48	0.58	0.67	0.87	1.06	1.25
Chlorine	WT %	0.11	0.16	0.21	0.30	0.44	0.60
Sulfur	WT %	0.02	0.02	0.03	0.04	0.05	0.06
Phosphorus	WT %	0.02	0.02	0.03	0.04	0.05	0.06
Fluorine	WT %	0.01	0.01	0.02	0.03	0.04	0.05
Summary of Combustible Matter	WT %	50.50	56.60	62.50	67.80	73.00	77.50
Hydrogen in Combustion Matter (100%)	WT %	6.42	6.44	6.46	6.52	6.59	6.68

9/ Renumbered pursuant to First Amendment.

10/ Boldfaced text added pursuant to Change Order #106.

11/ Renumbered pursuant to First Amendment.

NOTE:
The source of these data is G. Stabenow's paper "Predicting and Testing Incinerator-Boiler Efficiency. A Proposed Short Form Method in Line with the ASME Test Code PTC-33" which was published in the ASME Proceedings 1980. Although Table 1A-1 sets forth average waste composition the Authority does not suggest that the analysis is accurate. The Company is responsible to design the Facility to meet the Performance Standards when firing Processible Waste.

4.0 CODES AND STANDARDS

4.1 Although all applicable Codes and Standards may not be specifically shown or specified herein, the Company shall be responsible for determining applicable codes, acquiring copies at its sole expense, and complying with the applicable requirements of Codes and Standards in effect as of June 27, 1989.

4.2 Equipment, material, design, engineering, fabrication, erection, inspection, start-up. And tests provided by the Company shall be in strict conformance with all applicable OSHA, federal, state, local and industry codes, standards, specifications, regulations, tests, procedures, and definitions unless otherwise stated in this Agreement. The Facility's design, construction, and operation shall comply with Building and Electrical Codes adopted by the County and the State of Maryland on or before June 27, 1989. All items furnished under this specification shall be designed and constructed accordingly.

4.3 The latest edition of codes or standards referred to in this schedule which are in effect on June 27, 1989 shall apply.

4.4 Company or its boiler subcontractor shall possess the requisite ASME Boiler Code symbol stamp and have a valid certificate of authorization from ASME.

4.5 A partial listing of applicable codes follows.

Other codes and standards may be in force or applicable. The list below is not all-inclusive. It is the Company's responsibility to identify and comply with all applicable Codes and Standards.

Design Standard	ACRONYM
Air Conditioning and Refrigeration Institute	ARI
Air Moving and Conditioning Association	AMCA
American Association of State Highway and Transportation Officials	AASHTO
American Concrete Institute	ACI
American Gas Association	AGA
American Gear Manufacturers Association	AGMA
American Institute of Architects	AIA
American Institute of Steel Construction	AISC
American Iron and Steel Institute	AISI
American National Standards	ANS
American National Standards Institute	ANSI

American Petroleum Institute	API
American Public Health Association	APHA
American Public Works Association	APWA
American Society of Civil Engineers	ASCE
American Society of Heating, Refrigeration, and Air Conditioning Engineers	ASHRAE
American Society of Landscape Architects	ASLA
American Society of Mechanical Engineers	ASME
American Society of Non-destructive Test Engineers	ASNDTE
American Society of Testing and Materials	ASTM
American Water Works Association	AWWA
American Welding Society	AWS
American Wood Preservers Association	AWPA
Anti-Friction Bearing Manufacturers Association	AFBMA
BOCA National Building Code	BOCA
Code of the Federal Register of the U. S. Environmental Protection Association	USEPA
Commercial Standards	CS
Crane Manufacturers Association of America	CMAA
Deutsche Industrie Norman	DIN
Ductile Iron Pipe Research Association	DIPRA
Federal Aviation Administration	FAA
Federal Specifications Issued by the Federal Supply Service of the General Services Administration	Fed. Sec's
Hydraulic Institute	HI
Industrial Gas Cleaning Institute	IGCI
Institute of Boiler & Radiator Manufacturers	IBRM
Institute of Electrical and Electronic Engineers	IEEE
Instrument Society of America	ISA
Insulated Power Cable Engineer Association	IPCEA
Maryland Department of Transportation	MDOT
Montgomery County Building Code	MCBC
National Bureau of Standards	NBS
National Clay Pipe Institute	NCPI
National Electric Code	NEC
National Electrical Manufacturers Association	NEMA
National Electric Safety Code	NESC
National Fire Protection Association	NFPA
Occupational Safety and Health Administration	OSHA
Sheet Metal Air Conditioning Contractors National Association	SMACNA
Steel Structures Painting Council	SSPC
Tile Council of America	TCA

4.6 Where the requirements of this Schedule differ from the requirements of the codes and standards referenced herein, then the more stringent requirements shall apply.

5.0 STRUCTURAL/CIVIL

5.1 Facility Site

5.1.1 The Facility site is a parcel of land approximately 35 acres in size, adjacent to PEPCO's Power Plant near Dickerson, Maryland. Refer to Schedule 20 for a description of the Facility Site.

5.2 Site Layout

5.2.1 The site layout shall incorporate space requirements consistent with required building and equipment sizes and rail lines, and shall incorporate proper engineering practices for safety, accessibility, maintenance and good housekeeping.

The turbine and administration buildings shall be adjacent to and combined with the main process building for a contiguous structure. The administration building shall be provided with easy access to the plant and the site entrance.

The buildings shall be located to allow for operational efficiency, safety of users and visitors to the plant.

5.2.2. Traffic patterns and turning radii shall accommodate container transportation vehicles.

5.2.3 All materials loading and unloading shall be managed to prevent scattering and blowing of debris and dust escaping from the building.

5.2.4 Stormwater drainage and collection shall be provided for container loading, container unloading and container storage areas.

5.2.5 The construction of all utilities on site including, but not limited to water, potable water, wastewater, fire protection and stormwater shall be provided by the Company. The Company shall furnish all appurtenances for collection, pumping, treatment, storage, and distribution as appropriate. The Company shall obtain and/or install

all telephone services. The Company shall provide telephone utility tie-ins from site boundary to the Facility and secure all permits. PEPCO shall furnish and construct the electric utility interconnect up to and including the connection at the Facility switchyard.

5.2.6 **12/** The electrical switchyard shall be located adjacent to the turbine/generator area and the air pollution control equipment. The switchyard shall be screened from view from the Facility entrance by **landscaping.**

5.3 Types of Structures

5.3.1 The refuse receiving, maneuvering, and tipping area enclosure, storage enclosure, boiler enclosure, maintenance shop, control room, turbine area, residue loading building, pumphouses, water treatment and lime handling building, and administration area shall be structural steel, pre-engineered and/or reinforced concrete framed enclosed structures. The container receiving maneuvering, container loading and unloading and storage areas which includes the refuse storage pit and boiler refuse feed chutes, the boiler enclosure and the service area which includes the control rooms, maintenance and personnel areas, and turbine area, shall be combined into a common or contiguous enclosed structure.

The boilers shall be located in the boiler enclosure which is part of the main process building. Space between the boilers shall be utilized for sootblowers and access platforms. The main process building shall also house the demineralizer equipment, deaerator, boiler feedwater pumps, maintenance shop, forced draft and overfire air fans. The building shall have a reinforced concrete floor slab at grade and at the stoker fronts.

The turbine enclosure shall be connected to the main process building and enclose the control room, electrical switchgear, turbine and related operating equipment including the main condenser and feedwater heaters. The turbine enclosure shall have reinforced concrete floor slabs at grade and at the turbine operating level with an open drop zone for equipment removal. The turbine generator shall be supported by an independent reinforced concrete pedestal foundation. An overhead traveling crane shall be located over the turbine generator to facilitate servicing and maintenance.

12/ Boldfaced text added and amended pursuant to First Amendment.

Sufficient maintenance clearance space shall be provided around all major mechanical equipment components.

5.3.2 13/ The waste storage system used at the Facility shall be a refuse pit. The refuse storage pit shall be designed for a minimum of 4 days overall storage of processible waste at the processing rate of **1800** TPD. The storage capacity shall include, as a minimum, **56%** of the capacity of the pit below the tipping floor and not more than **44%** of the capacity above the pit to the level of the charging hoppers. Pit design shall provide for the operating requirement that at no time may stacking height come to within four (4) feet (free board) below the charging floor. The design density of refuse shall be assumed to be **550** lb/yd3 for calculation of storage capacity. The bottom of the refuse pit shall be at least **30** feet below the tipping floor. **Only 50% of the volume of the pit above the waterline is accounted for in calculating the amount of storage**.

The refuse pit shall be of reinforced concrete construction and have a sloped floor. The pit shall be provided with a front concrete curtain wall, above and on either side of the container unloading/tipping positions, starting approximately 35 feet above the tipping floor elevation and extending upwards to the charging floor parapet. The remaining three pit walls shall extend to the top of the stoker charging hoppers.

The number of bays and/or arrangements for container unloading shall be based on the peak container flow and include **9** unloading/tipping positions. The container discharge and pit area shall be totally enclosed and kept under negative pressure by drawing the air off to use for the furnace combustion air.

5.3.3 The refuse pit charging elevation (charging hopper and crane maintenance areas) shall be designed to provide sufficient space for all crane maintenance activities for the cranes specified in paragraph 7.6, Refuse Cranes. Two (2) cranes are required. The Company shall provide an individual space for each crane supplied. Two crane maintenance areas shall be provided, one on each end of the pit. Hitch points shall be provided for convenient removal of crane motors. The charging floor of the refuse building shall be sloped towards the refuse pit to facilitate floor washdown.

13/ Boldfaced text added or amended pursuant to First Amendment.

5.3.4 At both ends of the storage pit, separate storage bays shall be provided for storing undesirable objects. Provision shall be made for depositing such undesirable objects, into these separate storage bays. These bays shall have provisions for the load-out of such objects either to truck or return containers. The height of the container unloading area shall be sufficient to accommodate the containers and their discharging equipment. The Company shall protect walls from potential damage due to unloading and maneuvering equipment.

Storage walls subject to damage through repeated crane grapple impacts shall be constructed of high strength (5000 PSI) concrete. The Company shall provide a design that shall minimize wear and prevent structural deterioration of the walls. This may include additional rebar and/or concrete. All pit edges and outside corners exposed to the grapple or bucket operation shall be protected with 4" x 4" x 3/8" thick angle iron. The pit floor shall be sloped to permit ready removal of excess water using portable drainage pumps in the event of a pit fire.

A 3 foot – 6 inch high charging hopper level parapet wall (upward extension of the rear pit wall), with generous sweep-through openings shall be provided. The top surface of the wall shall be protected with 4" x 4" x 3/8" thick angle iron.

5.3.5 14/ The residue pit shall be designed to provide 5 days' storage based upon a design density of 70 lb/ft^3 at **1800** TPD Facility throughput conditions and adequate space for crane maintenance. The structural design of the residue pit shall be based upon a density of 100 lb/ft^3. The residue loadout building walls shall be constructed of reinforced concrete up to a minimum of six (6) feet above grade **in storage areas** and shall be equipped with roll-up doors to allow vehicle drive through All residue storage areas shall be roofed (i.e. protected from rain), and force-ventilated.

An iron-aggregate shake-on concrete surface hardener, such as Master Builder's Masterplate 200, shall be applied to the entire floor of the residue loadout building. Joints shall be sealed to prevent water from seeping out at the bottom of walls and floor construction joints.

5.3.6 At a minimum, the boilers, refuse storage pit and turbine/generators shall be fully enclosed. The lower portion of the air pollution control equipment shall be screened by a metal panel to blend into the buildings.

14/ Boldfaced text amended pursuant to First Amendment.

5.3.7 Floor construction shall, as a minimum, be as follows:

(a) Refuse storage building floors including charging level floor – reinforced concrete

(b) Administration, pumphouse, and maintenance building floors – reinforced concrete

(c) Turbine building floors – reinforced concrete at operating and grade levels. A maintenance crane shall be provided.

(d) Boiler area ground floors – reinforced concrete

(e) Grade level under air pollution control (APC) area and residue building shall be a reinforced concrete slab sloped for drainage. No crushed stone shall be used below APC equipment.

(f) Provision for handicapped shall be provided in the administration building and visitors areas including parking.

(g) Boiler area elevated platforms, bar grating or reinforced concrete if required for equipment.

(h) The switchyard area shall be graded and covered with 4 inches of crushed stone.

5.3.8 The turbine/generator shall be supported on a separate reinforced concrete pedestal and foundation system to isolate it from the building and associated foundations and shall be designed in accordance with the manufacturer's recommendations.

5.3.9 Facility height, exclusive of stack, shall be limited to a maximum of 120 feet from grade due to County building height restrictions.

5.3.10 The Facility stack shall satisfy all requirements of the Federal Aviation Administration.

5.3.11 The tipping floor shall be elevated 10 feet above boiler floor elevation. The tipping building's reinforced concrete floor shall be sloped toward the refuse pit to facilitate periodic washdown. A 35-foot width of the tipping floor adjacent to the refuse pit as well as the end bays (drop zones) shall be treated with Master Builder's Masterplate 200 floor hardener for protection against abrasion. Truck backup wheel stops shall be provided at each unloading position.

5.3.12 Ceiling heights shall be designed to clear vehicles, cranes, equipment and allow routine plant maintenance. The tipping floor enclosure shall have a height clearance of **approximately 46** feet between the floor and roof trusses. 15/

5.4 Improvements to the Site

5.4.1 The site requires full development including seeding and landscaping.

The design of the Facility shall take into account the existing site conditions. The Company shall be responsible for all site preparation. The Company shall be fully responsible for all Facility Site development necessary to render the Facility and the Facility Site usable and constructible, including but not necessarily limited to, except as specifically delineated in this Agreement the following: establishment of lines and grades, site clearing and grubbing, initial and finish grading, site drainage and control, boundary fencing, on and off-site vehicular and automobile and rail access, all provisions for acceptance of deliveries, all landscaping, retention ponds, stormwater management, sediment control and all other mitigation measures necessary to assure a quality Facility.

5.4.2 The site shall be developed for three furnace/boiler units; one turbine-generator; and shall be designed with provisions for services and facilities. See also Section 3.4.

5.4.3 16/ The site shall be provided with positive drainage by sloped paving and grading as required. The parking areas and plant proper shall be drained by surface grading **and if required by Code underground piping** for ultimate discharge to an on-site stormwater management system provided by the Company.

5.4.4 17/ Work and services required for storm drainage systems, which **may if required by Code** include the installation of storm drainage pipes, manholes, inlets, headwalls, flared end sections, manhole and inlet castings, cleanouts, and rip-rap, shall be furnished in compliance with local, state, and federal codes. Local rainfall intensities found in the "State of Maryland Department of Transportation Highway Drainage

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15/ Modified pursuant to First Amendment and Change Order #1.

16/ Boldfaced text added pursuant to First Amendment.

17/ Boldfaced text amended pursuant to First Amendment.

Manual" shall be used for site drainage design. Design shall be based on a 10 year 24 hour rainfall. Stormwater management design and construction shall be approved by the County and shall take into consideration all improvements by the Company both on and off site.

Where storm drain elevations intersect the groundwater table, all pipe shall be gasketed to prevent infiltration. The Company shall be responsible for proper drainage and soil erosion and sediment control during construction in areas affected by work activity. The soil erosion and sedimentation plan shall conform with County and State grading and other erosion control requirements and be submitted for approval by the County. All sediment traps, stone filter perimeter swales, straw bales, perimeter dikes, interceptor dikes and other items required for soil erosion and sediment control shall be provided.

The Company shall take all steps necessary during design, construction and operation to control soil erosion on site and to minimize dust emanating therefrom. This shall include design and operation of equipment associated with handling lime and other chemicals used in the operation of the Facility. Settling ponds and control ditches shall be employed to control runoff in accordance with a County grading permit.

5.4.5 18/ Retaining walls shall be constructed of reinforced concrete **or reinforced earth with concrete fascia. The company is responsible for adequate wall design. In particular, loads imposed by the railroad system will be addressed where appropriate.**

5.4.6 The effects of adjacent property which drain onto the Facility site shall be included in the design. Off-site grading and seeding to minimize retaining walls and slopes may be permitted with Authority approval.

5.5 Geotechnical Investigation

5.5.1 The Company shall determine all information and data necessary to complete the design and construction of the Facility.

18/ Boldfaced text added pursuant to First Amendment.

5.6 Survey

5.6.1 A metes and bounds description of the Facility Site property lines and easements is included in the Facility Site Agreement. (see Schedule 20).

5.6.2 All work and services necessary for or incidental to the performance and completion of survey work necessary for the construction of site work, buildings, new utilities, and other new facilities and establishment and maintenance of bench marks, measurement to verify location of completed construction, and survey alignment to existing property boundaries shall be provided by the Company. Existing bench marks and property line monuments, on and off site, shall not be disturbed. The surveyor shall be certified by the State of Maryland.

The Company shall furnish all labor, materials, tools, equipment and all work and services necessary for or incidental to the performance and completion of survey work for the construction of the facility. The Company shall establish and maintain lines and grades, benchmarks, make measurements to verify location of completed construction and survey alignment to existing property boundaries.

Vertical controls and bench marks will be tied to the United States Coast & Geodetic Survey sea level datum. Horizontal controls at the RRF site will be tied to the PEPCO coordinate system and the Maryland State Plain coordinate system.

The Company shall deliver "As Built" or "Record Drawings" of all improvements for the Facility.

5.7 Clearing and Grubbing

5.7.1 The Company shall perform work and services necessary for the completion of site clearing, grubbing, removal and disposing of brush, fences and debris, within the Boundary Limits of the Facility Site at its sole expense. Materials as necessary shall be removed from the site and disposed at a location secured by the Company.

5.7.2 No open burning shall be allowed on the Facility Site.

5.8 Excavation, Filling, and Backfilling

5.8.1 The Company shall perform all operations in connection with excavation of materials including unsuitable materials as required,

regardless of character of material except for any contaminated materials associated with the Controlled Storage Facility and/or the Equalization Pond, and obtain fill and backfill materials approved by the Company's geotechnical consultant to produce final grade lines. Arrangements for obtaining necessary fill material and topsoil from off-site borrow areas, or for transporting fill between the sites, shall be the responsibility of the Company. After completion of the Project, any excess excavated soils shall be spoiled on the site or stored at the option of the Authority, and, if stored onsite, such storage shall be in areas designated by the Authority. Flyash deposits discovered on the site shall be disposed of by the Company at the PEPCO ash fill areas adjacent to the Facility property.

5.8.2 Earthwork, including excavation, fill, backfilling, dewatering, subgrade preparation and stabilization, shoring, drainage, and frost protection shall comply with the recommendations of a geotechnical consultant licensed in the state of Maryland such as ATEC Associates Inc., Schnabel Engineering Associates or Patton Harris Rust & Associates, as well as applicable ASTM standards and provisions of local codes. Permanent grading of embankments and ditches shall generally have a minimum of three horizontal to one vertical slope except where said slopes encroach on adjacent properties or where excavations are made in stable rock formations. Under these conditions slopes shall be in accordance with the geotechnical consultant's recommendations with suitable soil stabilzation methods employed. Earthwork associated with roads shall conform to applicable AASHTO standards.

5.8.3 The Company shall be fully responsible for all earthwork required to render the Facility and the sites usable and constructible, including but not limited to all materials, equipment, labor and supervision necessary to perform compaction tests, and to assure proper placement of all materials. The Company shall be responsible for all costs associated with the inspection and testing of the earthwork. The Company is responsible for relocating a soil stockpile currently on the Facility Site. See Schedule 20.

5.9 Foundations

5.9.1 All work and services necessary for the furnishing, installation, and any required testing of foundations shall be provided. Foundations shall be designed and constructed on the basis of geotechnical information. The Company shall provide for the services of an

independent testing laboratory to perform material evaluation tests, and perform any material and/or geotechnical tests required.

5.10 Paving, Curb and Gutter, Sidewalk, and Surfacing

5.10.1 The Company shall provide all roads required at the Facility Site. The access roads and/or ramps shall be designed to achieve the greatest truck or tractor maneuvering efficiency, to minimize the interaction of trucks or tractors with staff, visitor vehicles and supplier vehicles hauling containers for residue, refuse or rejects and supplies and to prevent the queuing of vehicles on public roadways. The Company shall furnish and install all pavements as required for construction of site roadways, parking lots, sidewalks, the relocated PEPCO coal ash road and the PEPCO access road. Pavements shall be constructed of required thicknesses of concrete or asphalt to final lines and grades. Pavement sections shall be crowned or sloped to provide positive stormwater or washdown drainage. Base, sub-base and stabilized sub-base as required shall be included in the work.

5.10.2 19/ On-site roads shall be designed with proper turning radii and **be sloped** to control storm runoff. On-site roadways used by supply delivery vehicles shall be at least 13 feet wide, per lane, with 4-foot **crushed stone** shoulders on each side except that one-way roadways for truck traffic shall be a minimum of 15 feet wide with 4-foot **crushed stone** shoulders each side. Pavements to be used by trucks shall be designed for axle loads of at least 20% above Maryland Department of Transportation (MDOT) axle load legal limits. Pavement design and construction shall be in accordance with Company's geotechnical consultant's recommendations and MDOT requirements, whichever is more stringent.

5.10.3 The main Facility access roadway shall be tied to the Leaf Compost Facility Access Road. No improvements to the existing road through the composting facility property shall be included. A single entrance on the southeast corner of the site shall be provided directly from the access road. Construction and improvements of the Access Road shall be provided by the Company in accordance with Schedule 14.

5.10.4 The PEPCO access road shall be similar in construction to the existing PEPCO ash haul and access roads. (See Schedule 14).

19/ Boldfaced text amended pursuant to First Amendment.

5.10.5 20/ Paved employee parking shall be separate from the processing building, maintenance shop and storage areas. Parking shall be provided adjacent to the Facility administration area for a minimum of fifty cars and two buses. Two of the car parking spaces shall be reserved for handicapped persons. Fifteen spaces shall be reserved for the County, Authority and Facility visitors. The parking lot shall be bituminous concrete and **concrete** curbed. On-street parking shall not be permitted. Construction parking sites are the responsibility of the Company. The Company shall maintain responsibility for traffic control of the construction work force.

5.10.6 21/ The Company shall provide an access road which ties site roads to the relocated PEPCO ash road. This access road shall be secured with a gate **(the "back gate").**

5.11 Utilities

5.11.1 All above-ground and underground utilities within the site boundaries and the utility easement to the PEPCO discharge canal required for permanent service of service water, potable water, wastewater, telephone, storm drains, and any other type of utility required for Facility operation shall be furnished and installed by the Company. The Company shall provide all needed collection, pumping, treatment, storage, distribution lines, collection lines, and discharge facilities for potable water, fire protection water and wastewater systems. The Company shall coordinate with local utilities for connection of utilities. PEPCO shall furnish and construct the electrical interconnect. Also see Section 5.2.5.

5.11.2 Installation of electrical utilities, service water, potable water, storm and wastewater systems shall comply with applicable provisions of civil, mechanical and electrical requirements of these specifications and local, state, federal and utility company's codes, standards, and specifications and as specified in Schedule 20, the Electric Sales Agreement. The Company shall arrange and provide for all temporary and interim power, water, and sanitary facilities for work during construction. Temporary power system shall meet NEC requirements. Except for the Water Allocation Permit, the Company shall obtain all required permits including, but not limited to, the NPDES permit.

20/ Boldfaced text added pursuant to First Amendment.

21/ Boldfaced text added pursuant to First Amendment.

5.11.3 The construction of the stormwater handling facilities shall comply with applicable codes in effect as of June 27, 1989. The design of the stormwater system shall be based upon a ten year 24 hour rainfall in accordance with the "State of Maryland Department of Transportation Highway Manual" and County Storm Water Management Regulations.

5.11.4 The Company shall be responsible for safe and adequate distribution of water and electricity over the construction site as required including fittings, piping, valves, cable and transformers. If not provided by the Company, construction power and/or Facility back-up power will be purchased from PEPCO only. Net electrical energy produced by the Facility shall be sold to PEPCO. The Company shall install a substation meeting the requirements set forth in Schedule 20. Construction of the transmission line will be done by PEPCO.

5.11.5 The Company shall provide the equipment and controls necessary to provide natural gas to the auxiliary burners. The gas company shall provide a gas transmission line up to the property boundary adjacent to the main process building with the capability to deliver a minimum of 516 x 10^6 Btu/h or 5,160 therm/h. The transmission pressure shall be at least 200 psig. The gas shall be of interstate pipeline gas quality.

5.12 Finished Grading and Topsoiling

5.12.1 All work and services necessary for or incidental to the topsoiling and finished grading of all areas within the limits of grading and for all areas outside the limits of grading disturbed in the course of work shall be furnished. Work shall consist of, but is not limited to correction, adjustment, and/or repair of the rough grading, preparation of the subgrade and spreading of topsoil in areas to be seeded and sodded.

5.13 Fencing

5.13.1 22/ A security fence shall be provided around the entire Facility Site, **except along the south side of the Facility access roadway which already has a fence**. This **chain link** security fence shall be **six and one half feet high, and be provided with black colored cladding, except for the position along the north side of the road which will be designed to match PEPCO's fence along the Compost Facility boundary.** The Main Gate and the remote

22/ Boldfaced text added or amended pursuant to First Amendment.

operated gate provided for rail system access shall be of an automatic closure design, sturdy and lockable. Remote locking and unloading controls and visual monitoring equipment shall be provided to allow monitored control of personnel access during non-business hours. A manually operated gate shall be installed to allow access to the site via the PEPCO access road. Access keys shall be provided to local emergency services and CSX. The switchyard shall be provided with a security fence and locked gate.

5.13.2 The Company shall be responsible for providing an adequate level of security during construction of the Facility. Such security shall be implemented in a manner designed to prevent unauthorized individuals from entering the site, for safety and security reasons, seven days per week, twenty-four hours per day.

5.13.3 The Company shall provide work in accordance with provisions of American Society for Testing and Materials (ASTM), Procedures and Standards of Chain Link Manufacturers Institute, and Industrial Steel Specifications.

5.14 Concrete

5.14.1. 23/ All labor, materials, tools, equipment, and all work and services for furnishing and installing all concrete and reinforcement materials shall be provided. The Company shall furnish and install all supplementary or miscellaneous items, appurtenances, and devices incidental to or necessary for a sound, secure, and complete installation. All work shall be in conformance with American Concrete Institute (ACI) Standard 301. Concrete shall be provided from Type I or Type II Portland cement with a minimum of 28 day compressive strength as follows:

Structural concrete – 4,000 psi
Water tight concrete – 5,000 psi

Reinforcing Steel - ASTM A615, Grade 60. Maximum bar size will be No. 11, where practical, **No. 3 and No. 4 bar sizes may be ASTM, Grade 40**

5.14.2. All work and services necessary for concrete testing shall be provided by an approved independent testing agency retained by the Company.

23/ Boldfaced text added pursuant to First Amendment.

(a) Required testing services shall be performed by a qualified testing agency and meet the requirements of ASTM standards.

(b) Testing shall include: review and approval of proposed materials for batch design, mix-design, securing production samples of materials at plants for compliance with ACI and ASTM standards, conduct compressive strength tests, slump tests, air content, unit weight, and air entrainment. Copies of all test reports shall be submitted to the Authority.

5.15 Structural Steel

5.15.1 The Company shall furnish labor, materials, welding, tools, equipment, and supervision for the supply, detailing, fabricating, galvanizing, painting, delivering, and installing of structural steel. All work shall be in conformance with the American Institute of Steel Construction (AISC) "Specification for the Design, Fabrication and Erection of Structural Steel for Buildings" (8th Edition). Pre-engineered buildings shall be in accordance with MBMA requirements.

5.15.2 Structural steel shall comply with ASTM-A36 or higher yield strength material as may be warranted by design. End connections shall consist of ASTM-A325 and A307 bolts or shall be welded in accordance with AWS using E-70 series electrodes. All structural steel shall be primed and finished coated except grating and miscellaneous embedded steel subject to corrosion which shall be galvanized. Handrails, stairways, ladders, platforms and walkways shall be located to provide suitable access for operation and maintenance and shall be in compliance with OSHA regulations and governing state codes in effect as of June 27, 1989.

5.15.3 All labor, tools, materials, equipment, and supervision for the supply, detailing, fabricating, galvanizing, painting, delivering and installing of miscellaneous steel and accessories shall be provided.

5.15.4 Platforms and walkways shall be constructed using galvanized welded bar grating supported by beam and girders framing into columns. Railing and toe plate shall guard open areas; toe plate shall only be installed adjacent to equipment in accordance with OSHA regulations and the requirements of BOCA in effect as of June 27, 1989. Banding will not be provided and is not required under toe plates or where grating ends meet. Grating work shall conform to the National Association of Architectural Metals Manufacturers requirements and shall include banded clearance openings for all penetrations consisting of columns, pipes, ducts, conduits, and all other installations passing

through the grating work. All grating shall be galvanized bar grating. Serrated grating shall be provided for exterior platforms, stairs, and sloping walkways.

5.15.5 Roof framing shall be designed for applicable dead and live loads and shall consist of either standing seam, membrane over deck or metal deck material fastened to purlins consisting of wide flanges, open-web joists or cold formed members. Purlins shall be supported by wide flange members, plate girders, trusses, joists or joist girders, as appropriate. A horizontal roof bracing system or metal deck shall be designed to transfer wind loads to the vertical bracing along the perimeter column lines.

5.16 Basis for Design

5.16.1 The Company's design for the Facility shall be documented showing minimum design loads and shall conform to all applicable state and local building codes as of June 27, 1989 and Company's insurance carrier requirements.

5.16.2 Equipment loads shall be per equipment manufacturer's recommendations and shall be incorporated in the basic design. Structural design of equipment foundations and support shall limit deflections and vibrations to within manufacturer's specified tolerances and local, state and federal code requirements,

Wind loads, seismic loads, snow loads shall be in accordance with the most severe case for the area under consideration, as described in BOCA Code, 1987, or the Maryland State Building Code, whichever is most stringent. Building foundations shall be installed in accordance with the Montgomery County building code, which specifies that the foundations shall extend a minimum of two feet below grade. Slabs on grade shall be designed on free draining material to prevent build-up of water. As a minimum, the Facility shall be designed as Seismic Zone 1. All of the above shall be figured based on the BOCA Code in effect on June 27, 1989.

5.16.3 Structural steel design shall conform to AISC "Specifications for the Design, Fabrication and Erection of Structural Steel for Buildings 8th Edition."

5.16.4 Reinforced concrete design shall conform to ACI "Building Code Requirements for Reinforced Concrete" (ACI 318) and to ASTM specifications in effect on June 27, 1989.

5.16.5 Refuse and turbine-generator structures supporting crane runway systems shall be designed for maximum vertical wheel loads with impact in conjunction with horizontal forces (lateral and longitudinal) as per AISC specifications.

6.0 ARCHITECTURAL

6.1 General

6.1.1. 24/ The architectural treatment of the structures within the Facility shall be designed in accordance with applicable state and local codes, including but not limited to building codes, fire codes, and life safety codes. The exterior and interior design shall be submitted to the Authority for review during final design.

The various area enclosures are sheathed in metal panel siding of various shades of the 'earthtone' spectrum to blend with the natural surroundings. Visible equipment and tanks will be painted in colors that compliment the aesthetic theme. The primary 'medium' brown color is accented with horizontal dark brown stripes of siding and translucent panels. Each area is capped by an offwhite band of siding, that softens the visual impact on the horizon. The lower portions of the air pollution control equipment will be screened from view with similar siding. Landscaping will be utilized to screen the south side of the switchyard.

The single story administration area shall be designed for easy recognition by Facility visitors. The semi-circular entry shall feature a covered colonnade around the front and side. The fascia of the colonnade area shall be of flush metal panels. The off-white color shall contrast with the **browns** of the larger structures. The exterior wall shall have the following specifications:

1) The bottom three (3) feet shall consist of stone masonry double sided veneer wall utilizing reddish brown stone from the site. A sample wall section showing what will be provided has been constructed and is located next to Ogden's construction trailer.

2) A glazed window wall will be provided above the stone masonry wall to the suspended ceiling.

24/ Boldfaced text added or amended pursuant to First Amendment.

A full height stone masonry veneered partition wall will be constructed within the administration reception area and a 3' high veneer in the conference room area.

The **round** concrete stack shall naturally blend with the Facility structures.

6.1.2 25/ Colors of the Facility shall be shades of **earthtones** selected to allow the structure to blend with the surrounding environment.

6.1.3 An enclosed public viewing area shall be provided with a size of approximately 250 square feet, with windows, at the level of the feedhoppers overlooking the container unloading area and the refuse storage pit.

6.2 Materials

6.2.1 26/ The materials of construction shall be selected to provide durability and ease of maintenance. Materials shall be of a quality suitable to the functions performed at the Facility.

All buildings shall be braced steel framed structures supported on concrete foundations. Metal wall panels shall be used for building siding. Tipping building roof framing shall span between the columns at the front wall and the pit to provide a clear floor area for vehicle maneuvering. All buildings shall be provided with a steel roof deck with either standing seam, membrane over deck or metal deck material fastened to roof purlins.

The firewater pumphouse, residue **building and similar structures** may be pre-engineered metal frame structures with metal siding walls and roofs. The residue loading building will be supported on concrete foundations with an 18" high curb **or wall** around their perimeter. This curb shall be reduced to 6" at truck access points. These structures shall be designed to complement the main process building.

6.2.2 The structural framework of the Facility shall be of concrete or structural steel. The enclosure shall be of a durable and low maintenance material designed to express the aesthetic intent discussed herein. Metals shall have a protective coating that

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25/ Boldfaced text added pursuant to First Amendment.

26/ Boldfaced text added pursuant to First Amendment.

minimizes maintenance. All structural steel shall receive prime and finish paint coats. Metal panel siding shall be finished with premium baked on synthetic coatings.

6.2.3 The administration area shall be analyzed to determine the ideal insulation system for the structure with its associated activities. This insulation shall meet or exceed code requirements and shall be designed for human comfort, freeze protection, wet or dry cleanup and maintenance, and to meet process requirements as described elsewhere in this Schedule.

The insulation shall have an R factor of 19 (minimum) in exterior walls, and 30 (minimum) in the roof. In addition, the Company shall follow the procedures for energy conservation in the State of Maryland which are outlined in the documents entitled "Procedures for Implementation of Energy Conservation" and the "Procedures for Implementation of Life Cycle Cost Accounting" where appropriate.

6.2.4 Exterior doors, with the exception of special entrances, shall be painted, galvanized steel, insulated hollow metal in grouted hollow metal frames. Overhead doors shall be painted galvanized steel. Where safety concerns are evident, glazed door lights shall be provided.

6.2.5 Exterior window units shall be provided with minimum double thickness insulated glass in aluminum frames. Safety glazing shall be provided where required by NFPA and OSHA. Certificates shall be provided during construction attesting that materials meet all tests and specified requirements.

6.2.6 Administration area, control rooms, and office areas shall receive interior finish materials as appropriate for each area. These include carpeted floors in the offices and conference room and durable materials on walls and areas prone to wear. Interior colors and textures shall be carefully chosen to meet the specific requirements of each area. Administrative area walls shall be painted gypsum wallboard on metal studs. Floor coverings shall include carpeting, resilient vinyl tile and ceramic tile. Ceilings shall be suspended acoustical tile in the office environment, and shall be left as exposed structure in support and process areas. Exposed structure ceilings shall be painted for corrosion resistance in areas of exposure to moisture or other corrosive materials. Floor finish materials shall be selected with personnel safety as a primary concern. Administration area shall have finishes which are typical for office areas.

6.2.7 All work shall be protected against weather when work is not in progress.

6.2.8 All fabrications including stairs and handrails shall be provided in compliance with all regulatory agencies and applicable codes including handicapped requirements.

6.2.9 The Company shall work with the Authority to provide a color scheme of finish materials to be developed during the schematic phase for later transformation into a final color schedule. The Authority shall review and approve this schedule. All items requiring a color selection such as carpeting, wall coverings, etc., shall have samples submitted for the Authority's review and approval.

6.2.10 Waterproofing and other protective coatings shall be provided to protect building materials and equipment from refuse, residue, water infiltration and deterioration caused by reactive agents.

6.2.11. All areas shall, as a minimum, be accessible vertically by stairs. Stairs shall meet applicable codes. The stair adjacent to the Administration Area where office personnel and visitors may be present shall have solid treads. Open grating treads may be used in equipment access areas.

An elevator shall be provided for access by the physically handicapped from the ground floor to the charging floor.

6.2.12 All areas which are subject to hazards associated with the containment, conveyance and storage of combustible matter, pressurized gases and vapors, corrosive materials and the like shall have suitable escape ways for the operating personnel.

6.2.13 All working platforms around boiler furnaces, pumps, conveyors, and cranes shall have sufficient head room and where possible shall not be blocked by the random placement of accessory equipment and auxiliary machinery.

6.3 Signage

6.3.1 Indoor

6.3.1.1 Signs and graphic designs for identification and directions shall be provided. Signage such as Exits, Fire Escape diagrams, building labels, door labels for room use and pipe labels shall be employed for

safety, ease of operation and direction. The signage system used shall provide simple and direct indications using graphics, color, and/or text.

6.3.2 Outdoor

6.3.2.1 Identification signs, directional signs and traffic control signs, signals, lane divider markings, and painted pavement marking within the Facility Site control of vehicles to and on the site shall be furnished and installed. In addition to traffic control signage, there shall be a sign erected during the construction phase describing the nature of the Facility and authorizing authorities. A permanent sign describing the Facility, approved by the Authority, and constructed of masonry materials with non-deteriorating letters, compatible with the architecture of the Facility, shall be erected prior to, or upon acceptance of the Facility. In addition, a Facility identification sign shall be installed at the main entrance to the Facility. The type, design and location of the entrance way sign shall also be approved by the Authority. Three flag poles shall be furnished at the front of the Facility administration building. The center flag pole shall be 45 feet tall and have a 12 feet by 8 feet American flag. The remaining two flag poles shall each be 40 feet tall.

6.3.2.2 The site signage system shall direct all suppliers to the Facility and visitors to the appropriate areas for their specific business at the site. The signage shall be designed to create a "campus" type sign system, tying the various elements of the Facility into one group.

6.3.2.3 All signage shall be subject to the regulatory agencies and Authority's approval.

6.4 Landscaping

6.4.1 Appropriate landscape for the Facility shall be designed and furnished. All areas on the site which are non-paved and/or do not have buildings, and which are not required to remain open space for functional or safety reasons shall be planted and maintained with native forest species consistent with the immediate environment of the site. Landscaping shall be completed as soon as □ermissible considering the construction activities and season of the year. Ornamental shrubs and trees shall be planted around outdoor tank areas, main roads, and around buildings. See the Facility Site Agreement (Schedule 20) for landscape requirements along the access road. Safety shall be a primary justification for vegetation placement to ensure clarity where visual access is required. Vegetation genus and species shall be carefully selected to adapt to the climatic conditions and the

environment developed by activities on the site. Durability and adaptability to harsh conditions shall be the basis for selection criteria.

6.4.2 All landscaping plans shall be submitted to the Authority for approval. The level of landscaping provided shall at a minimum be in accordance with the landscaping drawing, A102, provided in Appendix B.

6.5 Exterior Lighting

6.5.1 Sufficient outdoor lighting of roads, walkways and parking areas shall be provided to ensure the safety and security of the operation of the Facility, the safe movement of people and vehicles, and adequate security. In addition, the lighting system shall be designed to minimize nuisance lighting on any neighboring residential or otherwise sensitive areas. The exterior of the buildings shall be provided with lights for safe night operations. However, exterior lighting shall be designed to minimize the light, direct or indirect, that shall go into the sky. At a minimum, low pressure sodium lights as well as shielded luminaries shall be used. At a minimum, each door, both overhead and personnel passage doors shall have artificial light for safety. Accent lighting on structures and/or landscaping will be considered in the development of the aesthetic nature of the Facility (See Section 8.5.1).

6.5.2 All parking areas shall have artificial lighting to provide a minimum of 1.0 footcandles, and shall meet or exceed the recommendations of IES.

6.6 Personnel Facilities

6.6.1 Centralized personnel facilities shall be provided in a building adjacent to the container loading, receiving, unloading and refuse storage areas, boiler house and turbine building for employees. These facilities shall include rest rooms, showers, locker rooms, and clean rooms. Facilities shall reflect approved handicapped access requirements. Separate areas shall be developed for use by male and female employees. A room shall be provided for an employee lounge and lunch area. Fixtures shall be installed which are appropriate for eye-wash and showering under emergency conditions.

6.6.2 A passenger/freight elevator shall be provided adjacent to the employee area and main control room for access to the main levels in the Facility. The elevator shall have a 4,000 pound capacity. The elevator shall be fully equipped with interior lighting, exhaust fan, car

telephone, car position indicator, car operating panel, corridor pushbutton stations and other associated hardware.

6.7 Administration Building Requirements

6.7.1 Adequate space shall be provided at the Facility to house administrative and clerical personnel. The space shall include a visitor briefing and conference room for meetings of 50 people. The Company shall provide storage and reception areas. Rest rooms shall be provided for visitors and office personnel which are separate from locker rooms. The building shall be independently heated and air-conditioned (See Section 7.36.3). Attention shall be given to the two primary purposes of the administration buildings: providing an area for administrative personnel and offering a comfortable and convenient area for visitors to the Facility. The administration building should include four offices for use by the County and/or Authority, each having a nominal size of 10'X14' (The corner of one office will be coped.) which are reasonably isolated from those for the Company's personnel in order to ensure privacy. A clerical area of 100 square feet shall also be provided for Authority/County use. These offices shall be equipped with separate phone lines which are not routed through the Company's switchboard. The administration building should include a lab that has a nominal dimension of 8' X 15' which shall be provided with electric and water/wastewater utilities, also gas and appropriate external port for fume hood exhaust for the performance of independent testing by the Authority, the County and/or its contractors. A coffee bar and storage closet will also be provided in the Authority/County office area. 27/ The Company shall provide furniture in the administration building for the Authority and County secretarial/receptionist area and also provide eight (8) chairs and a conference table such that one of the Authority or County offices can be set up as a conference room. The administrative building and visitor areas shall have provision for handicapped.

6.8 Maintenance Facilities

6.8.1 A maintenance area located adjacent to and at the end of the refuse pit as shown on drawing M201 shall be furnished and installed at the Facility including equipment and tools required for maintenance of equipment installed in the Facility and for Facility vehicles, containers, etc. This area shall include open floor areas, bench areas,

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27/ Modified pursuant to Change Orders #18 and #42.

and an area for welding. The maintenance area shall be located in the vicinity of the container receiving area, refuse storage area, boiler building and turbine building. The maintenance area shall also contain electrical/instrumentation shop, general maintenance shop and an area for spare parts storage. The laboratory shall be located adjacent to the control room. Inside the maintenance area or immediately adjacent to it, a covered and secure storage area shall be provided for the storage of materials. An initial supply of materials including but not limited to steel plate, wire, water tubes, piping, cable shall be supplied by the Company together with suitable storage racks.

The Company shall determine requirements for maintenance activities. The maintenance area shall be equipped with high bay doors, cranes and hoists which are needed for moving heavy equipment in and out. This includes but is not limited to grabs, motors, pumps, containers, trailers, tractors and the like.

6.8.2 The maintenance shop and electrical/instrumentation shop shall be equipped with cabinets, tool set drawers and storage shelving as required to perform required maintenance activities at the Facility.

6.8.3 The selection of equipment to be included in both maintenance facility shall be submitted to the Authority.

6.8.4 The laboratory shall be equipped with analysis equipment and furniture as necessary to perform chemical analysis for operation of the plant. Grab samples shall be analyzed to confirm performance of chemical analysis equipment and additional analyses shall be performed where automatic analyzers are not installed (e.g. auxiliary cooling system).

The laboratory equipment will include the following:

- Spectrophotometer with Flow Through Call Assembly
- Conductivity Meter
- Combination PM Electrode and Electrode Reservoir
- Magnetic Stirrer and Stirring Bar Kit
- UV Lamp Kit
- Hydrometer
- Pillow Slitter
- Various Bottles, Droppers, Cylinders, Flasks, Beakers, Pipets, Buret, Racks, Brushes and Detergents required for sampling and testing
- Test Reagents
- Test Standards

- Muffle furnace

6.9 Central Control Room

6.9.1 A Central Control Room shall be furnished which allows for the efficient controlling, monitoring and supervising of plant operations. The Central Control Room shall be provided with full environmental conditioning for temperature and humidity (See Section 7.36.2). Filtered, positive pressure outside make-up air systems shall be provided to hold down dust penetration. This environmental conditioning shall be totally separate from systems used elsewhere in the plant.

6.9.2 Any control room windows furnished shall be double glazed windows. Fully insulated ceilings shall be installed in all operating areas.

6.9.3 Central Control Room lighting shall use a minimum intensity of 70 foot candles for horizontal operating areas.

6.9.4 All duct, tray and cable penetrations into the Central Control Room shall be sealed and fire-stopped to prevent air or water entry into the Central Control Room, and to prevent cable flame spread.

6.9.5 The Central Control Room shall be sound insulated from the rest of the plant to allow for ease of voice communications. None of the construction materials used are to prevent two-way radio communications between the Central Control Room and major work stations in the boiler house, the turbine hall, the crane pulpits and repair areas and the residue removal area. A minimum of 12 portable 2-way radio sets together with one base communications console shall be furnished with the Central Control Room.

6.9.6 Furniture for operator use and control system documentation storage shall be provided in the Central Control Room. It shall be coordinated with furniture in the office wing. The Central Control Room shall be furnished with an individual bathroom with basin and water closet.

6.9.7 The Control Room complex shall be equipped with a small refrigerator and means of heating water.

7.0 MECHANICAL

7.1 Equipment Installation

7.1.1 General

7.1.1.1 All labor, supervision, services, technical direction, tools, equipment, materials, and consumable supplies required for the receiving, unloading, storage, protection, check-out, testing, start-up, installation, and erection of equipment shall be furnished.

7.1.2 Workmanship and Materials

7.1.2.1 The installation and erection of equipment and materials shall be governed by the applicable laws of the State of Maryland and Montgomery County and shall, unless otherwise specified, be in accordance with the latest revisions in force as of June 27, 1989 and all other applicable codes and standards in effect as of June 27, 1989. If there is a conflict between any requirement, the more stringent code shall apply.

7.1.2.2 Erection methods and procedures shall conform with accepted good engineering practice, the requirements of the ANSI Code for Pressure Piping, the ASME Boiler Code where applicable, and in accordance with procedures furnished and approved by the equipment manufacturers. In case of conflict between this Schedule and the equipment manufacturers' procedures, the most stringent shall govern.

7.1.2.3 Equipment shall be designed, fabricated and assembled in accordance with the best modern engineering and shop practice. Individual parts fabricated in the U.S. shall be manufactured to standard U. S. sizes and gauges so that repair parts, furnished at any time, can be installed in the field. Like parts of duplicate units shall be interchangeable. Equipment shall not have been in service at any time prior to delivery, except as required for tests.

7.1.2.4 All brackets and hangers for pressure parts shall be shop welded and stress relieved. All field welding on pressure parts shall be stress relieved, inspected and stamped in accordance with all applicable codes.

7.1.2.5 The Company shall be responsible for conformance with the design criteria and all operating and performance guarantees.

7.1.2.6 The Company shall be responsible for providing expert representatives from each of the manufacturers of the major sub-systems to instruct and oversee plant operating personnel during installation, facility shakedown, startup, acceptance testing, plus 10 days of on-call maintenance, and troubleshooting of all equipment and components provided under this contract for a period of one year after the Date of Project Acceptance.

The major subsystems are the Boiler, Turbine, APC Equipment, Cooling Tower, Stack (installation only) and Stoker.

7.2 Furnace and Steam Generating Unit Requirements

7.2.1 General

7.2.1.1 The steam generating units shall be drum type, bent tube, with combustion chamber designed for firing processible waste. Individual steam generating units shall be able to hold variation in steam output to within +/- 10%, or less, of set point when on manual control, or +/- 4%, or less, of set point when on automatic control. Control limits shall be achieved regardless of fluctuations of the heating value between 4,000 to 6,500 Btu/lb. This band is to be interpreted as the two sigma limit (standard deviation) divided by average flow taken over a typical 24-hour operating period and multiplied by 100%.

7.2.1.2 The Facility shall be designed so that the combustion system is isolated from the waste receiving and storage areas.

7.2.1.3 Steam generators shall be natural circulation, one-drum, top supported with insulated, gas tight welded waterwalls. This system shall include all equipment from charging hopper inlet through economizer, including stoker, combustion air fans, ducts, flues, overfire air systems, all feedwater, steam, auxiliary fuel, combustion system and stoker controls as well as all fly ash/siftings/residue hoppers, chutes, and conveyors.

7.2.1.4 Each boiler unit shall be constructed in strict accordance with the ASME Power Boiler Code and appropriate state codes, and stamped with the ASME symbol and registered with the National Board of Boiler and Pressure Vessel Inspectors.

7.2.1.5 Use of refractories in the superheater, convection, and economizer sections of a steam generating unit shall be avoided and water-cooled construction shall be used to the maximum extent.

7.2.1.6 All boiler, economizer and superheater tubes shall be provided with a corrosion allowance of at least one gauge beyond the tube gauge required by the applicable ASME pressure vessel code. The materials of construction in the superheater are all selected based on American Society of Mechanical Engineers (ASME) Codes for expected tube metal temperatures. They are as follows:

Primary Superheater

First Stage	SA 178 A
Second Stage	SA 210 A
Final Superheater	SA 210 A and SA 213 T11

Furnace waterwall and convection evaporator tubes shall be constructed of SA-178A carbon steel.

7.2.1.7 Each unit shall include the following:

- o Miscellaneous trim, including safety valves for the boiler steam drum and superheater, direct viewing water gauge complete with high and low water alarm contacts, water gauge with remote drum level viewing system, dial steam pressure gauge, main steam valves, main feedwater valves and all trim valves.
- o A number of thermowells and thermocouples appropriately located on boiler drum and superheater to monitor steam temperatures.
- o Platforms, walkways, ladders and stairs as required for normal access and inspection of the steam generator and stoker.

7.2.2 Furnace

7.2.2.1 Furnace design will be of the mass burn type utilizing a Martin grate system, capable of firing MSW on a continuous basis without auxiliary fuel burning and incorporating the following criteria:

- o Gas tight waterwall construction.
- o Combustion air to under stoker shall be zoned, with adequate provisions for adjustment.
- o Overfire air shall have flexibility of adjustment.

- o Balanced draft. Minimum of one hundred and ten (110) percent excess air fan capability.

- o Cast steel alloy grates-air passages in grates shall be non-plugging design with provisions for easy cleaning.

- o Auxiliary burner shall have flame monitoring and fail safe provisions and automatic ignition.

- o Auxiliary burners shall be of low NO_X design. (See Section 7.2.2.8.)

- o Furnace waterwall shall be gas-tight with membrane type construction.

- o **Furnace wall above the stoker up to a height of approximately 15 feet above the grate measured at the center of the furnace shall be covered with 89% silicon carbide tiles attached to stainless steel studs welded to the membrane wall. The waterwall above the tiled surface** shall be protected with 87 percent gunnited silicon carbide refractory to a height of 30 feet above the center of the stoker. 28/

- o Blow out of steam line after completion of erection.

- o Lower furnace wall shall be studded and lined with high temperature refractory.

- o Finned tubes shall not be allowed.

- o Properly sized and positioned penetrations in the furnace walls for ammonia or urea injection to control emissions of oxides of nitrogen.

7.2.2.2 Heat Release

7.2.2.2.1 The gross heat release per plan area of grate shall not exceed 400,000 Btu/sq. ft./hr.

7.2.2.2.2 The gross heat release of each furnace shall not exceed 9,800 Btu/hr-ft^3.

28/ Modified pursuant to Change Order #33.

7.2.2.2.3 Facility maximum gross heat release equals the maximum higher heating value of the processible waste (5,500 Btu/lb) times Facility capacity of 1,800 TPD divided by 24.

Maximum gross furnace heat liberation rate, volume basis, equals the gross heat release divided by the furnace volume as defined below.

Furnace volume is defined as volume from grate surface to furnace exit, including any empty passes, excluding feed chute and residue discharge chute volumes. The furnace exit is defined as the vertical plane extending upward from the apex of the boiler nose before entering convection sections or as a vertical plane extending upward or downward from the rear wall of the last water-cooled open pass of the furnace prior to entering convection sections.

Area of grate is defined as the area of the inclined plane of the grate excluding feed ram, feed table or feed grate sections.

7.2.2.2.4 Maximum average gas velocities through the superheater and economizer are 16 ft./sec. And 30 ft./sec. Respectively. A thermocouple shall be provided for measuring gas temperature at the superheater entrance.

7.2.2.2.5 Gas temperature at the superheater inlet is defined as the flow-averaged gas temperature at the entrance of the first superheater section, where flow refers to the mass per unit time moving normal to the superheater entrance.

7.2.2.3 The furnace shall be designed to provide at least one second retention time of the combustion gases at a minimum temperature of 1,800°F at fully mixed heights. To assure that all particles entrained in the gas are solid and dry so as to avoid having semi-soft sticky particles entering the superheater, the gas temperature entering the superheater shall not exceed 1,400°F. Average temperature of gas entering the superheater at MCR shall be 1,300°F or less. The maximum superheater steam outlet temperature is 830 F $\pm$ 10°F.

7.2.2.4 Gas tight observation/sampling doors with ready access thereto shall be provided at strategic locations in the furnace at the screen tube, superheater, auxiliary burner and stoker levels. Openings shall be provided at strategic locations in the roof to hang scaffolding within the cavities. Airtight observation ports shall be provided to accommodate gas sampling and instrument probes and lances. Ample clear space shall be provided to permit insertion and removal of probes and lances. Furnace observation doors design shall avoid dust and

slag accumulations within the port so as to facilitate routine surveillance of furnace conditions.

A sufficient number of access doors shall be provided to facilitate inspection and maintenance work. As a minimum, access doors shall be provided at the following locations.

a) Stoker discharge rearwall (large door, 3 x 4 feet).
b) To each section of convection evaporator, superheater and economizer and all sootblower locations.
c) To the penthouse.
d) To all ash hoppers.
e) Tube screen between 1st and 2nd pass.

The access doors shall be a minimum 18 x 18 inch in size and constructed of ASTM A-48 Cl 30 cast iron. All ash hopper doors shall be 24 x 24 inch, fabricated from A-36 plate. All the doors shall be hinged, quick opening type and with grooved faces to accommodate suitable fire box quality door gasket to ensure gas-tight sealing. The door frames shall be fabricated of suitably reinforced steel plate.

Access doors shall be located and oriented to allow unobstructed access and supply of necessary inspection and maintenance materials, including sky climbers, scaffolds, tubing, etc. Access doors shall be provided on both sides of the boiler. Hand and footholds shall be provided as required to ensure safe entrance and exit.

7.2.2.5 All supporting steel, buckstays and hangers for independent support of all equipment and subsystems shall be provided and shall be designed for applicable loadings.

7.2.2.6 An open gas pass shall be provided preceding any convection surface.

7.2.2.7 The setting beyond the furnace(s) shall also be of welded water-wall design. Refractory baffles and refractory wall enclosures shall be avoided.

7.2.2.8 Single or multiple shop assembled natural gas burner assemblies shall be located in a side wall of each furnace for use during start-up and shutdown, to expedite drying and combustion when processing wet or difficult to burn refuse, and when required to maintain furnace stability. The tubes in and around the burner opening shall be formed to provide for a cooled burner throat. Burner blower, piping, burner flame safeguard and combustion controls and necessary instrumentation shall be provided. Each single or multiple burner

assembly shall have a stated heat release of 50% of Maximum Continuous Rating (MCR) Btu input. Burners shall be selected and arranged to avoid flame impingement on furnace tubes. The auxiliary burners shall be of a low NO_x emission design

7.2.2.9 **Furnace waterwalls above the stoker up to approximately 15 feet above the grate measured at the center of the furnace waterwalls shall be covered with 89% silicon carbide tiles. Above the tiled surface, the furnace waterwalls shall be covered with 87% gunnited silicon carbide refractory suitable for a design temperature of 2,800 degrees Fahrenheit, to a thickness of 7/8 inch from the tangent of the tubes up to a height of 30 feet above the Martin grate.** 29/

All SIC refractory shall be applied over SIC sleeves, which shall have a minimum density of 150 lb/cu. Ft. and be installed on 3/8" dia. X ¾" lg. Stainless steel studs welded at 660 per sq. mater.

7.2.2.10 Shop installed refractory around the overfire air nozzles shall have provisions for anchoring field-installed refractory.

For the other refractory in the stoker area, the following shall be furnished and installed:

- **The feed table shall have interlocked 78% silicon carbide brick in the area.** 30/
- The ignition roof shall be provided with 3 inch of 70% castable alumina (Al_2O_3) up to the overfire air nozzles.
- **The fire bricks in the area of the first three stoker sections shall be 89% SiC. The remainder shall be 85% high alumina.** 31/
- The areas from the lower sidewall chill headers to the rear wall and down to the ash chute, and the rear wall itself, shall be provided with castable refractory or low duty firebrick.

29/ Modified pursuant to Change Order #33.

30/ Modified pursuant to Change Order #33.

31/ Modified pursuant to Change Order #33.

- o The areas behind the chill tubes and special sidewall shapes shall have insulating firebrick and high temperature block insulation.

- o The surface temperature of the lagging on the furnace/boiler walls shall not exceed 130°F at an ambient temperature of 80°F.

7.2.3 Evaporative Section

7.2.3.1 The steam drum shall be fusion welded to ASME Boiler Code specifications. Radiography of welds shall be in accordance with ASME Boiler Code requirements.

7.2.3.2 The final steam drum shall be provided with a system of internal piping for feedwater, chemical feed, continuous blowdown, drum internals and separators to effect positive separation of steam and water.

7.2.3.3 Provisions shall be made to allow for steam sampling in accordance with ASME PTC 19.11 – 1970, Section 3 (ASME Performance Test Code).

7.3 Steam Generator and Superheater

7.3.1 Steam generator shall include all drum downcomer water supply and steam riser piping, piping between economizer and steam drum, piping between steam drum and superheater and piping between the primary and secondary superheater. All piping shall have suitable bends to minimize expansion/contraction stresses.

7.3.2 Each unit shall have a steam drum of at least 60 inch diameter and be equipped for continuous blowdown. The solids content in the steam shall satisfy requirements of ABMA and in any case not exceed one part per million.

7.3.3 All areas of dust deposition shall be arranged with hoppers, and dump sealing valves to minimize fly ash accumulations within the setting; horizontal surfaces shall be avoided to the extent possible.

7.3.4 Superhearter(s) shall be arranged to promote a constant superheater temperature characteristic over the control range and to minimize the amount of desuperheating required. Superheater surfaces shall not be located in the radiant section of the boiler.

Two steam temperature control systems consisting of spray header, spray water assembly including spray nozzle, spray header liner and temperature control components to maintain superheater outlet temperature shall be provided.

7.3.5 Tubes shall be spaced and arranged to minimize erosion, slagging, and fouling and to promote effective cleaning of tube surfaces with sootblowers.

7.4 Economizer

7.4.1 One continuous loop, bare, horizontal serpentine tube, economizer shall be provided.

7.4.2 Economizer supports shall allow free expansion of the tubes and headers.

7.4.3 Tube materials will be ASTM SA-178A.

7.4.4 The Company shall ensure that the tubing manufacturers have the facilities required to produce the quality of tubes required. Finned tubes are not acceptable.

7.4.5 All boiler and economizer hoppers constructed of A-36 steel plate suitably lined and insulated where required.

7.5 Environmental Monitoring with Respect to Stack Gases and Auxiliary Burners

7.5.1. The furnace gases shall be maintained at 1,800ºF or greater for a one second retention period at a minimum up to any burner level including startup and shut-down periods. Automatic auxiliary burners shall be supplied to maintain this temperature and residence time. The auxiliary burners shall be designed to pre-heat the furnace to 1,500ºF before lighting off waste. The burners shall be equipped with a burner management system which meets the boiler insurance company's approval. The retention time of 1 second, at a temperature of 1,800ºF shall be determined with the highly turbulent flame zone below the center line of the auxiliary burners.

7.5.2 Thermocouples with temperature resistant coating shall be provided for continuously monitoring and recording temperature in the furnace.

7.5.3 Certain combustion gas parameters shall be continuously monitored as shown in Schedule 19.

7.5.4 The Facility shall be equipped with a continuous emissions monitoring system (CEM) as shown in Schedule 19.

7.5.5 All above referenced Continuous Emission Monitors shall be calibrated for final acceptance in accordance with applicable Federal and State regulations.

7.6 Refuse Cranes

7.6.1 Two (2) refuse handling overhead bridge cranes and associated accessories shall be furnished and installed. The overhead bridge cranes shall be manufactured by P&H, Whiting, Crane Manufacturing, Kone, or equal.

7.6.2 32/ Each crane shall be equipped with a **8** cu. Yd. Grapple and be capable of continuous operation in the handling of solid waste consisting of light industrial, commercial, and household rubbish, ranging in density from 300 to 700 lbs. Per cubic yard. Each crane shall also be capable of rehandling (mixing and recasting) incoming material. The cranes shall be used to feed refuse to each steam generator and for refuse management in storing and receiving refuse. At a minimum, each crane shall be designed to meet CMAA Specification No. 70 for Class F service and ANSI/ASME B30.2. Motors for hoisting, trolley and bridge motions shall have a minimum of Class F insulation and shall perform these operations with a Class B temperature rise (85ºC over 40ºC ambient). Each crane shall be capable of handling the entire facility expanded throughput capacity of **1800** TPD for all conditions of Processible Waste based upon an 80% usage factor.

7.6.3 Each crane (hoisting, trolley, and bridge) shall be capable of operating with full load at minimum speeds determined to be in accordance with time-motion studies prepared by the equipment manufacturer.

7.6.4 The cranes shall be designed for indoor use under the following conditions:

Temperature	
Minimum	5ºF
Maximum	120ºF
Relative humidity	100%
Heavy Dust Loading	

32/ Boldfaced text amended pursuant to First Amendment.

7.6.5 33/ Each crane shall be furnished with one (1) (**8** cubic yard) mechanical or electro-hydraulically operated orange peel type grapple as manufactured by Peiner, McGinnes, or equal. The orange peel type grapples shall be interchangeable with bucket types of grabs.

7.6.6 The cranes shall include separate motors for the hoist, bridge and trolley drives. All motors shall be totally enclosed fan cooled (TEFC) or totally enclosed air over (TEAO), rated for crane service.

7.6.7 The cranes shall be designed to allow for semi-automatic operation in order to minimize operator stress. A semi-automatic control system shall allow for automatic lift of the grapple and positioning over preselected points at the feed hoppers or the load out area. Emptying of the grapple, return to a loading location in the pit and filling of the grapple shall be manually controlled.

7.6.8 Power supply to the cranes shall be supplied by a festooned cable system running the entire length of the pit. Cables shall be installed for easy access and suitable for long life.

7.6.9 A closed, remote crane control pulpit shall be furnished and installed. The pulpit shall be designed for full hopper viewer and sized to accommodate two crane operators and control consoles and allow operation of both cranes at the same time. The pulpit shall also include an independent HVAC system supplied with fresh air drawn from outside the pit area, lighting, electrical services, fire extinguishers and accessories. At least three means of egress shall be provided from the pulpit to the boiler building. The paths of egress shall be free and clear of obstruction.

7.6.10 The crane switchgear shall be located in crane switchgear rooms, one at each end of the pit. Switchgear rooms shall be provided with separate ventilation systems adequate to disperse generated heat. Crane maintenance areas shall be designed for easy access.

7.6.11 Refuse cranes shall be capable of weighing each individual bucket or grab load prior to its discharge into the feed chute. Each crane shall be equipped with load cells to weigh the amount of waste fed into each furnace hopper. The system shall have digital readout totalizer and printout in the crane control station. Readout for the crane load cells shall be conveniently located for viewing by the crane operator. The weighing method shall have an accuracy of +/-2% with the Facility

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33/ Boldfaced text amended pursuant to First Amendment.

operating at 1,800 TPD. The cranes will interface with a dedicated personal computer located in the administration building. The computer will produce printed reports at request and will log all transactions on removable magnetic media.

7.6.12 TV cameras shall be provided at each furnace feed hopper with monitors located in the crane pulpit and main control room for observation of refuse level in each feed hopper.

7.7 Refuse Stokers and Grates

7.7.1 General

7.7.1.1 The stokers and grates shall be suitable for burning solid waste having characteristics defined in Paragraph 3.3, Fuel Analysis.

7.7.2 Stokers and Grates

Each combustion unit shall be equipped with one Martin GmbH refuse combustion stoker of the reverse reciprocating type.

Each unit shall have a nominal capacity of 275 million Btu/hr heat input when firing "as received" refuse having a higher heating value of 5,500 Btu/lb. The stoker firing diagram showing the required operating range of 4,000 to 6,500 Btu/lb is attached as Figure 1A-1.

Each stoker, made up of five individual 13 step grate runs, shall have an approximate width of 32 feet 11 inches and a length of approximately 23 feet 6 inches.

The stoker grate bars shall be designed for an average life of 40,000 hours.

Each stocker shall include the following:

- Grate support structure from the lower end of the feed chute to the clinker rolls, with hydraulic operating mechanism for moving the grate steps, clinker rolls, and all necessary accessories.

- Grate surface consisting of multiple steel grate bars made from high grade chromium alloy cast steel.

- Undergrate hopper air plenum of sheet steel divided into multiple compartments with access doors, stiffeners, underfire air control dampers and the necessary accessories. Included is

the automatic system for the removal of the undergrate siftings into the ash dischargers, with all necessary accessories such as pneumatic cylinders and control equipment for the automatic discharge of the grate siftings.

- Refuse feeding table with feed ram, supports and controls.

- Hydraulic drives for moving the grate, refuse feeding device, ash dischargers, and the clinker roll, with the necessary electro-hydraulic control equipment for an infinitely variable control of the reciprocating movement of the grate and for the feeding device, as well as the hydraulic cylinders for feed chute damper operation. Each boiler/stoker will be equipped with its own skid mounted hydraulic pump system, including three 50% capacity hydraulic pumps, one of which is a spare, and a hydraulic oil reservoir.

- Overfire air nozzles above the front and rear furnace arches, including the nozzle tubes.

- Automatic central lubricating system for all lubricating points of the stoker, including the distribution piping, grease pump and accessories.

- Lower ash discharger suspension frames made of steel plate, each with cleaning door.

- Replaceable steel and 12mm (0.47 inches) thick steel plate ash chute lining pieces.

- Distribution cabinets for hydraulic drives containing electrical and hydraulic controls.

Figure 1A-1

STOKER CAPACITY DIAGRAM

MONTGOMERY COUNTY

7.8 Refuse Charging Hopper, Chute, and Feeder

7.8.1 Charging Hopper

7.8.1.1 Each furnace unit shall be provided with one refuse charging hopper. The charging hopper shall have a structural steel frame designed for attachment to the support steel and concrete structure which shall form the rear wall of the refuse storage pit.

7.8.1.2 The charging hopper shall be of welded steel plate and designed to prevent refuse from bridging.

7.8.2 Chute

Each combustion unit shall include one Martin GmbH feed chute, with charging hopper. The upper feed chute, below the charging hopper, shall include a built-in shutoff damper activated by hydraulic cylinders and microwave transmitters to detect low chute level. The lower feed chute shall be water jacketed.

7.8.3 Refuse Feeders

7.8.3.1 Each furnace shall be provided with a hydraulically actuated refuse feeding system for providing an even, constant flow of refuse onto the grates. The feeders shall be of the volumetric type which can be controlled to vary the feed rate depending on the load of the unit, and shall be capable of transporting any item of processible waste which passes through the chute.

7.9 Boiler Fans

7.9.1 Each steam generating unit shall be provided with a minimum of one (1) underfire air or forced draft (FD) fan, one (1) overfire air (OFA) fan and one (1) induced draft (ID) fan. The fans shall be furnished complete with all necessary accessory equipment.

7.9.2 The fans shall be designed for combustion air flow requirements and ambient air conditions as described in Paragraph 3.2. and flue gas flow resulting from the combustion of solid waste as described in Paragraph 3.3. Fuel Analysis. The OFA fan shall have a design capacity equal to a minimum of 35% of the total air flow and the FD fan shall have a design capacity equal to a minimum of 75% of the total airflow. In addition, the design static pressure of the OFA fan shall be sufficient to provide penetration into the furnace to achieve the turbulence and mixing required for this type of service. ID fan gas flow shall include

excess air, water, steam, leakage allowance, as well as calculated flue gas flow.

7.9.3 The fans shall be as manufactured by TLT Babcock, Buffalo, Howden, American Davidson, Garden City or Zurn.

7.9.4 The main forced draft fans (both combustion air and overfire air) shall be backward inclined blade design including air control inlet boxes split housings, antifriction bearing, inlet air control vanes, coupling, motor drive with OSHA guards. Overhung wheel arrangements are not acceptable.

7.9.5 For test block, all fans shall be sized to provide at least 20% margin on the flow and 44% on the variable portion of the static pressure requirements at furnace MCR and 110 percent excess air conditions. A safety factor of at least 25°F shall also be provided above the design temperature. The fixed portion of the fan's static pressure are 16 inches for the FD fans, 18 inches for the OFA fans and 15 inches for the ID fans.

7.9.6 The maximum allowable fan RPM's shall be 1200 for the FD fans, 1800 for the OFA fans and 900 for the ID fans.

7.9.7 The Facility shall include one seal air fan per boiler to supply air to seal the stoker grate transverse frame.

7.10 Air Heaters

7.10.1 Underfire air heating is required. The company shall furnish and install a steam coil air heater between the FD fan and the underfire air plenum(s) on each steam generator. The air heater shall be complete with steam headers and control valve, plate steel enclosure with inlet and outlet flanged connections. The coils shall be designed with sufficient capacity to maintain a minimum design combustion air temperature rise from 80°F to 250°F under all weather conditions for fuel with a HHV between 4000 and 4800 BTU/lb.

7.10.2 Each air heater shall consist of a minimum of two steam coil assemblies, mounted in airtight heavy duty frame casings. The assemblies shall be arranged in series to provide at least two separate stages of heating which can be isolated from the steam and condensate connection and removed for cleaning. The finned air-heater shall use carbon steel fins over the carbon steel tubing or piping, arranged in an in-line tube pitch. Fins will be provided at a spacing of 4 fins per inch. Finned steel tubes shall be schedule 40 with a 0.036 inch minimum

thickness. A ductwork section with access door for cleaning shall be provided between the stages. Air heaters shall be cleanable without removing the coils from the ductwork.

7.11 Air Pollution Control (APC) Systems, General

7.11.1 The air pollution control system shall consist of an acid gas scrubber and a high efficiency particulate collection system. One air pollution control system shall be installed for each combustion train in the Facility. Any type of dump stack where the flue gases are released into the atmosphere untreated shall not be used. Proper insulation and lagging shall be provided to prevent undue condensation.

7.11.2 Each combustion train shall be equipped with a dedicated acid gas scrubber so that all exiting flue gases are in compliance with the guarantees set forth in Schedule 5 and Schedule 19 of this Service Agreement.

7.11.3 Water from PEPCO's discharge canal shall be used as slaking water for the line slurry, and cooling tower blowdown shall be used as dilution water.

7.11.4 Spray-dry scrubbers followed by fabric filter baghouses shall be provided.

7.11.5 Spray-Dry Acid Gas Scrubbers

7.11.5.1 One spray-dry acid gas scrubber shall be provided for each combustion/steam generator at the Facility. Each scrubber shall include a reaction vessel, slurry atomizer(s), structural supports, platforms, stairs, process controls and other accessories for a complete operational system.

The Facility shall also include a lime slurry preparation system common to the three scrubbers. This system shall include a pebble lime storage silo, two lime slaking systems, a slurry storage tank with agitator, slurry pumps, and piping and controls.

7.11.5.2 The spray-dry gas scrubbers shall use a lime/water slurry injected into a reaction chamber to neutralize the acid gases. The quantity and mixture of water and lime, and quality of pebble lime, shall be selected to provide at a minimum, the acid gas removal rates specified in Schedule 5 and Schedule 19 of this Service Agreement.

Each dry scrubber shall house a lime slurry atomizer system and provide for the mixing of the lime slurry and the hot flue gas. A slurry atomizing system shall provide the optimum size droplets to the reaction chamber. The atomizer shall be designed for reliable, continuous operation with minimum maintenance.

The reaction chamber shall typically have a cylindrical shell and conical bottom, made of carbon steel plates. Where applicable, the portion of the dry product falling into the hopper at the bottom of the chamber shall be removed by screw conveyors. Access openings shall be provided to the interior of the scrubber module for maintenance purposes.

7.11.5.3 Injection of the lime slurry into the spray-dry scrubber shall be by dual fluid atomizing nozzles or rotary atomizers. An entire set of spare nozzles or a spare rotary atomizer shall be provided. The atomization system shall be designed and constructed so that the spares can be installed with the steam generator operating.

7.11.5.4 The spray dry scrubbers shall be insulated and equipped with hopper heaters, vibrators and a hopper high level alarm.

7.11.5.5 The spray-dry scrubber vessel shall be constructed of carbon steel, ¼ in. thick, including 1/16 inch corrosion allowance, as a minimum or as required by the manufacturer. The bottom of the dry scrubber vessel shall have a sloped cone hopper with angle of the cone selected to prevent buildup of solids on the hopper walls and also to avoid bridging over all discharge points.

7.11.5.6 Minimum flue, gas temperature exiting the spray-dry scrubber shall be 270°F.

7.11.5.7 The spray-dry scrubber shall be supplied by General Electric, Joy Technologies, Environmental Elements Control (EEC), Belco, Research Cottrell, Flakt or Combustion Engineering.

7.11.5.8 The lime storage silo shall be designed for a total storage of 7 days capacity at the expected normal operation reagent consumption rate based upon vendor design and an inlet concentration of 138 ppm SO_2 and 534 ppm HCl corrected to 7% O_2 on a dry basis. A truck fill panel, fill pipe and vent filter shall be provided for delivery of pebble lime from pneumatic conveying bulk trucks. The vent filter shall be mounted on the roof of the silo to filter and vent the transport and displaced silo air. A caged ladder, platform with handrails, and manholes shall be provided for inspection and maintenance.

7.11.5.9 Each of two lime slaking systems shall consist of a volumetric feeder and a 100 percent capacity slaker with grit removal system. Lime slurry from both slakers shall feed a common lime slurry tank.

The lime slurry tank shall be designed for six hours of storage and be fitted with a top mounted agitator. Lime slurry from the slurry tank shall be pumped via two 100 percent lime slurry pumps (one operating, one spare) to the slurry dilution point and the dry scrubber of either combustion train.

The slurry pumps shall provide a continuous flow of lime slurry to each dry scrubber. The self-draining piping network shall have sufficient velocity to prevent particle fallout. The slurry piping shall incorporate quick-connect fittings to allow flushing. Tees and crosses shall be used rather than elbows to facilitate mechanical cleaning.

7.11.6 Baghouse

7.11.6.1 One baghouse shall be provided for each dry scrubber in the Facility. The baghouse shall be a multi-module fabric filter dust collector (baghouse), including a reverse air bag cleaning system with controls, compartment isolation system and ash collecting hoppers with heaters. The baghouses shall be designed to meet the emission limitations for particulates shown in Schedule 5 and Schedule 19 of this Service Agreement.

The units shall be designed for outdoor installation, provided with a minimum of 4 inches of insulation, and shall include support steel, stairs, ladders and walkways. The hoppers shall be insulated and the lower third of each hopper provided with electric heaters. One access door and one rod-out opening per hopper shall be provided.

7.11.6.2 The baghouse shall be a reverse air type baghouse consisting of a minimum of six compartments with fabric filter bags. The bags shall be supplied with anti-collapse support rings and mounting devices. The baghouse shall be designed for operation at full load (MCR) conditions with a maximum air-to-cloth ratio of 1.8:1 while operating with one compartment out of service for cleaning and a minimum cloth surface area of 100,000 ft^2.

The cleaning process shall be selectable for either automatic mode initiated by a signal from the differential pressure adjustable set point, with pre-set sequence and cycle duration, or manual control (remote or local), with all variables selectable.

7.11.6.3 Fabric material shall be fiberglass with □eflon or other acid resistant finish. The selection of fabric and coatings shall be based on the expected service conditions and emissions limits.

The fabric filter units shall be designed for continuous operation at the specified conditions and for long bag life with a temperature limit of 500°F. This high design temperature, along with an automatic bypass system which is activated upon loss of lime slurry injection, protects the bags in the event of a scrubber injection system failure. The bags shall be suspended from tensioning assemblies and clamped at the bottom to a tube sheet secured in an airtight casing. The ash shall be collected in hoppers fabricated of ¼ inch thick carbon steel plate with a minimum valley angle of 60° from horizontal and designed for up to 8 hours emergency storage.

7.11.6.4 The baghouse shall be supplied by General Electric, Joy, Environmental Elements Control (EEC), Flakt, Belco, Combustion Engineering, Interpol or Micropul.

7.11.7 34/ Lime Injection System

A furnace dry lime injection system shall be provided. It shall include its own central main storage silo with vibrating bottom, bin vent, vent filter and a truck unloading panel. A rotary feeder and blower shall be used to transfer the lime to a day bin at each boiler. Each bin shall be equipped with a vibrating bottom, rotary feeder and a blower to inject the lime into the furnace. The system shall be designed to minimize fugitive dust emissions.

The main silo shall be sized for 7 days storage at **752** lbs/hr (**1800** TPD) operation. The day bins shall be sized for 8 hours each based on 500 lbs/hr of lime injection per boiler.

7.11.8 Mercury Control System 35/

Mercury removal shall be accomplished by injecting a carbon and/or other chemical additive into the flue gas steam downstream of the boiler economizer. The solid sorbent with the absorbed mercury shall be collected in the baghouse and discharged to the fly ash system. The carbon or other chemical additive shall be stored on the Facility Site in a bulk storage

34/ Boldfaced text amended pursuant to First Amendment.

35/ Boldfaced text added pursuant to First Amendment.

area. Storage shall be provided for a minimum of seven days normal operation. The carbon or other chemical additive shall be transferred from the bulk storage area to each unit and injected at a constant feed rate developed during initial Facility performance testing. The storage, transfer and injection systems for the carbon or other chemical additive shall be designed in accordance with all applicable codes and recommended engineering practices.

7.12 Residue Handling System

7.12.1 Each boiler/furnace/steam generating unit shall be provided with a complete residue conveying system. The fly ash and bottom ash will be mixed together in the ash discharger. The system shall be designed with a minimum number of transfer points. The system shall be capable of handling both bottom ash and fly ash as produced from the burning of Processible Waste. To I separate collection of fly ash if necessary in the future, space is available on the site for installation of future equipment. This equipment will all be located outside, therefore no building modifications will be necessary The future system could consist of several new screw conveyors, a bucket or chain type elevator and a fly ash storage silo. Fly ash would be discharged from the existing screw conveyors at the scrubbers and baghouses and conveyed via the new screw conveyor(s) and bucket or chain type elevator to the fly ash storage silo. The fly ash would be periodically loaded into trucks for transport to the appropriate disposal location. The fly ash loading area will be totally enclosed and located beneath the fly ash storage silo. A mixer could be provided to moisturize the fly ash before loading if needed for dust control.

7.12.2 Conveyors

7.12.2.1 Conveyors between buildings as well as between the ash dischargers and residue pit shall be totally enclosed so as not to present a hazard to either operations or maintenance personnel. All exterior conveyors shall be designed for a minimum ambient temperature of 5°F.

7.12.2.2 Conveyors shall be capable of handling residue containing glass, steel packing bands, wire, bed springs, metal rods, steel cans, aluminum slag and other materials found in MSW residue without causing choking or plugging of the system.

7.12.2.3 Conveyors shall be reliable and easily maintained.

7.12.2.4 All conveyors handling combined residue flows will be a minimum of 6 feet in width. Conveyors handling residue after materials separation shall be sized appropriately with adequate width for the intended purpose and loading.

7.12.2.5 Vibrating conveyors shall be provided by Triple S. Dynamics, General Kinematics or approved equal.

7.12.3 Two Martin GmbH ash dischargers shall be furnished with each stoker for quenching and discharging the ash produced on the grate and fly ash from the downstream system. The discharging ram shall be driven hydraulically from a central pumping station associated with each individual boiler. **Each ash discharger shall be equipped with two (2) air cannons to assist in minimizing the bridging of fly ash in the ash dischargers**. 36/

Residue consisting of burned-out waste residues, grate siftings and fly ash shall be combined, wetted, quenched and discharged by each Martin GmbH ash discharger onto a vibrating feeder conveyor. Each conveyor shall carry discharged ash from the boilers to a common residue storage pit located at the boiler front. The conveyors shall be totally enclosed between the ash discharger and the residue pit wall with the enclosure maintained under negative pressure by the residue pit ventilation system.

A residue crane will be used to feed the grizzly scalper located at one end of the residue pit (see dwg. M201 and M206). The grizzly scalper will extract pieces larger than 10 inches from the main residue stream. Oversized pieces will be collected in a roll-off container at one end of the residue pit. The remaining residue will be fed to an inclined belt conveyor for transport to the residue loading building where it will be subjected to magnetic separation of ferrous material prior to loading in enclosed containers. Conveyors exterior to buildings will be totally enclosed.

The inclined belt conveyor discharges onto a vibrating feeder. A rotating drum magnet at the discharge end of the feeder removes ferrous materials from the residue stream. Non-magnetic material passes between the end of the feeder and the drum magnet and falls onto the vibrating distribution conveyor, which distributes the non-magnet residue to the selected container opening either through an automatically operated gate or off the end of the conveyor.

36/ Boldfaced text added pursuant to Change Order #50.

The Residue shall be loaded into Authority Containers (AH Containers) via hatches located on the top of the containers. The Authority Container shall be mounted on a tractor-chassis. The Authority Container shall be loaded in accordance with Schedule 18. The Company shall undertake precautions to minimize any Residue from spilling onto the top of the container, onto the floor of the residue building or out of containers during loading, hatch opening and hatch closing. Any residue that is spilled will be promptly leaned up. Residue filled Authority Containers will be weighed at the scales located inside the residue building. The completely enclosed residue building contains three loading points, two for Residue and one for recovered ferrous operations. 37/

7.12.4 The residue handling system shall be designed to satisfy the requirements of Section 3.4.8 for future residue processing provisions.

7.12.5 38/ The residue system shall be sized such that any item able to pass through the refuse feed chute is able to be processed by the residue handling system to the residue pit. The residue pit shall be designed for 5 days storage of residue produced from 5500 Btu/lb reference waste for a **1800** TPD Facility.

Storage capacity shall be based on a residue density of 70 pounds per cubic foot. The residue storage pit area a will be completely enclosed and shall be ventilated by the boiler overfire air fans. Manually operable wall louvers shall be provided at the end of the pit. To prevent fogging, louvers or dampers shall be provided on the dust wall which separates the residue pit and boiler building. The residue pit shall be isolated from other areas in such a fashion as to prevent dust infiltration to other parts of the Facility.

7.12.6 The vibrating and belt conveyors shall be of heavy duty construction, sized to handle the type of residue typical of solid waste as described in Paragraph 3.3, Fuel Analysis.

37/ Boldfaced text added pursuant to Change Order #62.

38/ Boldfaced text amended pursuant to First Amendment.

7.12.7 39/ **Fly ash will be collected from each air pollution control system hopper by screw conveyors, and conveyed directly to the bottom ash discharger.**

Upstream of the boilers, dolomitic lime will be added into the flyash screw conveyors using a dolomitic lime addition system. Dolomitic quicklime, either ground or granular will be used. The lime will be added to the air pollution control system flyash in dry form at a rate of approximately 10 lbs. Of lime per ton of refuse. Actual amount of lime feed will be determined during operation and may be adjusted from time to time. To account for such adjustments, the system will be sized to deliver a design flow of 20 lbs. of dolomitic lime per ton of MSW processed to each combustion train flyash system. If one of the dolomitic lime systems is temporarily not feeding lime into the flyash conveyor, then the feed rates for the other operating units will be increased so that the total amount of lime added to the flyash is unchanged.

The following equipment will be provided:

- **Three (3) dolomitic lime storage bins each sized to hold one half of a truck load (750 cu. Ft) providing three days storage at the design dolomitic lime consumption rate of 20 lbs. Of dolomitic lime per ton of MSW processed. Each bin will be equipped with a vibrating bottom, a slide gate isolation valve, a rotary type variable speed feeder, a screw conveyor, and associated level and control instrumentation. The bins will be located between the baghouse and quench reactor building adjacent to their respective flyash conveyor train.**

- **Three (3) local control panels one for each bin mounted in the vicinity of its associated bin.**

- **Three (3) truck unloading stations with local panels, located at an access road.**

- **If beneficial, a new access road north of the air pollution control system area. This road surface may not be paved and does not require lights.**

39/ Boldfaced text amended pursuant to Change Order #41.

- **If beneficial, add equipment to the ash discharger such as air cannons to prevent potential bridging of ash and lime in the discharger.**

- **Three (3) pneumatic conveying lines from the truck unloading area to the respective bins for filling the bins using the supply truck blower.**

7.12.8 The fly ash screw conveyors shall be completely dust-tight to prevent leakage of fly ash.

7.12.9 The residue loading station at the Facility shall be totally enclosed. Residue loading and unloading systems shall be designed to be as dust free as possible.

7.12.10 The residue handling systems between the furnace and the residue storage pit, shall be automatic, with one system being dedicated to each Martin ash discharger. Sensors shall be provided with alarms for readout and recorded on the DCS in the Central Control Room.

7.12.11 Residue loading and storage areas shall be fully enclosed and well ventilated. These areas shall be designed to facilitate cleanup and good housekeeping. All outside conveyors handling residue shall be totally enclosed for freeze protection and shall be designed to operate at an ambient temperature of 5°F.

7.12.12 All furnace/boiler fly ash collection hoppers shall be insulated and equipped with 12" fly ash dump valves. Double dump valves will be provided at the economizer and scrubber hoppers. Single dump valves will be provided for the superheater hoppers.

7.12.13 All fly ash drain spouts shall be provided with angled 4" OD "Tee" connections (with tight threaded caps) located to permit collection of fly ash samples periodically.

7.12.14 Two heavy duty overhead traveling bridge cranes shall be provided having a CMAA Spec. 70 Classification E. Each crane shall be provided with a 4 cu. Yd. Clamshell type bucket and sized to handle the residue produced by the Facility based upon a 70 percent usage factor.

The cranes shall be capable of transferring residue from the storage pit to the loading hopper which feeds the grizzly scalper. The cranes shall also be capable of recasting the residue and removing oversize pieces from the pit and transferring them to a rolloff container, all in

accordance with duty cycle requirements. The cranes shall be operated from a cab located on the crane.

The cranes shall be designed for an ambient temperature 5°F.

The craneway shall be designed to allow for parking and maintenance of each crane at the ends of the pit.

7.13 Ferrous Recovery System 40/

7.13.1 A ferrous recovery system shall be provided for the Facility. The ferrous recovery system shall be designed to remove ferrous metal material greater than 1 inch in size. Ferrous metal shall be removed from the ash stream with a drum magnet and conveyed to a rotating trommel for further cleaning. The cleaned ferrous material shall be discharged from the trommel on to a roll-off container. The ferrous recovery system shall be designed for the requirements of the **1800** TPD Facility.

7.14 Stack 41/

7.14.1 One (1) **painted** concrete shell stack with **round** single wall insulated steel-flues, shall be round and installed. The stack shall be a **round** free standing, reinforced concrete chimney **painted with a coating of Tnemea Acrylic Latex or equal coating**. The Authority shall approve the color of the coating.

7.14.2 The stack shall be designed for an exit gas velocity of 65 fps based on flue gas flows generated by combustion of 5500 Btu/lb Reference Waste. Each of three flues shall be approximately 6 feet 11 inches in diameter extending 275 feet **high**.

7.14.3 Stack height shall be based on Good Engineering Practice (GEP).

7.14.4 The stack shall be designed for all conditions, loads and effects to which it may be subjected, including basic design, corrosion, wind

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40/ Boldfaced text amended pursuant to First Amendment. Reference to vibratory conveyor between the trommel and the roll-off container deleted pursuant to Change Order #50.

41/ Boldfaced text added or amended pursuant to First Amendment. Boldfaced and underlined text added pursuant to Change Order #38.

loading, thermal load, earthquake loading, dead loading, reaction forces and vibration effects from vortices produced.

7.14.5 Walls of the flues shall be insulated to minimize acid condensation.

7.14.6 All stack materials must conform to ASTM specifications and have demonstrated compatibility with and suitability for design requirements. The top 20 feet of each single wall flue shall be constructed of ASTM 167 Type 316L stainless steel for corrosion resistance. Louvers and doors shall be galvanized and cladding at breeching shall be painted.

7.14.7 Access shall be provided from ground level to the roof and sampling platforms**, if provided in the stack.** An internal caged ladder shall provide access to the sampling platform, if provided in the stack and chimney roof. All ladders, walkways and platforms shall be designed and installed in accordance with OSHA standards. The entire length of any ladder shall be enclosed in a safety cage **if not provided elsewhere in accordance with U.S. Environmental Protection Agency requirements in effect as of June 27, 1989, such as in the I.D. fan inlet duct, s**ufficient ports and access platforming shall be provided in the stack for all gas sampling, opacity and continuous emissions monitoring in accordance with U.S. Environmental Protection Agency (EPA) requirements in effect as of June 27, 1989 (See Schedule 19). An additional port will be provided in each flue to be used as an alternate monitoring location.

7.14.8 Obstruction marking and strobe lighting shall be provided in accordance with FAA regulations in effect as of June 27, 1989.

7.14.9 Stacks shall be provided by Hoffman Silo, Peabody Continental-Heine, Crown Union, Zurn Industries, Custodis-Cottrell or A.O. Krautz.

7.15 Combustion Air and Flue Gas Ducts, Dampers, and Expansion Joints

7.15.1 The combustion air and flue-gas duct system shall comprise (1) the flue-gas ducts from the economizer outlet to the air pollution control equipment and from the air pollution control equipment to the stack including all necessary attachments to and from the ID fan; (2) the FD fan suction ducts from the refuse storage building to the FD fan; (3) the under-fire air ductwork from the FD fan to the under-fire air plenum; (4) the OFA fan suction ductwork to the OFA fan; and (5) the OFA supply ductwork from the OFA fan to the nozzles.

7.15.2 Ductwork shall be welded steel plate construction. Ductwork and supports shall be designed and fabricated in accordance with the applicable rules of AISC; welding shall be in accordance with the requirements of the AWS.

7.15.3 Hoppers shall be provided at the economizer outlet and at other locations as required to collect fly ash. Hoppers shall be of pyramidal shape with a valley angle of not less than 55 degrees to the horizontal. The hoppers shall not be less than ¼ inch thick including a corrosion allowance of 1/16 inch.

7.15.4 Access doors shall be provided in each run of ductwork of 24 inch square or round diameter or greater. Doors shall be located on both sides of turning vanes and between each piece of equipment. Access doors shall be equipped with quick tightening clamp bolts.

7.15.5 Expansion joints shall be provided to permit thermal expansion of the ductwork system without skewing and imposing excessive reactions on the ductwork, the supporting structures, or the connected equipment. Expansion joints shall be of the bellows type, with fabric elements consisting of elastomer coated fiberglass of sufficient membrane strength to withstand the internal design pressure and temperature. Expansion joints shall be provided with integral insulation and sliding liner plates, fitted to overlap in the direction of flow. Drains and cleanout nipples shall be provided. Aluminum weather hoods shall be provided for outdoor exposed expansion joints.

7.16 Sootblowers and Furnace Probes

7.16.1 A complete, automatic, sequential, electrically driven and controlled, steam sootblowing system, designed to effectively clean the heat transfer surfaces including the superheater and the economizer sections, must be furnished for each unit. The first row of tubes exposed to sootblower steam spray shall be protected by stainless steel shields.

7.16.2 The Company shall supply sootblowers in number and arrangement to effectively clean the convection pass, and heat transfer surfaces so that under normal operating conditions when firing the fuel specified in Paragraph 3.3, Fuel Analysis, rated loads and performance can be continuously met.

7.16.3 In high temperature zones, lances and wall blower nozzle tubes shall be retractable. Lances, wall blower nozzle-tubes, and nozzles shall be constructed of alloy steel suitable for the temperature conditions.

7.16.4 Permanently installed thermocouples with temperature resistant coatings shall be provided for monitoring the gas temperature entering the superheater of each unit.

7.16.5 Furnace temperature probes to monitor flue gas temperature of 1800°F for the purpose of insuring s minimum furnace temperature for one (1) second shall be provided. Refer to Paragraph 7.5.1.

7.16.6 Sootblowers and furnace probes shall be as manufactured by Diamond Power, Copes-Vulcan or Bergemann.

7.17 Turbine-Generators

7.17.1 General

7.17.1.1 42/ A regenerative cycle, which includes a turbine with multiple extractions, shall be provided. The turbine shall be a multi-valve, multi-stage casing **or double casing**, single **or double** flow machine complete with four uncontrolled turbine extraction ports to supply steam to the combustion air heater deaerator and feedwater heater system.

7.17.1.2 The steam turbine-generator set shall be complete with all pertinent accessory equipment, and the services of the manufacturer's representative during unloading, installation and start-up.

A governor control system, lubricating and control oil system, oil conditioning equipment, steam seal system with automatic regulation, drain valves, A.C. turning gear and vibration monitoring system, as well as removable metal appearance lagging with insulation shall also be provided for the turbine.

7.17.1.3 43/ A single turbine sized for the **1800** TPD Facility shall be provided. The maximum turbine speed shall be 3600 RPM.

7.17.2 44/ The turbine-generator and accessories shall be designed for the following operating conditions:

42/ Boldfaced text added pursuant to First Amendment.

43/ Boldfaced text amended pursuant to First Amendment.

44/ Boldfaced text added or amended pursuant to First Amendment.

(a) The throttle steam pressure and temperature shall be 850 psig and 825°F.

(b) The governor and turbine controls shall have the capacity to hold turbine speed below the overspeed trip setting following local separation under isochronous conditions (instantaneous loss of electrical load), while initially operating with the steam valve wide open.

(c) Backpressure, in HgA 2.5

(d) Steam Flow, lb/hr **513,300** (MCR **1800** TPD)

(e) The turbine shall include the selected vendor's latest technology to mitigate erosion and corrosion in the last stage blades for moisture contents in excess of 12%. The mechanisms that shall be incorporated into the turbine design are specific to each vendor. The following is a summary of the measures various vendors will include in their turbine design for these conditions.

ASEA BROWN BOVERI

ABB turbine design has several design characteristics made to allow high moisture content.

- No extremely high tip speed of the last stage.
- High pressure ratio over the last stage.
- Big axial distance between diaphragm and blading
- Optimized design of bladings. The angle designed to minimize the erosion.
- Separation of the water from steam in the last diaphragm.
- A special hardened inlet edge of the last row of bladings.
- Last stages has an annular drainage pocket which collects and drains water drops from the turbine.

GENERAL ELECTRIC

- Latest design last stage buckets which improve moisture removal and erosion resistance.

- Moisture removal provisions strategically located along the outer boundary of the steam path to capture and remove the accumulation of potentially damaging moisture.

- Appropriate bucket tip speeds combined with high last stage pressure ratios.

- Self shielded blade design constructed of hard erosion-resistant steel.

ALSTHOM-RATEAU

To improve the aerodynamic efficiency of the turbine and reduce erosion and corrosion damage in the downstream steam path, the last turbine stages, where steam is expanded below saturation line, diaphragms are fitted with water traps, which collect contrifugated water droplets in suspension in the steam. The traps consist of peripheral chamber placed around the moving blades. The edges of the inlet to the chambers are shaped so as to avoid returns of the water collected into the steam path, and to duct water running to extraction ports through which the water is blown by a steam flow exhausted at the nearest bleed point or at turbine exhaust.

Steam leakage thus created is more than compensated by the reduction of braking action due to droplets and by the reduced erosion hazard of the rotor blade leading edges.

Also included in the design of an Alsthom turbine is an evaluation of the maximum impingement energy which is taken as an erosion criterion. Based on the final design, the erosion criteria may result in:

(a) No erosion protection necessary

(b) Medium or high frequency induction hardening be used on last stage blades

(c) Stiletto strips being brazed to the last stage blades at the critical erosion area

(d) The last stage of the machine being redesigned to reduce impingement energy and re-evaluation of the erosion criteria with application of 1, 2, 3 or 4 above as required.

MITSUBISHI

Mitsubishi will apply some or all of the following measures according to moisture level and final turbine design.

- Application of anti-erosion material such as "Stellite Plate" to the tip of the last stage blade

- Separation and removal of wet droplets via drain catchers at the inlet of the previous stationary blade. Optimum shape and location have been determined by laboratory tests. Droplets are removed through drain holes and routed to the condenser.

- Prepare surface of stationary blades with grooves to absorb water film on surface of blade and prevent spouting of large size droplets from the edge of the stationary blades. Water is routed through drain holes to the condenser.

7.17.3 Heat balance calculations shall be based on the ASME Steam Tables, Fifth Edition, and presented in British Thermal Units.

7.17.4 Turbine heat rate shall be calculated in accordance with the following formula:

$$HR_G = QT/PG$$

where: HR_G = Gross heat rate, Btu/hr

QT = Heat supplied to turbine, Btu/hr

PG = Gross generator output measured at generator terminals, kW

7.17.5 The turbine set shall be designed to withstand throttle steam temperatures in excess of the specified rated temperatures as follows:

(a) +50 F deg. Provided the 12-month average is not greater than throttle steam temperature +15°F deg.

(b) +25 F deg. During abnormal conditions for operating periods not more than 400 hours in a 12-month period.

(c) +50 F deg. For swings of 15-minute duration or less, aggregating not more than 80 hours per 12-month period.

7.17.6 The turbine shall be complete with all related accessories including, but not limited to, the following major items:

7.17.6.1 Extraction nozzles for feedwater heating steam to closed heater and deaerating heaters shall be provided.

7.17.6.2 Turbine inlet steam stop and control valves, extraction non-return and motor operated block valves shall be provided.

17.17.6.3 Complete console type hydraulic and lubricating oil system(s) designed for the turbine-generator unit. Lube oil pumps shall include a main lube oil pump and an auxiliary lube oil pump driven by a 60 Hz AC motor. A DC motor driven emergency lube oil pump shall also be provided.

7.17.6.4 Means of isolation of stop valve during chemical cleaning and steam blowing.

7.17.6.5 An AC motor driven turning gear system powered by the standby generator shall be provided to assure a reliable system when unit is disconnected from the outside power grid.

7.17.6.6 Complete steam sealing and gland steam exhausting and cooling systems.

7.17.6.7 Internal moisture separators and drainage for all turbine stages where moisture quantity could result in excessive blade erosion.

7.17.6.8 A grounding device between the stationary and rotating parts of the turbine to prevent the flow of turbine shaft currents between the rotor and the bearings.

7.17.6.9 Complete turbine control system and instrumentation for safe, reliable operation.

7.17.6.10 Special tools, including the turbine and generator rotor lifting equipment and all other special lifting slings, wrenches, and tools, including any metric tools, required for repair, maintenance and overhaul.

7.18 **Heat Rejection** 45/

To prevent heat input to the PEPCO discharge canal, the combined wastewater stream, except for treated sanitary wastewater, shall be cooled as needed prior to discharge into the PEPCO canal. A

45/ Boldfaced text amended pursuant to First Amendment.

temperature control system utilizing high efficiency, low approach heat exchangers shall be provided.

Two heat exchangers shall be provided, each designed to cool the maximum predicted wastewater flow, based upon the water quality shown in Table 1A-2 and five cycles of concentration in the cooling tower, for the expanded **1800** TPD Facility down to within one degree of the supply temperature (minimum 50.4°F) from the canal. The heat exchanger shall be a plate and frame type exchanger. The remaining heat shall be dissipated into the ground from the buried line which extends over one mile from the Facility to the discharge canal.

7.18.1 Steam Dump Capability

7.18.1.1 The Facility shall be provided with a means of dumping steam in the event of a turbine trip while continuing to process MSW at MCR regardless of turbine outage.

7.18.1.2 46/ A separate bypass dump condenser shall be provided. The bypass condenser shall be shell and tube design, including the necessary pressure and temperature control equipment, and constructed in accordance with ASME Boilers & Pressure Vessel Code, Section VIII and HEI standards for closed feedwater heaters. Tubes shall be stainless steel. The bypass condenser shall be sized such that all steam generation units can operate at maximum design capacity during periods of complete turbine-generator outage at the **1800** TPD Facility size at expected operating of 17 psia/250°F and design conditions of 30 psia/300°F.

Upon turbine trip the main steam shall be manually switched over to the bypass condenser. The bypass condenser inlet steam line control valve is used to maintain the boiler steam header pressure during bypass condenser operation (See dwg. M107 and M108).

7.18.2 Wet Cooling Tower

7.18.2.1 A wet cooling tower system shall be provided as a condenser heat rejection system. The cooling tower shall be designed in accordance with National Design Specification for Hood Construction and the Cooling Tower Institute Standards for installation and operation.

46/ Boldfaced text amended pursuant to First Amendment.

7.18.2.2 The cooling tower shall be provided with all materials, motors, internal piping, mechanical components, erection supervision, and erection labor required to haul, receive, erect and test the cooling tower as specified herein. The cooling tower shall be mechanically induced draft, counter flow type, consisting of a minimum of two cells with a 460 V, 3-phase, and 60 Hz motor driven fan per cell.

7.18.2.3 The tower shall be designed for wind loads and earthquake loads commensurate with the Facility location. It shall be installed on a prepared, reinforced concrete basin. Drift eliminators shall be multiple pass design, PVC material.

7.18.2.4 Bolts and washers shall be hot-dip galvanized steel. Type 304 stainless steel nails shall only be used in the fan deck. Ring joint connectors shall be 304 stainless steel. Anchor connectors shall be cast iron.

7.18.2.5 The cooling tower shall be designed to handle the cooling requirements of both the surface condenser and the plant auxiliary cooling loads.

7.18.2.6 The cooling tower circulating pumps shall be designed to perform in accordance with the operating requirements and conditions of the system. The pumps shall supply cooling water to the turbine-generator condenser and return it to the cooling tower distribution system.

7.18.2.7 The cooling tower circulating pumps shall be vertical, turbine type.

7.18.2.8 All cooling tower fan motors and cooling water pump motors shall be of totally enclosed construction with fan cooling (TEFC) type with approved NEMA design.

7.18.2.9 Except for the electrical interconnect to the Facility switchyard, the cooling tower shall not be located within 500 feet of any existing or electric transmission lines, or any proposed in the Facility Site Agreement as of June 27, 1989. (See Facility Site Agreement, Schedule 20)

7.18.2.10 A skid-mounted chemical feed system shall be furnished and installed to inject chemicals into the cooling system circulating water system for protection against corrosion, scaling, and bio-fouling. Sulfuric acid shall be injected into the cooling tower makeup water to control pH. Sodium hypochlorite or gaseous chlorine shall be injected to control biological growth. Dispersant and inhibitor shall be injected for corrosion control. The services of a water treatment chemical

consultant shall be retained and the consultant's recommendations, as well as the cooling tower manufacturer's recommendations, shall be included in the water treatment system design.

7.18.2.11<u>47/</u> A steam exhaust surface condenser package designed for the requirements of the **1800** TPD Facility shall be provided, including a condenser complete with duct from turbine, air ejectors, inter and after coolers relief valves and other required accessories. The condenser shall be designed in accordance with Heat Exchange Institute (HEI) standards and other applicable codes and standards. A multistage air ejector shall be supplied for removing oxygen, CO_2 and other gases from the condenser. The condenser shell and waterboxes shall be carbon steel per ASTM A285 Grade C with a 1/16 inch corrosion allowance. The condenser tubes shall be admiralty**, except for the steam impingement and the air removal sections which shall be admiralty or an alternate appropriate material such as 70-30 copper nickel**. The condenser shall be designed to maintain a 2.5" HgA turbine backpressure at MCR based on cooling water temperatures generated under operation of the cooling tower at an ambient web bulb temperature of 78°F.

Two vertical can type condensate pumps, each 100 percent capacity of the **1800** TPD Facility requirements, shall be supplied. The suction barrel and discharge head shall be steel. Each column assembly shall be steel. The impellers shall be cast iron. Pump suction velocities must not exceed 7 ft/second.

The condenser system shall be provided with adequate instrumentation for automatic operation. The system shall include, but not be limited to, gauge glasses, level controller, pressure indicators, thermometers, and safety relief valve normally supplied with the package. Vacuum gauges shall be installed in conspicuous and accessible locations.

7.18.2.12 Circulating water total dissolved solids shall be controlled by blowdown from the system. Blowdown control shall be automatic such that the blowdown valve functions under modulating control to maintain total dissolved solids (conductivity) within a preset range.

7.18.3 <u>Hotwells</u>

<u>47/</u> Boldfaced text added or amended pursuant to First Amendment.

7.18.3.1 48/ The hotwell shall have a sloped bottom and drains to provide ease of clean-out. A condensate hotwell with five minutes of storage at turbine valves wide open (VWO) at **1800** TPD operation shall be provided, complete with required level control and alarm instrumentation.

7.18.4 Air Removal Equipment

7.18.4.1 Air removal equipment for the condenser shall include, but not be limited to:

(a) Steam supply piping including automatic pressure control valve, strainer, block valves, and pressure and temperature gauges.

(b) Holding ejector elements consisting of two stages with two 100% capacity elements for each stage.

(c) One atmospheric hogging element.

(d) Surface type inter and after condensers, with 304SS or 316SS tubes and stainless steel tube sheets.

(e) Interconnecting non-condensibles, steam and condensate piping and fittings including valves, traps and instrumentation.

(f) Design, construction and testing in accordance with HEI standards.

7.19 Boiler Feed Pumps

7.19.1 Drive Arrangement 49/

Either two (2) or three (3) feed pumps shall be supplied. One full capacity turbine-driven feed pump shall be provided plus **either** two half capacity motor driven feed pumps **or one full capacity motor driven feed pump.**

7.19.2 Design Requirement 50/

48/ Boldfaced text amended pursuant to First Amendment.

49/ Boldfaced text added or amended pursuant to First Amendment.

50/ Boldfaced text added or amended pursuant to First Amendment.

The pump casing shall be selected such that at a minimum, an additional 10% head is achievable by replacing impellers with larger diameter impellers as the sole modification. The pumps shall take suction from the deaerator. Pump characteristics shall include the following margins:

Design flow:	Feedwater requirements at turbine VWO operation plus 5% margin at **1,800** TPD Facility size.
Design head:	Capability to supply MCR flow at **1,800** TPD Facility size at highest boiler drum relief valve set pressure plus accumulation, per ASME Section I Requirements.
Design temperature:	25 deg. F margin
Motor Driven Turbine Drive Maximum Speed:	**4600 RPM**
Maximum speed:	3600 RPM
HPSH:	Pumps shall be designed to survive a turbine trip transient without cavitation damage.

The boiler feedwater pumps shall be multi-stage, radially segmented pumps. The pump casing shall be steel. The impellers, heat treated wear rings and other interstage wearing parts shall be alloy steel. The impellers shall be keyed to the shaft and mounted with a light shrink fit against fully retained split rings.

7.19.3 Performance Characteristics 51/

Pumps shall have a continuously rising characteristic curve to shutoff to provide stable load sharing. The feedwater pumps shall be capable of providing feedwater flow required for the **1,800** TPD Facility operation as well as providing partial flow to individual boilers if one or more boilers are shut down. Computations shall be performed to determine that adequate NPSH is provided to the boiler feed pumps

51/ Boldfaced text amended pursuant to First Amendment.

during transient load conditions, including turbine trip at full load, using the method of Karassik or other approved equal.

7.19.4 Feedwater Control System

A three element feedwater control system, Bailey or approved equal, shall be provided.

Upon trip of an operating feedwater pump, the control system shall place the square in operation without a plant trip.

7.20 Condensate Pumps and Circulating Pumps 52/

7.20.1 Condensate Pumps

7.20.1.1 Two (2) vertical turbine canned condensate pumps sized for 100% capacity for the **1,800** TPD Facility shall be provided including motor drives, and associated accessories. Speed shall be limited to a maximum of 3600 RPM. The suction barrel and discharge head shall be steel. Each column assembly shall be steel. The impellers shall be cast iron.

7.20.1.2 The pumps shall be designed to take suction from condenser hotwell.

(a) Design flow: Turbine VWO flow requirements plus 5 percent margin.

(b) Design head: Capable of supplying the deaerator at VWO operating pressure plus 5% margin.

7.20.2 Circulating Water Pumps

7.20.2.1 Three vertical wet pit type pumps, each sized for 50 percent of the required capacity for the **1,800** TPD Facility, shall be provided. The impellers shall be constructed of bronze and be of the enclosed mixed flow type. The impellers shall be collar mounted to a carbon steel pump shaft. The flanged column shall be constructed of carbon steel. The discharge head shall be constructed of cast iron. Motor drives, and associated accessories shall be provided. Maximum pump speed shall be limited to 1800 RPM.

7.20.2.2 Pumps shall be designed for the following design flow and head:

52/ Boldfaced text amended pursuant to First Amendment.

(a) Design flow: Requirements of the Facility at **1,800** TPD capacity.

(b) Design head: The sum of pressure losses due to piping, valves, cooling tower and condenser at MCR design flow for the **1,800** TPD Facility plus 5% margin.

7.21 Miscellaneous Pumps 53/

7.21.1 All miscellaneous pumps required for operation of the Facility shall be provided.

7.21.2 The miscellaneous pumps and accessories (if applicable) to be furnished and installed by the Company shall include as a minimum the following:

a. Neutralization tank pumps.

b. Boiler chemical feed pumps.

c. Cooling Tower chemical treatment pump.

d. Fire pumps.

e. Sump pumps.

f. Closed cooling water pumps.

g. Service water pumps.

h. Demineralized water pump.

i. Settling basin pumps.

j. Sanitary wastewater pumps (if required).

k. Motors, couplings, coupling guards and baseplates for the above pumps as applicable.

l. Special tools required for maintenance and installation.

53/ Boldfaced text amended pursuant to First Amendment.

m. Two makeup water pumps for raw water from the PEPCO discharge canal, each sized for 100% capacity of the **1,800** TPD Facility.

n. Potable water pumps as required.

o. One well pump plus a warehouse spare.

7.21.3 Capacities for miscellaneous pumps not specifically identified above shall include a 20% margin on flow at the concurrent head required at this flow rate. Fire pump margins shall be in accordance with NFPA-20.

7.21.4 Pumps shall be designed, as a minimum, in accordance with the manufacturer's standard for the service intended.

7.21.5 The Company shall perform a failure mode and effects analysis for the various pump categories. The Company shall also develop a hierarchy according to which pump functions are grouped based on critical safety needs. The Company shall submit for the Facility Design Review the results of this analysis indicating for which function redundant pumps, priority circuitry and/or back-up power supplies are needed.

7.22 Air Compressors, Air Dryer and Accessories

7.22.1 Two (2) full capacity lubricated rotary type air compressors with aftercoolers, two (2) air receivers, one (1) dual tower dessicant air dryer, associated accessories and services of the Manufacturer's representatives for technical direction during installation, startup and testing shall be provided. High efficiency moisture and oil separators shall be provided on the discharge, complete with gauge glass, low level floats with high level alarm switches, relief valves, drain traps and blowdown valves. The dryer shall produce oil-free air with a dew point of –40°F or less. Each compressor shall be designed for a minimum of 200 SCFM at 110 psig. Maximum speed shall be limited to 1800 RPM. Each compressor and motor is mounted on a fabricated steel base. Inlet filters and silencers shall also be provided.

7.22.2 Compressors and compressor motors shall be provided with a control system which must load and unload the compressors during operation. Compressor operation shall alternate between the two compressors during normal operation. The control system shall be the compressor manufacturer's standard offering for this type of service. All couplings and drives shall be covered with metal guards.

7.22.3 The air compressor system shall be designed to provide plant air and instrument air for the Facility. Separate controls shall be provided for plant air and instrumentation air circuits.

7.23 **Deaerating Feedwater** 54/

7.23.1 A single deaerating feedwater heater, and associated accessories must be furnished in accordance with HEI standards. The deaerator shall be designed in accordance with ASME Boiler & Pressure Vessel Code, Section VIII with a 1/16 inch corrosion allowance on carbon steel parts. The design pressure shall be 75 psig with a 50 psig operating pressure.

7.23.2 The deaerating feedwater heater shall be furnished complete with all appurtenances including the following:

a. Horizontal storage tank.

b. Support legs and saddles or brackets, platform support and insulation clips and angles and other attachments.

c. Steam, water, drip, drain, vent, instrument, and control connections.

d. Manholes and access doors.

e. Relief valves.

f. Vent valve with suitable orifice drilled in disc, overflow, vacuum breaker.

g. Platform and ladder for servicing the deaerator.

7.23.3 The residual oxygen content in the effluent feedwater leaving the storage tank shall not exceed 7 ppm as determined by the HEI Method and Procedure for the Determination of Dissolved Oxygen.

7.23.4 The total carbon dioxide content in the effluent feedwater shall be zero ppm as determined by the titration method of the American Public Health Association (APHA).

7.23.5 For design purposes, all water entering the deaerator is to be considered as saturated with oxygen and carbon dioxide at the entering temperature and pressure.

54/ Boldfaced text amended pursuant to First Amendment.

7.23.6 Deaerator shall be installed as one of the turbine extraction steam feedwater heaters for the turbine-generator.

7.23.7 The deaerator storage tank shall be designed for the Facility capacity of **1,800** TPD with a minimum of 10 min. of storage when operating under turbine VWO conditions.

7.23.8 Spray nozzles shall be 316 SS and tray material shall be 430 SS. Tray supports shall also be stainless steel.

7.23.9 The deaerator storage tank shall be stress relieved.

7.24 Closed Feedwater Heaters

7.24.1 The Company shall furnish and install two (2) low pressure closed feedwater heaters and associated accessories. Steam shall be extracted from the main turbine to heat the condensate. Drains from the feedwater heaters shall be directed to the main condenser.

7.24.2 The closed feedwater heaters shall be complete, operational and furnished with the following items as applicable:

a. Shell, head, tube sheet, and complete tube bundle with stainless steel tubes.

b. Tube and shell side pressure and thermal relief valves.

c. Nozzles and connections on head and shell sides, including those for feedwater and condensate inlet and outlet, extraction steam inlet, drips inlet and outlet, emergency shell dump, relief valves, level controls, monitoring instrumentation, vents, bottom drains, chemical cleaning and for nitrogen purging.

d. Supports and pulling lugs, including lifting lugs for loading and unloading of heaters.

e. Individual flow orifice for each vent connection.

7.24.3 Shell side non-condensable gases shall be vented to the deaerator or main condenser.

7.24.4 Fluid velocities through tubes shall not exceed ten (10) ft/sec during normal operating conditions, calculated using the specific gravity of feedwater corresponding to the average of the inlet and outlet operating temperatures.

7.24.5 Feedwater heaters shall conform to the requirements of the HEI Standards for Closed Feedwater Heaters in effect as of June 27, 1989, except as amended herein. Feedwater heaters shall also comply with the requirements of ASME Boiler and Pressure Vessel Code, Section VIII, Division I in effect as of June 27, 1989.

7.25 Miscellaneous Heat Exchangers 55/

7.25.1 All miscellaneous heat exchangers required for Facility operation such as boiler blowdown and closed cooling water, shall be provided. Heat exchangers shall be designed for the service intended.

7.25.1.1 The boiler blowdown exchanger shall be of shell and tube type construction in accordance with ASME Boiler & Pressure Vessel Code, Section VIII and the Tubular Exchanger Manufacturers Association (TEMA), Class C Mechanical standards. The heat exchanger shall be fed by the makeup water line to the deaerator. Heat exchanger tubes shall be stainless steel. The heat exchanger is designed to satisfy the requirements of the **1,800** TPD Facility.

7.26 Water Treatment Equipment 56/

7.26.1 General - Water treatment equipment shall be provided to fulfill the following functions:

- makeup water pretreatment
- boiler makeup water treatment
- closed cooling water treatment
- wastewater treatment
- chemical feed systems
- potable water treatment

7.26.1.1 All process water for the Facility shall be obtained from the PEPCO discharge canal. The design of the water treatment systems are based upon the water quality data shown in Table 1A-2R.

7.26.1.2 An intake structure shall be constructed at the PEPCO discharge canal to provide a source of make-up water for the Facility. Water from the PEPCO discharge canal shall be pumped via two 100 percent capacity pumps each sized for the requirements of the **1,800** TPD Facility.

55/ Boldfaced text amended pursuant to First Amendment.

56/ Boldfaced text added or amended pursuant to First Amendment.

Pretreated process water piping between the Facility and the intake structure shall be sized for the design floor associated with the **1,800** TPD Facility. The process water uses shall include washdown, lime slaking and dilution water, cooling tower and boiler feedwater makeup. **Boiler makeup and miscellaneous cooling and washdown uses water,** shall be filtered by two half capacity dual media filters prior to use. The system is designed to satisfy the requirements of the **1,800** TPD Facility.
Pumps shall be designed for the following design flow and head:

Design Flow: **1,840** GPM
Design Head: 315 Feet 57/

7.26.2 Boiler makeup water treatment

7.26.2.1 Two (2) full capacity skid-mounted demineralizers shall be installed and operational. Each shall be sized to produce the required quantity and quality of make-up water for the **1,800** TPD Facility.

7.26.2.2 The demineralizer system shall be designed for push-button automatic operation. A neutralization tank shall be provided to allow uninterrupted operation of the demineralizer system when one train is backwashed, rinsed and regenerated. The demineralizer regeneration system must be capable of adding chemicals to the neutralization tank to control pH.

A 4,500 gallon capacity sulfuric acid tank shall be provided for the action exchanger regeneration and wastewater neutralization. A 4,500 gallon capacity caustic tank shall be provided for anion exchanger regeneration and wastewater neutralization. A **50,000** gallon carbon steel demineralized water storage tank lined with Plasite 7155 and transfer pumps shall also be provided. All equipment is designed to satisfy the requirements of the **1,800** TPD Facility.

7.26.2.3 The demineralized water shall meet ABMA requirements.

7.26.2.4 In addition to boiler makeup, this system shall provide makeup to the closed cooling water system.

7.26.2.5 Two horizontal centrifugal demineralized water pumps, each sized for full capacity at the **1,800** TPD Facility size, shall be provided. Each pump shall be designed for continuous duty and shall be mounted on a common base plate for pump and motor.

57/ Modified pursuant to Change Order #5.

Two 100 percent capacity positive displacement diaphragm type acid pumps shall be provided, each with sufficient capacity to regenerate one train of the demineralizer system. The pump shall be constructed of Alloy 20 material with a Teflon diaphragm.

Two 100 percent capacity positive displacement diaphragm type caustic pumps shall be provided, each with sufficient capacity to regenerate one train of the demineralizer system The pump shall be constructed of Type 316 stainless steel with a Teflon diaphragm.

7.26.3 Cooling tower makeup water treatment

7.26.3.1 Based upon the water quality data shown in Table 1A-2R, a maximum of 5 cycles of concentrations in the cooling tower and the wastewater discharge quality identified in Table 1A-3 cooling tower makeup water treatment is required as described in Section 7-26.9 below.

7.26.4 Auxiliary cooling water treatment system.

7.26.4.1 A separate closed cooling water system shall be provided. (see Section 7.27). Makeup water shall be provided from demineralized water system. Provisions for chemical addition are provided on the closed cooling water surge tank.

7.26.5 Waste water treatment systems

7.26.5.1 Combined sanitary and process wastewater shall be discharged via a single pipeline to the PEPCO discharge canal. Predicted wastewater quality shall be in accordance with Table 1A-3, and is based on the design described herein and make-up water composition defined in Table 1A-2R.

Acid and caustic wastes produced by demineralizer regeneration shall be directed to the neutralization tank along with boiler blowdown. After neutralization this water shall be discharged to the PEPCO discharge canal.

Cooling tower blowdown shall be filtered by two half capacity dual media filters or Lamella type clarifier prior to use as dilution water in the dry scrubber system. Excess filtered blowdown water shall be discharged to the PEPCO discharge canal.

Drains and washdown water from the boiler, turbine and APC area floor drains and trenches along with filter backwash shall be directed to the settling basin prior to reuse as quench water in the ash dischargers.

The settling basin shall be equipped with a baffle and weir to permit separation of oils and settling of suspended solids. A portable oil skimmer and vacuum will be provided to remove oil collected in the basin. The settling basin and APC Area shall be designed to accommodate runoff from the APC area paving caused by a 10 year 24 hour storm without overflow. Sanitary wastewater shall be treated at the Facility by a packaged treatment plant. Effluent from this plant shall be combined with other wastewater flow and discharged to the PEPCO canal.

7.26.5.2 The Facility shall not cause an increase in the temperature of the PEPCO canal water. Intake and discharge water temperatures shall be continuously monitored and the later may not exceed the former. Thermocouples with accuracy of at least +/- 0.5 C (0.9°F) shall be used to monitor both intake and Facility discharge temperatures.

7.26.5.3 Sanitary waste shall be treated to compliance with the requirements of Table 1A-3. Any discharge shall be to the PEPCO canal.

7.26.6 Chemical feed systems

7.26.6.1 A chemical feed system shall be provided for each water system requiring chemical control, including:

- feedwater/condensate system
- cooling tower water system
- closed cooling water system

7.26.6.2 Boiler Water Chemical Feed System

7.26.6.2.1 A skid-mounted chemical feed system shall be furnished and installed to inject chemical solutions as specified by boiler manufacturer into the boiler water system. An installed spare pump shall be provided with each skid.

7.26.6.2.2 Each system shall consist of a 100 gallon capacity storage tank, mixer **(if required)** and pumps. Pumps shall be of the manually adjustable range proportioning type fitted with check and relief valves. The chemical feeders shall be designed to operate essentially unattended, except for periodic inspection, manual change of feed rates, replenishment of required bulk chemicals and solution makeup.

7.26.6.2.3 The boiler water chemical feed system shall be suitable for feeding diluted chemicals on a continuous basis under flow proportioned control.

The boiler chemical feed system shall be common to all boilers and consist of:

- One oxygen scavenger system (sodium sulphite or equivalent)
- One boiler scale inhibitor system (phosphate or chelant)
- One corrosion inhibitor system (ammonia or a filming amine)

Antifoam treatment shall be added in the phosphate system.

7.26.6.3 Cooling tower chemical feed system

7.26.6.3.1 A skid-mounted chemical feed system shall be furnished and installed to inject chemical solutions as required for reliable cooling tower operation.

7.26.6.3.2 Chemical solution makeup and feed tanks along with positive displacement pumps shall be provided. The chemical feeders shall be designed to operate unattended, except for periodic inspection, manual change of feed rates, replenishment of required bulk chemicals and solution makeup. The tanks shall be sized for a minimum capacity of 100 gallons.

7.26.6.3.3 The cooling tower chemical feed system shall be suitable for feeding diluted chemicals on a continuous basis under flow proportioned control for pH, hardness and biofouling control.

7.26.6.3.4 Free chlorine levels in the cooling tower shall be continuously monitored. A chlorination system shall be used as needed to control biological fouling of heat transfer surfaces. The system shall be of the gaseous type and consist of storage vessels, a chlorinator, a chlorine injector, and various piping and controls.

7.26.6.4 Closed cooling water chemical addition system

7.26.6.4.1 Means shall be provided on the surge tank for periodic manual addition of chemicals to the closed cooling water system.

7.26.7 Potable water treatment

TABLE 1A-2R

WATER QUALITY DESIGN

PARAMETER	UNITS	VALUE
Alkalinity	Mg-CaCO3	120
A1	ug/ltr	845.8
BOO_5	mg/ltr	6.0
Calcium	mg/ltr	65
Chlorides	mg/ltr	47
COO	mg/ltr	40
Color	PCU	27.1
Conductivity	Umphs/cm	700*
Copper	ug/ltr	5.91
Fecal Coli	MPM/100ml	200
Hardness as $CaCO_3$	mg/ltr	250
Iron	ug/ltr	883.05
Lead	ug/ltr	20.26
Manganese	ug/ltr	81.13
Mercury	ug/ltr	0.25
Oil (grav.)	mg/ltr	2.14
pH	N/A	8.6*
Silica	mg/ltr	8.9
Sulfates	mg/ltr	91
Suspended Solids	mg/ltr	400*
Temperature	°F	75.7
Tin	ug/ltr	48.95
Titanium	ug/ltr	26.38
TOC	mg/ltr	5.0
Total Dissolved Solids	mg/ltr	375
Turbidity	F/NTU	300*
Zinc	ug/ltr	64
Sodium	mg/ltr	30
Potassium	mg/ltr	3
Nitrates	mg/ltr	2
Total Phosphorous (P)	mg/ltr	0.3
Fluoride	mg/ltr	0.1

Notes:

mg - milligram
ug - microgram
* May be exceeded by 20% for a period of 3 consecutive days.

TABLE 1A-3

PREDICTED WASTEWATER DISCHARGE QUALITY

Effluent Limitation	**Daily Max.**	**Monthly Average**
Total Residual Chlorine	0.2 mg/1	
Total Suspended Solids	100 mg/1	30 mg/1
Oil and Grease	20 mg/1	15 mg/1
BOD_5	45 mg/1	30 mg/1
Fecal Coliform	200 MPN/100 ml	
pH	6.0 to 9.0	6.0 to 9.0

7.26.7.1 Potable water shall be provided from either on-site wells or the existing well at the compost facility. A chlorination system shall be provided to treat the well water for potable use in the Facility.

7.26.7.2 The system shall consist of a 3000 gallon atmosphere storage tank, two 100% capacity booster pumps and an 80 gallon (approximate) surge tank. The storage tank will befilled by the well water pump.

Each booster pump will be sized for the peak demand. The surge tank will be located downstream of the pumps and is essentially a small hydropneumatic tank. The purpose of this tank is to absorb pressure surges during pump starts and stops, as well as to provide a small inventory of water under pressure to minimize pump starts at normal water consumption rates. This type of system represents a typical installation used where the peak water demand significantly exceeds well supply and space constraints limit storage tank size.

7.26.8 Sampling systems

7.26.8.1 A centralized chemical sampling station shall be provided in order to provide information on chemical conditions in the feed, condensate, steam and cooling tower systems. Manual grab samples shall be drawn from the points defined in the schedule below, and analyzed in the lab.

7.26.8.2 The sampling panel shall also provide for taking grab samples from each of the points in the schedule below.

Sample Analysis Schedule

Point 1 - Condensate pump discharge
parameters: pH
total dissolved solids
oxygen concentration

Point 2 - Feed pump discharge (1 point)
parameters: pH
total dissolved solids

Point 3 - Blowdown (one point per boiler)
parameters: pH
total dissolved solids
phosphate concentration

Point 4 - Cooling tower basin
parameters: pH
biocide concentration

Point 5 - Boiler feedwater makeup (demineralizer intake and

discharge)

parameter: silica

7.26.8.3 Provisions shall also be made for taking grab samples from the closed cooling water system.

7.26.8.4 Make up water from PEPCO discharge canal and demineralizer outlet shall be monitored for Silica content on a regular basis.

7.26.9 Pretreatment System

The Pretreatment system is designed to remove suspended solids, color, organics, iron, manganese and other objectional river water contamination for cooling tower makeup, demineralizer makeup and other plant services.

Raw river makeup is fed to one of two clarifiers. Each clarifier shall be sized for 100% of MCR flow at 78°F wet bulb for the **1,800** TPD facility. Both clarifiers will be required during dump condenser operation. Gaseous chlorine is fed to the operating clarifier for color and organic removal and to oxidize iron and manganese for effective removal. Alum is fed as the coagulant for effective removal of suspended solids. Caustic and polymer are fed to optimize the coagulation step. Skid mounted storage tank feed pump packages are provided for the alum, caustic and polymer. A solids contact, sludge recirculation, clarifier is provided for this service complete with separate sludge recirculator and scraper drives.

The pretreatment equipment also includes a separate sludge-treatment system consisting of a sludge storage tank, transfer pumps, additional polymer injection and filter press or belt press sludge concentrator. The sludge is separated into a wet cake for discharging and a filtrate stream which is returned to the clarifier inlet for further treatment. The sludge system is designed to produce a cake of **20**% solids with the maximum flow from the clarifier at the concentrations shown in Table 1A-2R.

Based on Table 1A-2R, the clarifier effluent contaminants would be reduced to below the following levels.

Contaminant	Effluent Level
Turbidity	< 5 NTU
Color	< 5 mg/ltr

TOC	< 1.0 mg/ltr
Iron	< 0.1 mg/ltr
Manganese	< 0.1 mg/ltr
BOO_5	< 1 mg/ltr
COO	< 5mg/ltr

7.27 Closed Cooling Water System and Fire Protection Water

7.27.1 An auxiliary cooling water system must be provided to remove heat from auxiliary loads including:

boiler feed pump bearings
generator coolers
turbine lubricating oil coolers
instrument air compressor coolers
chemical sample coolers
other equipment heat loads as required

7.27.2 The design of the closed cooling water system shall be coordinated with the design of the condenser and cooling tower.

7.27.3 Demineralized water shall be used in the closed cooling water system.

7.27.4 The closed cooling water system shall use water from the cooling tower circulating pump discharge as a heat sink for the closed cooling water, and return heated water to the cooling tower inlet piping.

7.27.5 The closed cooling water system shall be capable of operation at full capacity with one closed cooling water pump and one heat exchanger out of operation.

7.28 Tanks

7.28.1 A demineralized water storage tank, closed cooling water surge tank, fire water storage tank, and any other miscellaneous tanks necessary for Facility operation shall be provided.

7.28.2 Suitable treatment equipment pumps and storage for fire protection water shall be provided in accordance with all applicable NFPA guidelines. (See section 7.35)

7.29 Scales

Three (3) electronic, pitless type truck scales will be provided. Two (2) scales will be located at the Residue loading points in the residue building, and will be 40 feet long and 10 feet wide and will have a capacity of 60 tons. These scales will be used to weigh the Authority Containers filled with Residue in the residue building. The third scale will be located outside the residue building and it will be 70 feet long and 10 feet wide and will have a capacity of 60 tons. This scale will weigh Authority Containers (AO Containers) which contain Nonprocessible Waste, Ferrous Rejects and Bypassed Waste and trailers which contain ferrous metal, and any other vehicles which may require weighing. 58/

The weighing instrumentation shall be capable of powering cells, electronics, indicators, and control circuitry. Control circuitry shall sum all load cell output signals. All circuits shall be protected from lightning and transient line surges.

The weighing electronics shall be unaffected by RFI. EMI, or electrostatic discharge as required by the National Bureau of Standards Handbook 44.

A local digital weight indicator shall be furnished for each scale. The indicator will have a digital display. The indicator shall be the requirements of the NBS Handbook 44 with regard to RFI, EMI interference.

The scale shall meet the accuracy requirements of the National Bureau of Standards Handbook 44 for Class V Devices and all applicable local weights and measures regulations.

The residue building scale will be outfitted with an IBM compatible personal computer located in the control room/administration building. The computer will maintain files on the daily activity of the scale and print out hard copy reports on disk or be capable of providing a magnetic disk on request.

58/ Boldfaced text amended pursuant to Change Order #62.

7.30 Miscellaneous Hoists and Cranes

7.30.1 The Company shall furnish and install miscellaneous monorail hoists, and cranes with associated accessories.

7.30.2 Turbine building and maintenance shop cranes, and boiler feed pump aisle hoist shall be furnished and sized for the maximum maintenance loads. Turbine building bridge crane shall be furnished and installed with controls and accessories as required for installation and maintenance of the turbine-generator in strict accordance with manufacturer's requirements and instructions.

7.31 Piping 59/

7.31.1 Labor, supervision, services, tools, equipment, materials and consumable supplies required for the design, fabrication and erection of all piping systems shall be provided. Piping systems shall be sized for the requirements of a **1800** TPD Facility.

7.31.2 Steam and condensate piping shall conform to the requirements of ANSI 831.1 and/or ASME Section I in effect as of June 27, 1989, as applicable, and ANSI material and fabrication standards. Except for main steam and boiler blowdown, all steam piping shall be carbon steel. The main steam and boiler blowdown piping shall be ferritic steel per ASTM A335, Gr. P11. Valve class shall be per ANSI B16.34. Condensate piping shall be carbon steel. Valve class shall be per ANSI B16.34. Steam and extraction piping shall be designed and installed in accordance with the recommendations contained in ASME No. THOPS-1 "Recommended Practices for Prevention of Water Damage to Steam Turbines" in effect as of June 27, 1989 and turbine manufacturer's instructions.

7.31.3 The design, materials of construction and installation of pipe hangers, supports, guides, restraints and anchors shall be in accordance with the requirements of ANSI B31.1 and MSS Standard SP-58 in effect as of June 27, 1989 whichever is most stringent.

7.31.4 Company shall furnish and install electrical temperature controlled heat tracing and insulation on water piping exposed to outdoor temperatures such as tank external piping, wet-pipe fire protection, service water washdown and dust suppression piping.

59/ Boldfaced text amended pursuant to First Amendment.

7.32 Valves

7.32.1 All valves and accessories, including motor and pneumatic operators required for Facility operation, shall be provided. Isolation valves shall be provided to facilitate repair of all equipment. All valves must be designed for the service intended.

7.32.2 All valves must be in accordance with applicable AMSI, ASME and ISA standards in effect as of June 27, 1989.

7.32.3 Materials for valves shall be compatible with their pipe line materials.

7.32.4 The main steam non-return valves shall be Rockwell-Edwards or approved equal. Main steam vent valves shall be Rockwell-Edwards, Hancock or Yarway. Safety valves shall be Consolidated "Maxiflow" or Crosby "HC/HCA".

7.32.5 Relief valve discharge lines in main steam service and controlled main steam vents to atmosphere shall be provided with silencers which comply with the applicable local noise ordinances or OSHA noise limits, whichever is more stringent.

7.33 Refractories, Insulation and Lagging for Piping, Ducts and Equipment.

7.33.1 All insulating materials, refractories and lagging required for piping, vessels, ventilation ducts, and equipment shall be provided.

7.33.2 Insulation material shall be applicable for the service intended. Insulation shall be installed in accordance with manufacturer's requirements. Insulation shall be properly lagged. The insulation surface temperature shall not exceed 130°F at an ambient temperature of 80°F for surfaces which are accessible by personnel. Accessible is defined as the hot surface being within 8 feet above or 2 feet in other directions from areas such as floors, walkways, valve operating platforms and stairs or ladders. The insulation surface temperature for all other surfaces shall not exceed 140°F at an ambient temperature of 80°F.

7.33.3 All interconnecting ductwork between the boiler economizer outlet, air pollution control equipment, ID Fan and stack shall be included. Ducts shall be air-tight and be a minimum 3/16 inch thick carbon steel with exterior stiffeners and external structural steel supports as required. Expansion joints shall be metal bellows type or fabric cloth with bolted flanged connections with air-tight sealing gaskets. Metal

bellows shall have interior stops to prevent the buildup of particles within the hollow portion of the bellow.

7.34 Miscellaneous Mechanical Specialties

7.34.1 All necessary miscellaneous mechanical specialty equipment including, but not limited to, the following shall be furnished, installed and tested as required:

(a) Steam Traps
(b) Boiler Drain Flash Tank
(c) Expansion Joints
(d) Strainers
(e) Safety and Relief Valves
(f) Sample Coolers
(g) Silencers

7.34.2 All specialties shall be designed for the service intended and installed in accordance with manufacturer's recommendations.

7.35 Fire Protection and Detection Systems 60/

7.35.1 The fire protection systems, interior sprinkler systems and exterior fire main system shall meet the requirement and standards of the local code. In addition, the fire protection system shall meet the requirements and standards of t fire insuring agency. The source of water shall be the PEPCO Dickerson discharge canal.

The design of the Facility shall be based upon a Use Group Classification F1, a Construction Classification of Type 2C and the assumption that Section 501.1.1 and exception 1 to Section 504.1 of the 1987 BOCA Code are applicable to the Facility and that the level of fire protection identified in Section 7.35.6 of this Schedule shall meet the Montgomery County building code official's approval. The preceding classifications and assumptions are based upon a Company interpretation of the BOCA Code. In the event that the responsible enforcing official interprets the BOCA Code or the County building code to require different equipment or materials, **such equipment or material shall be provided by the Company.**

A **300,000** gallon fire protection water storage tank shall be provided.

60/ Boldfaced text amended pursuant to First Amendment.

7.35.2 The fire protection system shall be furnished, installed and tested. It shall include all piping, water cannons, valves, fire extinguishers, sprinklers, hydrants, hose cabinets, hose, pumps, fittings and accessories, both underground and above ground, inside buildings, by the boiler and air pollution control equipment, and special items.

A buried yard loop encircling the main Facility building shall be provided. Hydrants will be located at approximately 300 foot intervals along the yard loop and all branches including the Facility railyard.

Automatic sprinkler system and deluge water spray systems shall be provided in high fire hazard areas as specified in paragraph 7.35.6.

Dry sprinkler piping shall be provided where subject to freezing. A sprinkler system shall be provided for cooling tower fire protection. Standpipes and hose stations shall be provided in the Main Facility building. Hose stations shall be provided at approximately 100 foot intervals.

In addition to a dry pipe sprinkler system located over the pit and charging hopper parapet the refuse pit shall be protected by four manually operated monitor nozzles located on the charging floor. These 250 gpm monitor nozzles shall be located to provide complete coverage of the pit. One monitor nozzle shall be provided for every 5,000 square feet of refuse pit floor area spaced approximately 75 feet apart, located to minimize inadvertent impact by the crane grapple.

The piping systems normally containing water located in unheated areas shall be heat traced to prevent freezing.

7.35.3 All equipment, devices, piping and other materials and the design, installation, inspection and testing of the systems and components must meet the requirements of the National Fire Protection Association Standards (NFPA including NFPA 13, NFPA 15 and NFPA 214), National Board of Fire Underwriters (NBFU), Occupational Safety and Health Act (OSHA), Underwriters Laboratory (UL) or Factory Mutual (FM) requirements, Insurance Services Office requirements, standards required by the fire insurance agency, and applicable state, local and federal laws and regulations.

7.35.4 All materials shall be Underwriters' Laboratories, Inc. (UL) listed or Factory Mutual (FM) approved.

7.35.5 Two **2500** gpm fire water pumps shall be provided, one shall be diesel driven, the other by electric motor. **If the Code official requires an**

increase in fire pump size up to 3500 gpm and corresponding tank size up to 420,000 gallons, it shall be provided An electric driven jockey pump provided with backup power from the emergency diesel generator shall also be provided.

System pressure shall be maintained by the motor driven jockey pump. In the event that the demand on the system exceeds the jockey pump's capacity, the main fire pumps shall start automatically. The main fire pumps are sized to exceed the largest single system water demand plus 500 gpm for hose stations.

7.35.6 Fire Protections systems shall be provided as follows:

- Tipping Bay Area Dry Pipe Sprinkler System (first 20' from pit)
- Refuse Pit Area Dry Pipe Sprinkler System
- Turbine Bearing Pre-Action Sprinkler System
- Stoker Front and Hydraulic Power Unit Skid Deluge Systems (one per boiler train)
- Fire Pump Wet Pipe Sprinkler System
- Lube Oil Area Wet Pipe Sprinkler System
- Cooling Tower Sprinkler System

7.35.7 Portable fire extinguishers shall be provided throughout the Facility in accordance with NFPA-10. Halon fire extinguishers shall be provided in the control room as well as all other areas containing electrical equipment.

7.35.8 A complete fire detection system shall be provided. All equipment shall be UL listed or FM approved and shall meet the requirements of the NFPA. The system shall be provided with a central control panel located in the control room. Detection systems shall be provided as follows:

AREA OR SYSTEM	DETECTOR TYPE
Administration Area	Smoke
Turbine Bearing Preaction System	Heat (fixed temperature)
Stoker Front and Hydraulic Unit Deluge System(s)	Heat (rate compensate)
Fire Pump House	Heat (rate compensate)
Maintenance Shop	Heat (fixed temperature)

Control Room	Smoke (ionization)
Control Room Cabinets	Smoke (ionization)
Electrical Rooms (including the battery/ UPS rooms)	Smoke (photo-electric)
HVAC Return Air Ductwork	Smoke (photo-electric)
Crane Pulpit	Heat (fixed temperature)
CEM Room	Smoke (ionization)
Laboratory	Smoke (ionization)

7.36 HVAC

7.36.1 All air conditioning, heating and ventilation equipment, systems and accessories shall be provided, cleaned, tested and balanced. HVAC design outdoor conditions shall be as described in Paragraph 3.2. HVAC indoor design conditions are as given below:

INDOOR DESIGN CONDITIONS	Summer	Winter
Boiler Enclosure	110°F	50°F
Administration Areas, Locker Rooms, Rest Rooms, Laboratory	78°F	68°F
Equipment Enclosures	104°F	50°F
Residue Building	104°F	Unheated
Waste Receiving and Storage Area	____	Unheated
Residue Storage Pit Area	____	Unheated

7.36.2 The Central Control Room shall be provided with full environmental conditioning for temperature and humidity. Filtered, positive pressure outside make-up air systems shall be provided to hold down dust penetration. This environmental conditioning shall be totally separate from systems used elsewhere in the Facility. Two 100% redundant air handling units shall be provided.

Design indoor conditions for the control room shall be:

Temperature: 72°-78°F
Relative Humidity: 30-50%

7.36.3 Offices, rest rooms, locker rooms, reception area, laboratory, electrical and instrumentation shop, shall be heated, cooled and ventilated.

The administration building and main control room complex shall be provided with separate individual roof top mounted packaged air conditioning units. The main control room complex air conditioning system shall be a low velocity system and includes the main control room, shift supervisors office and laboratory. The return shall be ceiling plenum type. Air supply ductwork shall be insulated. Supplemental heat in the air conditioned areas shall be supplied by baseboard radiators on outside walls.

7.36.4 The motor control room and relay room shall be ventilated.

7.36.5 The maintenance shop shall be equipped for heating and ventilation. Ventilation systems for the maintenance shop, storage room, crane MCC rooms, elevator machine room, unit substation and switchgear room and other plant areas shall, in general, utilize sidewall intake with manually operated louvers/transfer grills and wall fans as determined by the physical arrangement of the Facility. Enclosed rooms located immediately adjacent to the tipping floor/refuse pit shall be positively pressurized for odor control and shall not draw or exhaust air to the tipping floor/refuse pit. All supply air for ventilation of electrical rooms shall be filtered by dry replaceable particulate filters. The ventilation systems shall be thermostatically controlled.

7.36.6 The boiler building, turbine building, heater bay and air pollution control equipment enclosures shall be heated to a minimum of 50°F and ventilated with a minimum of 5 air changes per hour. The ventilation system for the boiler and turbine areas shall consist of reversible power roof ventilators and manually operable louvers. The system design shall be based upon operation of roof fans in exhaust mode during summer operation and in the supply mode during winter operation. Roof ventilators shall be designed for on-off operation. Individually thermostatically controlled unit heaters shall be provided in both the boiler and turbine buildings.

7.36.7 The waste receiving and storage area shall be ventilated by the boiler forced draft fans. Manually operable wall louvers shall be provided low on the tipping building wall opposite the refuse pit. Air shall be drawn from the tipping floor over the storage area up and then into the combustion air intakes located above the refuse cranes.

The residue storage pit area shall be ventilated by the boiler overfire air fans. Manually operable wall louvers shall be provided at the end

of the pit and on the dust wall which separates the residue pit and boiler building.

7.36.8 Equipment of major manufacturers with reputation for quality and energy efficiency shall be provided. Free cooling (economizer cycle), low-leak dampers, and high EER compressors must be furnished. Systems shall be designed and equipped in accordance with ASHRAE guidelines.

7.36.9 The fire pump house shall be ventilated by a power roof ventilator and operable louvers. Unit heaters shall be provided for heating.

7.36.10 The residue loading building shall be provided with gravity ventilators.

7.37 Plumbing

7.37.1 All plumbing, laboratory services, waste and drainage systems, and service and potable water systems shall be designed, furnished, installed, tested and started up in accordance with local codes and regulations.

7.37.2 All facility rest room sanitary wastes within the Facility shall flow to the sanitary sewer.

7.37.3 Floor drains in the water treatment area of the Facility, drains from the bulk acid and caustic tanks, sump drains from water treatment equipment, and chemical cleaning drains shall permit flow of fluids to the neutralization tank.

7.37.4 Facility roof drains shall be galvanized steel pipe to carry rain water from the roof of the plant to the storm drain system.

7.37.5 Facility floor drains and bell-ups for equipment drains shall provide drainage throughout the plant. The drains shall flow to the settling basin as described in Section 7.26.5.1.

7.37.6 The potable water system shall be thoroughly flushed and disinfected in accordance with County Health Department requirements and protected by required backflow preventers.

7.38 Vehicles

7.38.1 Vehicles necessary to operate and maintain the Facility system shall be provided by the Company as listed below:

Description	No./Type	Description/Function
Street Sweeper	1/Propane Driven	Roadway Maintenance
Fork Lift	1/4000 lb	Container Handling
Pick-up Truck	1/ 3/4 ton	Miscellaneous
Front End Loader	1/ 3 cubic yard Model CAT 936	Tipping Floor Maint.
Bobcat	1/ 1/2 cubic yard	Miscellaneous

7.38.2 The front-end loader shall be configured suitable for residue and snow removal and to assist with maintenance duties.

8.0 ELECTRICAL

8.1 General 61/

8.1.1 The electrical systems shall consist of equipment and arrangements commonly found in power-generating stations and switchyards in accordance with AMSI, IEEE, and MEMA standards. Equipment shall include power transformers, outdoor power circuit breakers and switchyard, metal-clad medium voltage switchgear, 5 kV vacuum contractors, metal enclosed low-voltage switchgear, unit substations, and transmission feeders and terminating potheads and structures. Electrical equipment shall be utility/industrial class designed to operate at a 40°C ambient temperature.

8.1.2 All supplementary or miscellaneous items, appurtenances, devices and services incidental to or necessary for a sound, secure, and complete electrical installation shall be provided and installed.

8.1.3 Under normal operations all Facility auxiliary electrical loads including those required for administrative operations shall be supplied from the Facility's internal steam turbine driven electric generator.

61/ Boldfaced text amended pursuant to First Amendment.

8.1.4 The Company shall design, furnish and install equipment of a design, size and type which has been previously built and proven in satisfactory operation to meet the stated performance. Prototype designs are not acceptable.

8.1.5 The plant electrical systems will be arranged for appropriate reliability. The electrical systems shall be designed in accordance with the applicable equipment standards and installed in accordance with the National Electrical Code and the National Electrical Safety Code.

These systems include:

- 13.8 kV Distribution System
- 4.16 kV Distribution System
- 480 Volt Distribution System
- 125 Volt DC System
- 208/120 Volt Power and 120 Volt AC Uninterruptible Power System
- Emergency Diesel Generator
- Lighting Systems
- Communication Systems
- Grounding Systems

8.1.5.1 <u>13.8 kV Distribution System</u>

The 13.8 kV distribution system shall include 15 kV non-segregated bus duct to connect the step-up transformers and the auxiliary transformer to the generator. The generator neutral shall be grounded using a single phase distribution transformer and resistor. The 1.38 kV distribution system shall also be high resistance grounded using three single phase transformers and a grounding resistor to ground the system when buying power from PEPCO without the generator in service.

8.1.5.2 <u>4.16 kV Distribution System</u>

One outdoor 69-4.16 kV startup transformer and one outdoor 13.8-4.16 kV auxiliary transformer shall be provided to supply a 4160 V motor control center. Each transformer shall be sized to serve the entire

Facility (at **1,800** TPD) with the other transformer out of service. These motor control centers shall have main circuit breakers and use fused vacuum contractors to serve motors 300 hp and larger. The 4160 V system shall be resistance grounded. The feeders shall consist of three conductor 5 kV shielded cable with a ground conductor. These cables shall be routed in cable tray, conduit or underground duct bank as required.

8.1.5.3 480 Volt Distribution System

The 480 volt system shall consist of two double ended unit substations and motor control centers as required. Each unit substation shall include two indoor dry type transformers close coupled to indoor metal enclosed switchgear. Each substation shall be sized to serve two combustion trains but capable of serving one combustion train and the common 480 volt loads necessary to operate with one transformer out of service. The unit substation shall have feeders for motor loads from 100 hp through 250 hp and motor control centers. The 480 volt motor control centers shall serve 460 volt motors 75 hp and smaller, battery chargers, local lighting transformers and 208/120 volt power transformers**.** 62**/ Motor control centers may also be used for 460 volt motors larger than 75 hp for cooling tower fans, raw water intake pumps, refuse cranes and APC air compressors where specialized duty is required or in outlying areas with limited load**. Motor control centers shall generally be located indoors in an electrical equipment room, however, outdoor motor control centers may also be provided to serve selected areas.

8.1.5.4 125 Volt DC Power

The DC system shall consist of a 125 volt lead acid battery with two redundant battery chargers to serve critical loads. The battery shall have sufficient capacity for the protective relaying and circuit breaker operation, the turbine emergency lube oil pump and the uninterruptible power system.

8.1.5.5 208/120 Volt Power and 120 Volt AC Uninterruptible Power Systems (UPS)

Dry type transformers and panelboards shall be provided to supply miscellaneous 208 or 120 loads. Critical loads such as communications, fire detection and vital instrumentation shall be served from the 120

62/ Modified pursuant to Change Order #29.

volt AC uninterruptible power supply utilizing a 125 V DC to 120 V AC inverter fed from the 125 V DC power supply.

8.1.5.6 Communication Systems

An intercommunication system shall be provided throughout the plant. A telephone system shall supply internal and external communication for administrative personnel. The telephone system shall be used for operating interface with PEPCO. Telephones shall be provided in the following areas:

- Administration Area Offices
- Conference Room
- Reception Area
- Laboratory
- First Aid Area
- Main Control Room

The balance of the Facility shall have a page/party system. This system shall provide paging and multiple party line voice communication throughout all areas of the plant for operation, maintenance and security personnel. A telephone interface shall couple the telephone and page/party systems to allow incoming calls to be transferred to a party line. Twelve (12) portable 2-way radio sets together with one base communications console shall be provided with the Main Control Room.

8.1.5.7 Grounding System

A complete grounding system shall be installed which shall ring the buildings. Every other exterior steel column shall be grounded to this loop. All building ground loops and switchyard shall be tied together with a minimum of two connections. All electrical equipment shall be tied together with a minimum of two connections. All electrical equipment shall be grounded in accordance with the requirements of the National Electrical Code, the National Electrical Safety Code and local codes. In addition to the NEC equipment ground conductor, all 4,000 volt motors and all 460 volt motors 100 hp and larger shall have a supplemental ground connection from the motor frame directly tied to the local ground grid.

8.1.5.8 Conduit

Conduit shall be rigid galvanized steel outdoors and intermediate metal conduit indoor. Polyvinylchloride (PVC) schedule 40 duct shall be used in underground duct banks. Stub-ups from duct banks shall be rigid galvanized steel. Electrical metallic tubing shall be used in the administration building in concealed areas and for lighting in non-accessible areas of the turbine and refuse buildings.

8.1.5.9 Cable Tray

Whenever possible, use shall be made of overhead cable trays for routing of power, control and instrumentation cables throughout the Facility. In order to provide for logical grouping of cables, separate tray systems shall be used for 4,160 V power circuits, single conductor 480 V power circuits (250 MCM and larger), multiple conductor 480 V and 208/120 V power circuits, 120 V AC and 125 V DC control circuits, and low voltage instrumentation circuits.

For areas with small quantities of cable, barriers may be provided within a tray to provide separation in compliance with the NEC. High voltage (4,160 V) circuits shall always be routed in separate trays from other circuits.

8.1.5.10 Duct Banks

Underground duct banks shall be PVC schedule 40 conduit encased in concrete. Concrete shall be reinforced if required by local soil conditions. The top surface of the concrete shall have a red dye added after the concrete is poured.

8.1.5.11 Electrical Cable

All 5,000 volt conductors shall be copper, type WV-90 with thermosetting ethylene propylene rubber insulation, shielded, and with a neoprene, hypalon or CPE jacket. All conductors shall be terminated with heat shrink stress cones. PVC or nylon materials shall not be used.

All 600 volt conductors for 480 volt power shall be copper, with thermosetting ethylene propylene rubber or cross linked polyethylene insulation and a neoprene, hypalon, or CPE jacket. PVC or nylon materials shall not be used.

Conductors for lighting circuits and 120 volt receptacle circuits shall be copper with type RHW, XHHW or THWN insulation. These circuits shall be installed in conduit or EMT.

Control, metering and alarm circuits shall be multiple conductor color coded in accordance with ICEA Table K-2. Instrumentation wiring shall be shielded, single-pair or multipair cable as required by the instrumentation equipment. PVC or nylon materials shall not be used.

8.1.6 The complete electrical system shall conform to PEPCO's "Guidelines and Performance Standards for Parallel Operation of Customer Generation Equipment on the PEPCO System" as amended by "PEPCO-NEMWDA Cogeneration Facility Connections to the PEPCO Electric System". The Company shall be totally responsible for designing and providing an electrical system in complete compliance with these PEPCO requirements, and shall obtain PEPCO approvals of the production Facility, and the related interconnection, operation and protective equipment.

8.1.7 All electrical equipment shall be sized for the **1,800** TPD Facility thermal and fault duties.

8.1.8 All circuit breakers and protective relaying shall provide selective coordination in isolating faulted or overloaded circuits or equipment and shall conform to PEPCO's requirements (see 8.1.6). All electrical system protection for the main step-up transformers, startup transformer, auxiliary transformer, 69 kV circuit breakers and generator shall be on a protective relay panel. Relays for feeders to 480 volt transformers shall be on the switchgear. Circuit breaker control switches, indicating lights, synchronizing equipment, instruments, and alarms for the electrical systems shall be on a conventional benchboard type control panel.

8.1.9 The plant electrical system shall comprise both power generation and power distribution and shall be based on the design criterion that incinerator operation shall have priority over power generation.

8.1.10 A substation shall be provided on the facility site, and shall be of a modern fenced low-profile design, and complete with bus duct connection between generator switchgear and facility set-up transformer. The design shall require all the electrical equipment to be protected from electrical fault damage by protective relays.

The electrical interconnection to PEPCO's 69 kV transmission line shall be made at a dead end structure provided in the Facility's 69 kV

switchyard. The switchyard shall consist of the dead end structure, disconnect switches, 69 kV circuit brakers, 13.8-69 kV main step-up transformers, 13.8/4.16 kV auxiliary transformer, 69-4.16kV startup transformer, buswork, insulators and supports. Space shall be provided in the switchyard for the placement of PEPCO supplied instrument transformers for use in their metering scheme. Space shall also be provided for the location of PEPCO supplied telemetering equipment should it be required.

8.1.10.1 69 kV Switchyard

The 69 kV switchyard shall be constructed using hot dip galvanized steel structures with rigid aluminum bus supported on porcelain insulators. The layout of the switchyard shall provide sufficient clearances for safe operation and maintenance, and shall meet PEPCO's operating and construction requirements. Equipment to be provided in the switchyard includes:

- An A-frame takeoff tower to terminate the utility's overhead conductors
- Disconnect switches to allow safe maintenance
- One 69 kV circuit breaker shall be provided for the start-up transformer
- A second 69 kV circuit breaker shall be provided for generator synchronizing
- Space shall be provided in the switchyard for the placement of PEPCO supplied instrument transformers for use in their metering scheme
- The switchyard shall have a grounding system designed in accordance with IEEE 80, "Guide for Safety in Substation Grounding".

8.1.10.2 13.8 – 69 kV Main Step-Up Transformers

One-full capacity step-up transformers shall be provided. Each step-up transformer shall be a three phase unit rated approximately **45/60/75** MVA OA/FA/FA 63C. The transformer shall be grounded wye connected on the high voltage winding and delta connected on the 13.8 kV winding.

8.1.11 A 69 kV transmission line shall be provided by PEPCO between the Facility step-up substation and PEPCO substation. The transmission line scope shall include all associated costs including fiber optics links and exclusive of right-of-way easement.

8.1.12 The electrical system shall be designed so that phase voltage unbalance is limited to 1% and that the power factor for electricity delivered to PEPCO is between 85% lagging and 100%.

8.2 Electric Generator

8.2.1 Power Distribution and Control Systems – The main circuits for power distribution shall be identified and classified in order of their priorities. Provisions shall be made for automatic switching and load shedding during electrical emergencies.

8.3 Station Auxiliaries and Step-Up Transformer

8.3.1 Synchronization and Paralleling Systems - The systems for generator synchronization and paralleling shall be designed in a manner which allows all power sources to function independently of each other, or in unison, using whatever power source is available (including the Facility's steam driven generator, or oil fueled back-up generators). Individually or in combination, these power sources shall satisfy the requirements of PEPCO's guidelines. (see 8.1.6).

8.4 Emergency and DC Power Systems

8.4.1 Coordination Study

Prior to start-up and testing, the Company shall submit to the Authority and PEPCO an electrical coordination study. This study shall include, but not be limited to, the following elements: development of complete one-line diagram, short circuit analysis, short circuit calculations, protective device coordination, etc.

8.4.2 Critical power requirements, including control power for outside telephone and all in plant communication systems, shall be met by batteries and/or battery back-up uninterruptible AC power systems. Adequate protection for generator, transformers and all electrical equipment shall be provided in accordance with IEEE guidelines in effect as of June 27, 1989.

8.4.3 Emergency Diesel Generator

An emergency diesel generator shall be provided to supply backup emergency power to provide an orderly Facility shutdown if both the Facility turbine-generator and the PEPCO interconnect are out of service at the same time. It shall be designed to respond within ten seconds of a power failure. The unit shall be 480 V, 3 phase and sized to power loads such as turbine-generator turning gear, firewater jockey pump, battery chargers, 120 V UPS, selected lighting and other loads which help bring the Facility to an orderly shutdown. The diesel generator shall be a complete unit including controls, instrumentation, fuel and exhaust systems and be radiator cooled. The unit shall have a minimum size of 300 KW and a maximum size of 500 KW.

8.5 Lighting

8.5.1 All high intensity lighting shall be served at 277 V through 480 V – 480/277 V lighting transformers and panels located throughout the Facility to supply local loads. The lighting system shall consist of 120 volt incandescent (I), 277 volt fluorescent (F), and 277 volt high-pressure sodium (HPS) fixtures. In areas where fixture mounting heights are 18 feet or higher, high bay fixtures shall be used. Fluorescent fixtures shall be used in electrical rooms, control room and office areas. The control room shall utilize extra low brightness parabolic diffusers and also have 125 volt DC emergency incandescent fixtures served from the station battery. Exterior lighting shall be provided, including roadway and switchyard lighting. The exterior light fixture type shall be HPS to match other street lighting in the area. Obstruction lighting shall be provided for the chimney as required by the FAA. Outdoor lighting poles shall be aluminum, galvanized steel or painted steel. The Facility lighting shall include complete interior and exterior lighting in accordance with IES Recommended Lighting Levels for Control Stations, typified as follows:

	FOOTCANDLES	FIXTURE TYPE
Electrical Rooms	40	F
Boiler Area	30	HPS
Air Pollution Control and Equipment Area	20	HPS, F
Battery Room	25	I
Tipping Floor	25	HPS
Charging Floor	25	HPS
Control Room - (normal AC)	75	F

-	(emergency DC)	30	I
Office Areas		75	F
Turbine Area		30	HPS
Maintenance Shops		50	F
Storage Areas		20	F
Outdoor Switchyard		2	HPS
Roadways and Parking Areas		1	HPS
Container Transfer Area at Facility		2	HPS

Notes: F = Fluorescent I = Incandescent HPS = High Pressure Sodium

Indoor lighting systems must include emergency lighting and exit lighting as required.

8.6 Safety and Security of Electrical Systems

8.6.1 Fire alarm and detection systems, emergency lighting systems and telecommunication systems must be powered at all times. Their wiring needs are to be independent of all other wiring.

8.7 Motors

8.7.1 Motors for pumps in uncontrolled pump circuits shall be non-overloading over the entire head range of the pumps. Motors shall, in general, be sized so as to operate within the basic rating of the motor brake horsepower. Service factor 1.1 minimum, above the rated horsepower of the motor. Motors located in areas subject to dust and debris shall be totally enclosed and fan cooled or TEAO as required. Other equipment in such areas shall be suitably enclosed. Motor temperature rises shall be based on a 40°C ambient. Motor temperature rises for Class B or Class F insulation systems shall be limited to MEMA Standards for Class B or Class F respectively. Motor temperature rises for Class W insulation systems, if provided, shall be limited to MEMA standards for Class F.

8.8 Generator

8.8.1 The generator shall be a totally enclosed air to water cooled (TEWAC) unit. Excitation equipment shall be of the brushless type. Two automatic voltage regulators shall be provided with automatic transfer

from the operating regulator to the standby regulator upon system trouble. A power factor controller and VAR limiter shall be provided to enable the generator to run in parallel with the utility system. Surge protection shall be provided for the stator line terminals.

(1)	Minimum net continuous capability sat generator terminals at 0.90 lagging power factor, KVA	Match turbine output at turbine VWO with zero auxiliary steam loads
(2)	Generator voltage, kV	13.8
(3)	Energy characteristics	3 phase, 60 Hz
(4)	Exciter and Voltage Regulator	
(a)	Type	Brushless
(b)	Rating	Match generator
(c)	Response ratio	Equal to or greater than 0.5
(d)	Waveform distortion unbalance	5% maximum
(e)	Phase voltage unbalance	1% maximum
(f)	RPM	3600

8.9 TV Monitoring System

8.9.1 A number of closed-circuit TV cameras shall be located in unattended or obstructed view areas of the Facility. These cameras shall be located as follows:

(a) One unit over each refuse feed hopper

(b) One unit viewing the residue loadout area

(c) One unit on the charging floor with a view to the tipping floor/pit

(c) One unit viewing the grizzly scalper

(e) One unit viewing the trommel

(f) One unit near each residue conveyor discharge point into the residue pit

(g) One unit viewing the main facility entrance.

Lenses shall be adjustable in the field in order to select the best viewing angle (wide angle to telephoto). Camera "c" shall have remote "tilt and pan" controls from the control room. One monitor for each refuse hopper shall be located in the refuse crane operator pulpit. Three other monitors with a camera selector switch shall be located in the main control room in the process control area.

9.0 INSTRUMENTATION AND CONTROLS

9.1 General

9.1.1 The instrumentation and control systems shall be designed to achieve safe, reliable and economical generation of power and steam and efficient operation of the Facility as a whole. Utility power station quality equipment of proven design shall be selected and arranged so that boiler, turbine generator and energy system control may be accomplished from a central control room.

9.1.2 A central control room shall be provided. See Section 6.9 for architectural features of the control room.

9.1.3 63/ Plant controls shall be operated from the control room, including boiler, turbine, feedwater, condensate and water treatment system. Exceptions shall be:

(a) Refuse crane - Control of this crane is specified in Section 7.6. Voice communication between the control room and the crane pulpit must be provided.

(b) Residue handling system - The Residue handling system between the furnace and the Residue storage pit shall be automatic as specified in Section 7.12.**10**. Other portions of the residue handling systems shall be locally manually controlled. Operating status of all conveyors shall be indicated in the control room.

(c) Waste water discharge shall be locally controlled.

(d) Chemical addition systems shall be automatic and locally controlled.

63/ Boldfaced text amended pursuant to First Amendment.

9.1.4 Start-up of the Facility shall be accomplished from the control room.

9.1.5 When in operation, each combustion train shall be automatically controlled. The operator shall set desired steam flow and the control system must perform the remainder of the control functions. The control system shall ensure that all process conditions are maintained within safe limits and that emissions, including but not limited to No_x, SO_2, HCl, dioxin and furan concentrations, are within limits specified in Schedule 5 and Schedule 19 of this Service Agreement. Control of each combustion train shall be independent of the others.

9.1.6 When the turbine generator set is operation, its system shall be automatically controlled. The turbine system shall be controlled to utilize all steam produced by the boilers.

9.1.7 See Section 7.18.1 for steam dump control requirements.

9.1.8 The operator shall be able to supersede the automatic controls and operate the Facility manually from the control room.

9.1.9. Normal plant control systems and procedures shall be backed up by separate interlocks and/or safety systems designed to effect action in cases of emergency.

9.1.10 Control of the plant shall be organized hierarchically with the primary point of control centered around a Distributed Control System (DCS).

9.1.11 Control shall be segregated into those systems which are solely operated from the main control room, those systems or loops which employ local logic and provide parametric indication and/or alarm in the control room, and those loops or systems which are local control only.

9.1.12 Information exchanged between the primary elements, the DCS system, and final elements must be transmitted via a high reliability data highway. PCU's shall be located in the vicinity of associated motor control center groupings to the extent that the requirements for data transmission (i.e. cable runs) are reduced and flexibility is enhanced. The units shall be situated in a dust free, air conditioned environment.

9.1.13 The plant shall be provided with field instrumentation plus local controls which are dedicated mainly to manipulate auxiliary loops such as: pressure reducing stations, local attemperating loops, local level control loops in feedwater heat exchangers or auxiliary tanks.

9.1.14 The control philosophy for the plant involves functions such as closed loop control shall be performed by the Distributed Control System. All malfunctions of equipment which would interrupt the process shall be alarmed in the Control Room on the DCS system.

9.1.15 A data looging system shall be provided which provides a log of plant parameters, with readings being taken at intervals no longer than 15 minutes. Readings shall be stored in computer memory such that computer operation difficulties and electric supply disruptions shall not result in a loss of stored data. Hard copy logs shall be printed out at eight hour intervals and also upon operator demand. Data to be logged shall cover all important plant parameters.

9.1.16 Trends in selected plant parameters shall be displayed on video monitors in the control room. It shall be possible for the operator to select parameters to be trended. The trend shall display all points both inside and outside of normal operating limits.

9.1.17 Multiple CRT set-ups shall be provided which are designed to allow one screen to be dedicated to alarms only if required.

9.1.18 The control room shall be equipped to control access to the site. A television unit shall be provided to permit the operator to see who is at the Facility gate. A speaker system shall permit voice communication between the operator and people at the gate. The gate shall be operated from the control room.

9.1.19 Control room panels shall be furnished by each specific equipment vendor as required and shall be uniform in color. Color scheme for the control room shall be submitted to the Authority for approval.

9.1.20 All parameters used in the digital control system shall be indicated in the control system on video monitors.

9.1.21 A digital microprocessor based control and data acquisition system shall be furnished to provide control, monitoring, interlocking, data acquisition and conditioning, trending, logging, and report generation capabilities for the entire plant.

The system consists of individual process control units (PCU), a central control console (CCC) with 19 inch color monitors (CRT) and keyboard sets, printers and historical data storage and retrieval unit. All components are interconnected by a redundant high speed communication data highway.

The distributed control system is fully redundant, with automatic failover to the stand-by controller, satisfying the following requirements:

- Loss of one data highway does not result in loss of system functions.
- Loss of any PCU does not cause a loss of function of any other PCU or the CCC.
- Any CRT/keyboard set is capable of total control of the system, although each can be dedicated to a particular function during normal operation
- Failure of a CRT/keyboard set does not inhibit system operation from another

Cabinets are provided to accommodate all DCS supplied equipment; I/O marshalling cabinets are provided adjacent to the PCU cabinets for field wiring. The PCU and marshalling cabinets are connected via prefabricated, plug-in cables.

Each PCU has a complete set of programs and configurations stored in a non-volatile memory at the PCU level. Any PCU can implement any signal processing, interlocking logic and control function required for plant operation. Each PCU is capable of autonomous operation, without being connected to other PCU or to the CCC. An extensive on-line diagnostic and data highway error checking system is included.

The central control console has 4 sets of color graphic CRT and keyboards, each set being capable of total system control. The entire plant is monitored and controlled from the CCC. The CCC displays are interactive, reflecting on-line values. The update of information takes place every half second and any operator action is executed in less than one second.

An engineering station is provided, which enables on-line changes of the programs and configurations of the system, under pass-word protection.

The hardware components of the system are standardized and interchangeable. The system is flexible and can be expanded easily by adding new “drops” on the data highway. Communication protocols are provided to interface with programmable logic controllers. The data highway can be extended to link any points within the facility site.

10.0 TESTING

10.1 General

10.1.1 Checkout, startup and Performance Tests shall be performed to fulfill the performance guarantees. The minimum tests required are described below and in Schedule 6, "Performance Test Procedures," to this Service Agreement. The Authority may observe this test.

10.1.2 As a matter of good startup philosophy, the Company shall plan and implement its own schedule of checkout and startup tests which would occur prior to and in addition to the above referenced Performance Test. These should include a series of hydrostatic pressure tests, air tests, water circulation tests and subunit operation tests which can be performed without firing the furnaces.

10.2 Hydrostatic Tests

10.2.1 After the completion or erection, all pressure parts of the steam generator shall be hydrostatically tested by the Company in accordance with the ASME Boiler Code in effect as of June 27, 1989. The Authority and/or its Consulting Engineer shall have the right to witness the test and must be notified at least 24 hours prior to the test. Any gaskets or packing requiring replacement after hydrostatic testing shall be furnished and installed.

10.2.2 Shop assemblies shall be hydrostatically tested in the shop in accordance with the ASME Boiler Code in effect as of June 27, 1989. The Authority and/or its Consulting Engineer shall have the right to witness the tests and must be notified at least 24 hours prior to the test.

10.2.3 All piping associated with turbine process steam and feedwater cycle shall be hydrostatically tested to 150% of design pressure. The other piping systems may be similarly tested or shall be tested for leaks at design pressure. Maximum test pressure shall be held for a minimum of 1 hour. The Authority and/or its Consulting Engineer shall have the right to witness the tests and must be notified at least 24 hours prior to the test.

10.2.4 Appropriate hydrostatic tests shall be performed for all piping including raw water, potable water, firewater, gravity and force main sewerage, and all associated tankage. The Authority and/or its Consulting Engineer shall have the right to witness the tests and must be notified at least 24 hours prior to the test.

10.3 Air Tests

10.3.1 The furnace chamber, the steam generating unit casings, ductwork and air pollution control equipment shall be tested for leakage. The test must consist of closing off major openings and pressurizing and depressurizing the system with the FD and ID fans. The test may be witnessed by the Authority or its Consulting Engineer.

10.4 Stormwater Tests 64/

Monitoring of stormwater, beyond the requirements of the NPDES Permit, will be performed, including monitoring the following: temperature, dissolved oxygen concentration, turbidity, nutrients (nitrogen and phosphorous) and hydrocarbons. To meet these additional parameters, an add-on piece of equipment, the Sigma 950 Integral pH-temperature-Do meter, will be added to the Sigma sample currently being used to automatically collect stormwater samples and measure flow. This add-on will automatically read and record pH, temperature and dissolved oxygen of the stormwater sample. The samples will then be analyzed for turbidity, nutrients and total petroleum hydrocarbons (THC) in the laboratory.

11.0 MANUALS, SPARE PARTS AND SPECIAL TOOLS

11.1 The Company shall provide an adequate supply of spare parts, for two (2) full years of operation after acceptance, and special tools shall be made available as part of the guaranteed Facility Price and additional spare parts shall be available from equipment manufacturers in a timely manner so as not to reduce less than guaranteed availabilities. The Company shall provide a list of all spare parts and special tools. Spare parts listings shall be complete with the types and quantities of all parts required to operate and maintain the Facility, in an efficient and safe condition. A description shall be provided of the availability of key system components, particularly those of foreign manufacturers.

11.2 The Company shall prepare O & M Manuals for all components and operations included in the project. These manuals shall be developed during the construction phase of the project and completed by the time of the Facility startup. These manuals shall be sufficiently detailed

64/ Boldfaced text added pursuant to Change Order #21.

and complete so as to be suitable for personnel training, conducting startup activities, and all aspects of Facility operation.

11.3 For individual items of equipment, the Company shall maintain equipment operating manuals, spare parts lists, equipment drawings, specifications, current catalogs, and as-built drawings.

12.0 [RESERVED] 65/

13.0 FACILITY LIGHTING

The Facility lighting system is designed to minimize nuisance lighting on any neighboring residential or other sensitive areas. Exterior lighting shall be designed to minimize the light, direct or indirect, that goes into the sky. The Company shall minimize light reflectants to the sky by shading exterior lights and, where practical, darkening nearby reflective surfaces provided that, treatment of reflective surfaces of buildings shall be subject to architectural approval and the paved surface in the vicinity of the Facility rail siding shall be a natural color concrete. (Should the other mitigating measures not prove satisfactory for minimizing glare from the rail siding concrete, the County may request that a darkening concrete stain be applied and maintained as an "Authority Change" in accordance with Article VIII of the Service Agreement.)

14.0 COMPUTER CONSULTING 66/

The Company will provide assistance to the Authority and the County in the development of electronic media presentations and informational documents, including the County's Internet website and other computer-driven presentations and documents. The scope of the Company's work includes the development of new material as well as updating and modifying current material. A specific description, including sufficient detail such that the parties agree upon the performance and estimated cost prior to performing the task(s), will be developed for each task (s) that the County or the Authority may request to be completed. The Company

65/ Deleted pursuant to First Amendment

66/ Boldfaced text added pursuant to Change Order #60.

agrees that they do not control what information is presented on the County's internet website or in other media the County may choose, and the County agrees that the Company, at its discretion, may decline to assist the County on certain tasks. The cost of the work described above will be treated as an Approved Pass through Cost and will be passed on to the County without markup to any charges including labor and expenses. The current charges for such work are $35 per hour for labor plus direct reimbursable expenses.

APPENDIX A TO SCHEDULE 1A
FACILITY AND EQUIPMENT DATA 67/

A. Civil/Structural

1. Building Sizes

Tipping enclosure	**801,500** ft^3
Refuse enclosure	**3,657,500** ft^3
Boiler enclosure	2,213,000 ft^3
Turbine-generator enclosure	672,000 ft^3
Residue enclosure	95,000 ft^3
Admin. bldg. area	111,000 ft^3

2. Container Unloading and Storage at Facility

a. Number of container unloading positions	**9**
b. Dimensions of pit (length x width x depth from tipping floor), ft	**204** X 65 X **30'-0"**
c. Pit storage capacity, yd^3	**14,733** (below tipping floor)
d. Pit storage capacity at water level, tons	**4,052**
total tons	**7,293**
e. Design density of refuse in storage pit, lb/ft^3	**20.4** below water level **20.4** above water level

B. COMBUSTION PLANT EQUIPMENT

1. Steam Generating Units (each unit)

a. Manufacturer/Number of Units	Zurn, Lancaster Distral or equal/3
b. Furnace Volume, ft^3	30,900 approximate

67/ Boldfaced text added or amended pursuant to First Amendment.

c.	Gross furnace heat liberation rate, volume basis, Btuh/ft^3	8,911 approximate
d.	Gross heat release per plan area grate, Btuh/ft^2	355,800 approximate
e.	Maximum Continuous Rating	75 (total for 3 units) MCR (ton per hour)
f.	Steam Flow, lb/hr	
	Superheater outlet	170,633
	Boiler blowdown	3,482
	Economizer inlet	174,115
g.	Steam and Water Pressures, psig	
	Superheater outlet	865
	Steam drum	1010
	Economizer inlet	1080
h.	Steam and Water Temperatures, ^{o}F	
	Superheater outlet	830
	Primary superheater outlet	691
	Economizer inlet	300
	Economizer outlet	541
i.	Steam Purity	
	Avg. solids in outlet steam, ppm	0.5
	Max. caution conductivity, microhm/cm	3.3
	Max. silica, ppb	(PER ABMA) 20 (Normal)/100 (startup)
j.	Flue gas flows leaving economizer lb/hr	432,600

k. Flue gas pressures, +/- in. H_2O, Gauge

Furnace exit	-1.0
Economizer exit	-3.0
ID Fan inlet	-15.0
ID Fan outlet	+1.0
Stack inlet	+0.5

l. Avg. Flue Gas Temperatures, ^oF

Furnace temperature, max.	2012
Superheater (inlet)	1204
Economizer exit	425
APC outlet	275
Stack exit	270

m. Avg. Flue Gas Velocities, ft/s

Through furnace pass	13
Through superheater section	13
Through boiler section	18
Through economizer	19
Maximum duct velocity	60
Stack exit	65

n. Air Flows, M lb/hr

Secondary air inlet	97.6
Primary air inlet	292.7
Excess air for fan sizing, %	110

o.	Air Pressures, in. H_2O	
	FD fan outlet	18
	Air heater pressure drop	2
	Pressure drop through grate*	16
	Secondary fan outlet	20
p.	Air Temperature, ^oF	
	Design ambient, minimum ^oF	0
	Air temperature to forced draft fan and secondary air fan, ^oF (for boiler performance evaluation)	80
q.	Design humidity	
	Primary air heater inlet	50%
	Primary air heater outlet	50%
r.	Design Clean Gas Loadings	
	Portion of total particulate matter leaving stack with flue gas	less than 0.1%
	Particle size distribution in flue gas, %	
	pm 10	80
	10 - 100 microns	19
	> 100 microns	1
s.	Residue:	
	Bottom ash, lb/hr (dry)	7,170

* Includes loss through combustion air control system.

Fly ash, lb/hr (dry)	1,280
Moisture of residue (combined ash) weight percent	20
Weight of residue (combined ash) (lb/hr)	10,500

t. Gas Side Design Data:

Furnace design pressure, in H_2O	+20
Boiler design pressure, in H_2O	+20
Ductwork design pressure, in H_2O	+20
Baghouse design pressure, in H_2O	+25

u. Boiler Data:

Steam drum inside dia. and thickness in.	60"/2"
Boiler section heat transfer surfaces area, ft^2 (evaporator)	6480 approximate
Boiler tube O.D./wall thickness, in.	2.5 / 0.18
Boiler tube spacing, in.	12 x 4
Waterwall tube O.D./wall thickness, in.	3 / 0.18
Tube arrangement	inline
Design Pressure, (psig)	1050

v. Superheater Data: Primary

Design pressure, psig	1,100
Primary superheater surface, ft^2	11,100 approximate
Size and material of superheater outlet header	10 in SA335 P11
Type of attemperator	Spray
Superheater tube O.D./wall thickness, in.	1.5/0.18

Superheater tube spacing, in.	5
State tube arrangement: inline or staggered	inline
Superheater pressure drop at MCR and over pressure flow, psid	130

w. Economizer Data

Type of economizer	serpentine
Design pressure, psig	1150
Effective heat transfer surface, ft^2	37,400 approximate
Size/material of economizer inlet nozzle	4 in. / C.S.
Tube O.D./wall thickness, in.	2 / 0.15
Tube spacing, in.	4
Tube arrangement	inline

x. Main steam line pressure drop at VWO flow to turbine, psi (excluding boiler stop check valve) 15

2. Refuse Handling Cranes

a. Manufacturer, Model No.	P&H Crane Mfg., **Kone** or equal
b. Quantity (primary/spare)	1/1
c. Crane Capacity, tons	**10**
d. Grapple Size, yd^3	**8.0**
e. Grapple Type	Orange Peel
f. Crane design handling rate, TPH	**75.00**

g. Speeds at full load

1. Hoist, ft/min.	250-275
2. Bridge travel, ft/min.	**275**

3. Trolley travel, ft/min. 200

h. Maximum hoist lift, ft. 92

i. Controls, type Static Stepless or 5 step

j. CMAA Rating F

k. Description of Controls and Stationary Operator and degree of automation: Two 4 way joy stick for vertical and lateral motions. Semi automatic grapple positioning.

3. Pit Fire Safety Features

a. Describe smoke and heat handling features:
See Section 1.41 and 1.42 of Schedule 1A

b. Describe safety features for protection of crane operator:
Dry pipe sprinkler, stand pipes with hoses, ventilation from outside the pit area, multiple access routes.

c. Describe pit fire control equipment: Dry pipe sprinkler, four monitor nozzles (water cannon) and standpipes with hoses.

4. Refuse Hoppers and Feed Chutes

a. Manufacturer Martin GmbH

b. Hopper Capacity, volume/density (yd^3 / lb/yd^3) 130 / 450

c. Hopper Material, ASTM No./Plate Thickness, in. Carbon Steel DIN WT St 37-2/0.3-0.4

d. Feed Chute

1. Dimension, LxW, ft. 34 x 3.5 approximate

2. Size of largest item which will pass through chute, LxWxH, ft. 7 x 3 x 3

3. Chute cooling system water jacket

4. Shut off damper, size, ft.in. x ft.in. 39 x 3-6 (approx)

e. Level Indicators, qty. and type — one/microwave

5. Refuse Feeders

a. Type and Manufacturer — Hydraulic feed rams

b. Capacity (24 hr. maximum), tons/hr — 31.25

6. Stokers and Grates

a. Type and Manufacturer — Reverse Reciprocating, Martin

b. Grate Area, ft^2 — 773 approximate

c. Grate Material, ASTM — High grade chromium cast steel

d. Grate Bar Life, hours — 40,000 (avg)

e. Cross-Sectioned Area of Grate Bar(s), in^2 — 20

f. End/Side Seal Material — Spring driven chromium steel plates and seal air

g. Sifting Handling Description — Pneumatic

h. No. Siftings Hoppers — 25

i. Capacity Control Method — Grate speed, feeder speed and stroke

7. Fans

	FD	SA	ID
a. Manufacturer	Buffalo Forge, American Davidson or equal		
b. Type of Wheel	Single Width	Single Width	Double Width
c. Diameter of Wheel, in.	60	40	85
d. Net Operation Requirements:			
Capacity lb/hr, acfm	273,200 63,000	117,100 27,100	572,400 191,500
Gas/Air temperature, ^oF	80	80	290
Static pressure, in H_2O	18.5	20.0	15.0
Efficiency, %	80	80	80

	Power to fan coupling, hp	230	110	580
e.	Test Block Requirements:			
	Capacity, lb/hr, acfm	329,300 84,700	136,600 39,600	686,900 241,250
	Gas/Air temperature, °F	105	105	315
	Static pressure, in H_2O	20	21	21.6
	Efficiency, %	75	75	75
	Power to fan coupling, hp	390	200	1100
f.	Motor Data:			
	Manufacturer	GE, Siemens or equal		
	Motor size, hp	600	250	1000
	Enclosure Type	OOP	OOP	WPI or TEFC
	Service Fact	1.1	1.1	1.15
	Volts (All 3 phase/60 Hz)	4000	460	4000
g.	Type/Manufacturer of bearings	Roller / per fan vendor meeting ANSI 9 and 11		
h.	Materials			
	Wheel	A242	A242	A242
	Shaft	A576 GR, 1045	A576 GR, 1045	A576 GR, 1045
	Scroll	A36	A36	A242
i.	Description of inlet vane controls	Pneumatic drive		
j.	Operating speed, rpm	1180	1780	890

8. Air Preheaters

a.	Manufacturer, Type, Model No.	Aerofin or Equal
b.	Number, Size, ft-in x ft-in	3-9H x 10W x 9L
c.	Duty, Btu/Hr @ Design Point	11 x 10^6

d. Design Conditions

Inlet temperature, °F	80
Outlet temperature, °F	250
e. Heat transfer medium	Steam Condensing inside Finned Tubes

9. Residue Handling System

a. Bottom Ash System: Primary/Standby

1. Manufacturer (Residue Crane)	Crane Manufacturing P&H, or Equal
2. Type	Residue crane, conveyors
3. Capacity, ton/hr	74 (based on 70 lb/ft^2
4. Residue Pit Dimensions, ((LxWxD) from bottom ash inlet point), ft.	**228** x 12 x **24'6**" (**20'-3**" below grade)
5. Design density of bottom ash for storage/structural design, lb/ft^3	70/100
6. Type of drive for conveyance system	motor driven trolley
7. Capacity of drive mechanism (i.e. if motor drive, hp)	40 holding, 10 trolley
8. Size of largest item passable through system, LxWxH, ft.	7x3x3

b. Scrubber Ash System

1. Manufacturer	Continental, Patterson, **Webb** or equal
2. Type	Screw Conveyor
3. Capacity, tons/hr (per unit)	3
4. Dimensions	12 dia.

5. Design density of fly ash for storage/structural design, lb/ft^3	30/120
6. Type of drive for conveyance system	Motor
7. Capacity of drive mechanism (i.e. if motor drive, hp)	Up to 10
c. Fly Ash System	
1. Manufacturer	Continental, Patterson or equal
2. Type	Screw Conveyor
3. Capacity, tons/hr (per unit)	3
4. Dimensions, in.	12 dia.
5. Design density of scrubber ash for storage/structural design, lb/ft^3	30/120
6. Type of drive for conveyance system	Motor
7. Capacity of drive mechanism (i.e. if motor drive, hp)	Up to 10
8. Compatibility with separate fly ash collection	Requires reorientation and addition of flyash handling equipment
d. Maximum water use, total Residue handling system, gpd	**170,000**
10. Stack	
a. Manufacturer	Zurn, Continental Heine or equal
b. Number of Flues	**3**
c. Diameter of Flues, ft. - in.	3 x 6'11"
d. Flue Material/Thickness, in.	Carbon steel, stainless steel/approx. ¼" single wall
e. Height, ft	275

f. Insulation — Individual flues are insulated

11. Soot Removal System

a. Manufacturer — Diamond Power, Copes or equal

b. Type, Model No. — Steam sootblowers

c. Description of System and Controls: Retractable and rotary blowers in the evaporator and superheater, rotary in the economizer. Automatic sequencing by vendor.

12. Particulate Removal System

a. Baghouse, Air-to-Cloth Ratio
   net — 1.8 (maximum)
   gross — est'd. at 1.5 based upon six modules

b. Number of Units and Type — 1 baghouse per train

c. Manufacturer — Joy, Environmental Elements, or equal

d. Flue Gas Data (per unit)

   1. Maximum Flow, ACFM — 153,000

   2. Maximum Temperature, ^{o}F — 325

   3. Flange-to-Flange Pressure Drop, in W.C. — 8

e. Particulate Removal Efficiency*

   1. Efficiency, % — 99.63

   2. Inlet loading at 12% CO_2, GRD/DSCF — 4.1

   3. Outlet loading at 12% CO_2, GRD/DSCF — .010

f. Item Descriptions

---

* Referenced to boiler outlet.

1. If bags, state diameter / length of each bag, in / ft — 8”-12” diameter maximum 25’ length

2. Service Life (minimum), hours — approx. 22,500

3. Bag Frames, if applicable — Bag anti-collapse rings

4. Shell material, ASTM — A-36 (typ.)

5. Hoppers

   Quantity, number — 1 per module

   Capacity, tons each — 1.5

   Storage Capacity, hours — 8 @ MCR

   Material, ASTM — steel plate

g. Description of System for Removing Collected Material:
two parallel screw conveyors per baghouse feed a common collecting conveyor. A fourth screw conveyor feeds the combined flow to the scrubber discharge conveyor.

h. Insulation

1. Materials — Fiberglass or mineral wool

2. Thickness, in — 4

3. Areas covered — All surfaces at elevated temp.

4. Cladding — Box ribbed aluminum

i. Shell

1. Materials — A-36 (typ.)

2. Thickness, in. — 3/16 (typ.)

j. Accessories (Description)

1. Hopper Heaters — Modular blanket

2. Hopper Vibrators — Strike plates provided

3. Poke Holes — 2 per hopper, 4" dia.

4. Air Tight Connection at Hopper Outlet — Expansion joint

k. Monitoring System (Description)

1. Type and Quantity of Sensors — One opacity monitor Per stack flue

2. Type and Quantity of Signal Processors — Continuous analysis with six minute averages

3. Type of Monitoring Unit — Double pass

4. Type of Alarm — Audible alarm in control room

13. Acid Gas Scrubbing Equipment

a. Number of Units — 3 spray driers

b. Manufacturer — Joy, Environmental Elements, or equal

c. Flue Gas Data (per unit)

1. Maximum flow, ACFM @ °F — 162,400 @ 425

2. Maximum Temperature, °F — 500

3. Flange-to-Flange Pressure Drop, in W. G. — 4

4. Maximum Outlet Temperature, °F — 500

5. Minimum Outlet Temperature, °F — 250

6. Average Outlet Temperature, °F — 285

d. Removal Efficiencies

1. HCl

a. Efficiency, % — 90 or 30 ppmvd

b. Inlet Concentration, ppmdv * — 1260

c. Outlet Concentration, ppmdv * — 30 or 90% removal

2. SO_2

a. Efficiency, % — 85 or 30 ppmvd

b. Inlet Concentration, ppmdv * — 760

c. Outlet Concentration, ppmdv * — 30 or 85% removal

e. Chemical Used for Neutralization — Pebble Lime with 90% Reactive CaO

f. Average Neutralization Chemical Use (per unit), lb/hr — 500 (typical)

g. Average Water Use (per unit), GPM — 32

h. Electric Power (Total)

1. Connected, KW — 800 typical

2. Operating (Annual Average), KW — 450 typical

i. Atomization System

1. Type — Rotary or nozzle

2. Manufacturer — Scrubber vendor

j. Control and Instrumentation

1. HC1 — Outlet monitor

2. SO_2 — Feedback control from outlet monitor

* Corrected to 12% CO_2

3. Outlet Temperature — Scrubber outlet temp. controls slurry feed rate

k. Materials of construction and description

1. Chemical Storage — Lime silo, ASTM A36

2. Chemical Slaker — Agitator bars or propeller blades in carbon steel plate drum

3.	Chemical Pump	Lime slurry pump. rubber lined
4.	Chemical/Water Solution % at atomizer	0-15 by weight
5.	Scrubber Shell Material and Thickness, in.	A-36, 1/4

14. Lime Injection System

Normal Total Injection Rate (per boiler)	500/250 lb/hr
Main Storage Silo	**4200** cu. ft.
Boiler Day Tanks, no./size	3/135 cu. ft.

C. BALANCE OF FACILITY SYSTEMS

1. Turbine-Generators

a.	Manufacturer	General Electric, Asea, Brown Boveri or equal
b.	Model No.	Varies with Vendor
c.	Nameplate Capacity, MWe	**68**
d.	High Pressure Throttle Flow at VWO, lb/hr	**550,400**
e.	Height Pressure Throttle Flow, lb/hr @ MCR	**513,300**
f.	Throttle Steam Pressure, psig	850
g.	Throttle Steam Temperatures, ºF	825
h.	Extraction Steam Pressures, psig	155
	psig	48
	psig	0
	psig	-12
i.	Extraction Steam Temperatures, ºF	480
	ºF	296
	ºF	213
	ºF	143

j.	Turbine Exhaust Pressures, in. Hg abs @ MCR	1.5
k.	Turbine Generator Heat Rates, Btu/kWh,	
	High Pressure Turbine	9195
	Low Pressure Turbine (if applicable)	NA
l.	Governing System Type	Digital
m.	Generator Voltage, kV	13.8
n.	Gland Steam Condenser	
	Capacity, lb/hr	540 (approx.)
o.	Generator Cooling System, description:	Air cooled with air/water heat exchangers

2. Steam Condenser

a.	Manufacturer	Graham, Joseph Oat, Ecolaire, or equal
b.	Operating pressures, in Hg abs	1.5
c.	Steam flows, lb/hr @ MCR	**328,600**
d.	Design cooling water flows, gpm	**66,065**
e.	Heat duty, MBtu/hr @ MCR	364
f.	Cooling water inlet temperature, ^{o}F	**75**
g.	Design cooling water outlet temperature, ^{o}F	**86.5**
h.	Cooling water velocity, ft/s	3-7
i.	Cleanliness factor, percent	85
j.	Tube material, ASTM	Admiralty
k.	Tube O.D./gauge, in/BWG	.875 / 18

3. Dump Condenser

a.	Manufacturer	Graham, Joseph Oat, Ecolaire, or equal
b.	Operating pressure, psia	15
c.	Design steam flow, lb/hr	**512,000**
d.	Design cooling water flows, gpm	**66,065**
e.	Design duty, MBtu/hr	**590**
f.	Cleanliness factor, %	85
g.	Design cooling water inlet temperature, °F	90.5
h.	Design cooling water outlet temperature, °F	106.7
i.	Cooling water velocity, ft/s	5-12
j.	Tube material	stainless steel, SA-249
k.	Tube diameter/gauge, in/BWG	5/8 / 18

4. Feedwater System — Two low pressure heaters and a deaerating heater are provided.

5. Boiler Feed Pumps

a.	Manufacturer		Goulds, KSB, Dresser or equal	
b.	Quantity	*	2	1
		***Either 1 - 100% or 2 - 50% Motor Driven BFB**	Electric Drive	Steam Drive
c.	Design capacity, gpm	1320	**660**	**1320**
d.	Design total head, ft.		3000	3000
e.	Design inlet pressure, psig		48	48
f.	Design outlet pressure, psig		1300	1300
g.	Design temperature, °F		300	300

h. Efficiency at design conditions, %	70	70
i. Type of seals	Mechanical	Mechanical
j. Drive horsepower, hp	**700**	**1400**
k. Cooling method	None (frictionless bearings)	N/A
l. Energy consumption at design capacity		
1. Electric, KW	**600**	N/A
2. Steam, lb/hr	N/A	**23,000**
m. Steam inlet pressure, psig	N/A	865
n. Steam outlet pressure, psig	N/A	100

6. Condensate Pumps

a. Manufacturer	Goulds, KSB, Dresser or Equal
b. Quantity	2
c. Design capacity, gpm	**1240**
d. Design total head, ft.	400
e. Motor horsepower, hp	200
f. Electrical power at design capacity, kw	115

7. Circulating Water Pumps

a. Manufacturer	Goulds, KSB, Dresser or Equal
b. Quantity	3
c. Design capacity, gpm	**33,030**
d. Design total head, ft.	100
e. Motor horsepower, hp	**1,000**
f. Electrical power at design capacity, kw	**724**

8. Auxiliary Cooling Water Pumps (Closed Cooling Water Pumps)

a. Manufacturer	Goulds, KSB, Dresser or Equal / later
b. Quantity	2
c. Design capacity, gpm	1,000
d. Design total head, ft.	75
e. Motor horsepower, hp	38
f. Electrical power at design capacity, kw	72

9. Miscellaneous Pumps

a. Service	Fire Water	Demin. Water
b. Manufacturer	Ingersoll Rand, Goulds or equal (One Motor One Diesel)	
c. Quantity	2	2
d. Design capacity, gpm	**2500**	94
e. Design total head, ft	125 psi	150
f. Motor horsepower, hp	**250**	7.5
g. Electrical consumption at design capacity, kw	**190** approx. One Diesel	6

10. Air Compressors

a. Manufacturer, type	Joy, Ingersoll Rand or equal/rotary
b. Quantity	2
c. Operating/design pressure, psig	110
d. Air dryer, manufacturer	Van Air or equal

e. Receiver, pressure/capacity 110 psig/2@ 20 ft ^{3}

11. Miscellaneous Heat Exchangers

a.	Manufacturer	Graham, Joseph Oat or equal	
b.	Service, Number	Boiler Blowdown, 1 Shell & Tube	Closed Cooling Water, 2
c.	Type, tube material	S.S. Tube	Plate
d.	Heat duty, Btu/hr.	**2.3** x 10^6	**8**. x 10^6
e.	Surface area, ft^2	later	later

12. Makeup Water Treatment/Demineralizer

a. Manufacturer: Graver, DiSep or Equal

b. Description of System: Canal water passes through a dual media filter and a carbon filter to the cation, anion demineralizer

c. Design flow rate, gpm/gpd: **63 /65,280**

d. Redundancy in equipment number and capacity, description: Dual 100% demineralizer trains are provided. One will regenerate while the other is operating.

e. Water quality monitor, description: Periodic, manual sampling and analysis.

13. Wastewater Treatment

a. Manufacturer Various

b. Description of system: Drains containing solids flow to a settling basin which supplies makeup to the ash dischargers. Demineralizer wastes are neutralized before flowing to the canal. Cooling tower blowdown filtered before being sent to canal.

14. Deaerating Feedwater Heater and Storage Tank

a.	Manufacturer	Graham, J. Oat or Equal
b.	Quantity	1
c.	Tray material	Stainless Steel
d.	Storage tank capacity, gallons	**13,300**
e.	Outlet capacity, lbs/hr	**560,000**
f.	Oxygen content of water, cc/L	.005
g.	Operating pressure, psig	48

15. Feedwater Heaters

a.	Manufacturer	Graham, J. Oat or Equal
b.	Quantity	2
c.	Operating and design heater duty, Btu/hr	Approx. $60x10^6$ (Total)
d.	Heater steam-side pressure and temperature, psia, °F	15 / 213 3.2 / 143
e.	Heater terminal temperature difference, °F	5
f.	Heater drain cooler approach, °F	10
g.	Tube material/type/no. passes	SS-304 /U-tube /2
h.	Tube diameter and gauge, in BWG	5/8 O.D./20
i.	Cleanliness factor, %	85

16. Wet Cooling Tower

a.	Manufacture	Marley, Thermal Dynamic or Equal
b.	Quantity, No. of cells each	2 minimum
c.	Cooling water flow, gpm	**66,065**

d. Design ambient wet bulb temperature, °F: 78

e. Design range, °F: 10.4

f. Design approach, °F: 11

g. Drift loss, %: .006% of Cooling Water Flow

h. Pumping head required, ft: 20

i. Materials of construction

1. Sidewalls: Fiberglass

2. Fill/mis eliminators: PVC

3. Basin: Concrete

4. Fan(s), number and type per tower: one per call

5. Fan flow control, description: Two speed motors are controlled to maintain back pressure.

17. Demineralized Water Tank

a. Manufacturer: Kennedy, Fabricon or Equal

b. Design pressure and temperature, psig, °F: Atmos. 80

c. Size, gal: **66,000**

d. Material: A36 C.S. lined with Plasite 7155 liner or equal

18. Tanks, Other

1a. Manufacturer, type	Hydropneumatic	Ind. Alloy, CBI Ma-Con or equal. Field Erected
1b. Service	Domestic Water	Fire Water

1c.	Design pressure and temperature, psig, °F	110.80		Atmos. 80
1d.	Size, gallons	1500		**300,000**
1e.	Material	Steel & rubber		A36 Steel Plate
2a.	Type	Shop Fabricated	Shop Fabricated	Field Erected
2b.	Service	Acid	Caustic	Neutralization
2c.	Design pressure and temperature, psig, °F	Atmospheric, 75	Atmospheric, 100	Atmospheric, 75
2d.	Operating Pressure, psig	Atmospheric	Atmospheric	Atmospheric
2e.	Size, gal.	**6000**	**6000**	19,000
2f.	Material	C.S. with baked lining phenolic	C.S. with epoxy phenolic lining	C.S. with plasite 4100 lining or FRP
3a.	Type	Shop Fabricated	Shop Fabricated	Shop Fabricated
3b.	Service	Cont. Blowdown	Int. Blowdown	Instrument Air
3c.	Design pressure and temperature, psig, °F	90, 330	10, 220	125, 100
3d.	Operating Pressure, psig	55	Atmospheric	110
3e.	Size, gal	500	1000	700
3f.	Material	A36	A36	A36

19. Turbine Room Crane

a. Hoist Ratings

Main hoist rating, tons **30**

b. Speeds at full load

1. Main hoist, ft/min. High - 10. Low - 3.4

2. Bridge travel, ft/min. High - 100. Low - 25

c. Maximum hoist lift, ft 50

d. Controls, type Pendant Mounted

e. CHAA rating B or C

20. Miscellaneous Hoists and Cranes
(Other than those associated with rail haul system)

a. Manufacturer, Model	Kranco, P&H Whiting or Equal	
b. Location	Maint Shop	Boiler Feed Pump
c. Type and function	Trolley	Trolley
d. Capacity, tons	5	1

21. Elevator

a. Manufacturer, Model	Otis or Equal
b. Location	Turbine Bldg.
c. Type and function	Passenger, Freight
d. Capacity, tons	2

22. Mobile Equipment

Description	No./Type	Description/Function
Street Sweeper	1/Propane Driven	Roadway Maintenance
Fork Lift	1/4000 lb	Container Handling
Pick up Truck	1/ 3/4/ ton	Miscellaneous
Front End Loader	1/ 3 cubic yard	Tipping Floor Maint
Bobcat	1/ 1/2 cubic yard	Miscellaneous

PART D - ELECTRICAL AND INSTRUMENTATION AND CONTROL DATA

1. Generator

a. Manufacturer Brush, GE or Equal

b. Cooling system, description: Total enclosed water to air cooling (TEWAC) using the closed cooling water system

c. Capacity, MW **68** nominal

d. Power Factor 0.9

e. Voltage 13.8 kV

f. Frequency 60

g. Insulation Class F

h. Overspeed Limitation 20%

i. No. Terminal Leads 3 line, 3 neutral

j. Type Fire Protection Manual hose station

k. Exciter Type, Voltage Controls, Describe: Brushless with permanent magnet generator pilot exciter and dual automatic voltage regulator.

l. Generator Protective Relays

Manufacturer **ABB**, GE, Westinghouse or equal

m. Compatibility with telemetry:

Transduced analog signals of watts vars etc. as well as digital breaker status signals will be made available for telemetering to PEPCO per Para. 4 subappendix D of Appendix F of the RFP. Also, provisions have been made in the protective relaying scheme to provide and receive transfer tripping contracts. The cost of special RTU equipment and the cost of fiber optic links have not been included.

2. Transformers

a. Service	step-up	start-up	auxiliary
b. Manufacturer	**GE, ABB, Delta-Star or Equal**		
c. Type, MVA Rating	**45/60/75 each**	**9/11,3/13,5**	**10/12.5/.5**
d. Voltage, No. Phases	69-13.8 KV	69-4.16 KV	13.8-4.16 KV
e. Taps (all HV, NLTC)	2x2%% above + 2x2%% below (each transformer)		
f. Impedance	STD	STD	STD

g. Protective Relays (Manufacturer) **ABB,** GE, Westinghouse or equal

3. Metal-Clad Switchgear

a. Manufacturer	GE, Powell	Westinghouse or	equal
b. Service	Main incoming breakers		
c. Voltage	4 KV		
d. Materials of Construction	Air Magnetic	or vacuum	
e. Description	Indoor		

4. DC System

a. Battery Charger (Type, Manufacturer, Model)	Exide, C&D	or equal	
b. Battery Charger (Type, Manufacturer, Model)	Exide, C&D	or equal	
c. Description	Lead calcium	cells, 3 phase	chargers

5. Essential AC System

a. Inverter (Type, Manufacturer, Model)	SCI, HDR or	equal	
b. Description	UPS system	with static switch	

6. Power Factor Correction

a. Description, Type — None

7. Synchronization and Paralleling Systems

a. Description of systems for generator synchronization and paralleling which allow all power sources to function either independently or in unison, using whatever generators are available. For initial startup, 60 KV breaker 52 LB will be closed energizing the 69-4.16 KV startup transformer and allowing startup of the facility. Upon admission of steam to the turbine, the generator would be synchronized utilizing potential transformers on either side of breaker 52 LA. Upon synchronizing the Facility's generator with PEPCO, breaker 52 LA would be closed supervised by a synchronism verification relay. The turbine governor will automatically switch to inlet pressure control both breaker 52 LA is closed.

8. Back-up Power

a. Diesel or gas turbine generator manufacturer, size	300 KW- Cummins, Detroit/ 500 KW Diesel or equal/as required

b. Description of back-up power system (type, controls, logic): All essential loads for shutdown will be fed from an emergency motor control center. Upon loss of normal power, diesel generator will start and the EMCC will be energized via an automatic transfer switch.

c. Description of interface with main power system, especially with regard to priority circuitry and load shedding devices. See 'b' above.

9. Control Hierarchy for Power Distribution Systems

Two fully redundant 4.16 KV station service transformers will be provided, one startup and one auxiliary. The Facility would be started up via the startup transformer utilizing PEPCO 69 KV power. Following synchronizing of the Facility turbine generator with PEPCO, the Facility's electrical load would be transferred to the auxiliary transformer. Tripping of the Facility turbine-generator or auxiliary transformer would result in an automatic transfer to the startup transformer with no need for load shedding.

The 480 V systems will be divided, with each combustion train powered from one 4.16 KV to 480 V transformer. Loss of one of these transformers may at most result in the loss of one combustion unit. Manual bus tie capability will be provided.

10. Lighting

a. Foot-candles at Control Room Panels	75
b. Foot-candles at top of pit	25

11. Emergency Lighting

The control room will utilize dc fixtures supplied by the Facility's battery. Other areas will utilize dc fixtures supplied by self-contained batteries. These systems will utilize raceways separate from normal power and become energized automatically on loss of normal lighting

12. Instrumentation and Controls

a. Control Room Facilities

1. Manufacturer Bailey Controls Company

2. Description
   Section 9.1.21

b. Description of Panel and Local Instrumentation and Controls (manufacturers, types, logic).
   The local control panels and the instrumentation and controls associated with these are supplied as part of the package systems by the system manufacturer. The local control panels are vertical, free standing type, with control switches, indicating lights, annunciators mounted on the front panel. The control logic is developed using programmable logic controllers. Interface with the main control room is provided.

c. Description of control logic, auto/manual controls, main and remote control stations, primary instrumentation and metering.
   The primary instrumentation and metering consists of two wire process connection transmitters, and control valves equipped with I/P converters. 4-20 mA signal level is used for signal transmission between the main control room and the primary instrumentation.

d. Description of Compatibility with Modem Transmission to Authority Offices. Data transmission to Authority offices is accomplished over telephone lines using a RS-232 interface port and a modem. The communication protocol will be written to match the Authority's hardware. ..

Schedule 1B
to
Service Agreement

TRANSPORTATION SYSTEM - TECHNICAL REQUIREMENTS

INTRODUCTION

This Schedule describes the minimum requirements for the Transportation System. It is the purpose of this system to connect the Transfer Station with the Facility by means of rail service, and connect the Transfer Station with the Oaks Landfill by truck service. **The Transportation System involves work activities at three sites: (1) Facility Site, (2) the Transfer Station site**. 1/ The Transportation System consists of three (3) major interactive and interrelated components as follows:

(1) Rail Transportation System - Facility Site and Transfer Station Site
(2) Truck Transportation System
(3) Transfer Station Modifications - Transfer Station Site

Recovered materials will be removed from the Facility by truck or rail at the Company's option.

1.0 SCOPE

The Company will design, engineer, construct, permit, start-up, test, operate and maintain the Transportation System in accordance with the specifications outlined below, the Service Agreement and the Rail Transportation Agreement. All referenced codes, standards and regulations on which the design is based are the latest editions as of June 27, 1989.

1.1 The Rail Transportation System will be designed to achieve safe, dependable and environmentally acceptable transfer of Processible Waste and Residue between the Transfer Station and the Facility and will be in conformance with the rules and regulations of CSX, American Railway Engineering Association (AREA), industry standard, Association of American Railroads (AAR), the Maryland

1/ The third site was deleted pursuant to Change Order #62.

Public Service Commission (PSC), the Interstate Commence Commission (ICC) and the Federal Railroad Administration (FRA).

1.2 [Deleted] 2/

1.3 The Transportation System will be designed to achieve safe, dependable and environmentally acceptable transfer of recovered ferrous and other materials by truck or rail as appropriate to suitable markets. However, a separate agreement between the Company and CSX is required if rail service is to be used.

1.4 The Transportation System will include all equipment, accessories, structures, items and appurtenances for a complete and operational system. **Equipment provided for** the Transportation System will be designed to transport **1800** $STPD_6$ (short tons per day for six days per week) of Acceptable Waste between the Transfer Station and the Facility. The rail siding at the Transfer Station and Facility will be designed **to accommodate the rail equipment needed to transport 2250 TPD** in accordance with the layouts on Drawings shown below. 3/

MONTGOMERY COUNTY

RAIL AND RAILYARD DRAWINGS

Transfer Station -

T-301-F	10/23/91	Railyard Drainage Plant
T-201-B	8/29/90	Profile Lead Track & Track C
T-202B-C	5/10/91	Profile Runaround Track and Track A
T-110-E	8/6/91	Right-of-Way Plan

The above drawings are for the 2625 TPD system for the 2250 TPD system. The railyard and tracks are to be shortened to that shown on Dwg. C105-A dated 6/15/89. Provide six feet (6') wide concrete slab supports for gantry crane wheel loads.

Facility -

2/ Section 1.2 deleted pursuant to Change Order #62

3/ Boldfaced text added or amended pursuant to First Amendment.

T-102B	Track Layout Plan Sta 0+00 to Sta 5+50
T-103B	Track Layout Plan Sta 5+50 to Sta 22+50
T-104B	Track Layout Plan Sta 22+50 to Sta 38+50
T-105B	Track Layout Plan Sta 38+59 to Sta 52+50
T-106B	Track Layout Plan Sta 52+5- to Sta 502+50 Track "C"
T-107B	Yard Track Layout Plan
T-205B	Profile Lead Track Sta 0.00 to Sta 30+00
T-206B	Profile Lead Track Sta 30+00 to Sta 62.1.19
------	Profile Runaround Track (offsite) Sta 100+00 to Sta 117+18.55
T-208B	Profile Track "A" Sta 300+00 to Sta 317+02.68
-----	Profile Track "B" Sta 400+00 to Sta 421+27
-----	Profile Track "C" Sta 500+00 to Sta 518+40.20
-----	Profile Track "D" Sta 600+00 to Sta 619+42.97

The above drawings are to be revised to reflect the degree of curve and crossover locations as shown on Sketch 101 prepared by G, B&R on 11/12/91. The above drawings are for the 2625 TPD system. For the 2250 TPD system delete Track A and the two (2) turnouts associated with it. Provide six feet (6') wide concrete slab supports for gantry crane wheel loads.

1.5 The Transportation System will include modifications to the Transfer Station, provisions for loading Processible waste into intermodal containers, provisions for unloading Processible Waste at the Facility, **Provisions for loading Residue and/or Bypass Waste into intermodal containers, provisions for transferring Residue and/or Bypass Waste containers from railroad to truck at the Transfer Station.** 4/

4/ Boldfaced text added pursuant to Change Order #26 and amended pursuant to Change Order #62. 2.0 deleted pursuant to Change Order #62

1.6 Construction and testing of the Transportation System has several special constraints which will be carefully considered. Since the existing Transfer Station is critical to the County's waste management system, construction will interfere only minimally with its safe and efficient operation.

1.7 Successful completion of a Preliminary Performance Test of the Transportation System will be a prerequisite to testing of the Facility.

1.8 The Company will offer equipment of a design, size, and type which meets the requirements specified in this Schedule.

1.9 At the Transfer Station Site, there are 5 loading docks for citizens to drop off waste. The present practice is to position at the docks transfer trailers which when full are towed to the Oaks Landfill or the Transfer Station building for discharge. The Company will include provisions for continuing this service. 5/

3.0 SYSTEM CAPACITY

3.1 The Rail Transportation System will be designed for a capacity of **1800** $STPD_6$ (short tons per day for six days) of Acceptable Waste. To accommodate waste stream fluctuations, logistical considerations and equipment failures. The Company will provide a minimum of **110**% of the containers required for the design tonnage. It is expected that on occasion, spare containers will be used to accommodate the additional waste during the peak day in the peak week. 6/

3.2 The Rail Transportation System will consist of medium or high density containers with double stack, **stand alone** rail carriers. 7/

3.3 The **maximum** pull weight required for **a thirty** car train equating to a refuse payload of **2750** tons is **4400** tons. 8/

5/ Boldfaced text added or amended pursuant to Change Order #26.

6/ Boldfaced text added or amended pursuant to First Amendment.

7/ Boldfaced text added or amended pursuant to First Amendment.

8/ Boldfaced text added or amended pursuant to First Amendment.

4.0 CODES AND STANDARDS

4.1 Although all applicable Codes and Standards may not be specifically shown or specified herein, the Company will be responsible for determining applicable codes, acquiring copies at its sole expense, and complying with the applicable requirements of Codes and Standards in effect as of June 27, 1989.

4.2 Equipment, material, design, engineering, fabrication, erection, inspection, start-up, and tests provided by the Company will be in strict conformance with all applicable OSHA, federal, state, local and industry codes, standards, specifications, regulations, tests, procedures, and definitions unless otherwise stated in this Agreement. The Transportation System's design construction, and operation will comply with Building and Electrical Codes adopted by the County and the State of Maryland on or before June 27, 1989. All items furnished under this specification will be designed and constructed accordingly.

4.3 The latest edition of code or standard in effect on June 27, 1989 will apply.

4.4 A partial listing of applicable codes follows.

Other codes and standards may be in force or applicable. The list below is not all-inclusive. It is the Company's responsibility to identify and comply with all applicable Codes and Standards.

Design Standards and Recommended Practices	ACRONYM
Air Conditioning and Refrigeration Institute	ARI
Air Moving and Conditioning Association	AMCA
Association of American Railroads	AAR
American Association of State Highway and Transportation Officials	AASHTO
American Concrete Institute	ACI
American Gas Association	AGA
American Gear Manufacturers Association	AGMA
American Institute of Architects	AIA
American Institute of Steel Construction	AISC
American Iron and Steel Institute	AISI
American National Standards	ANS
American National Standards Institute	ANSI
American Petroleum Institute	API
American Public Health Association	APHA
American Public Works Association	APWA

American Railway Engineering Association	AREA
American Society of Civil Engineers	ASCE
American Society of Heating, Refrigeration, and Air Conditioning Engineers	ASHRAE
American Society of Landscape Architects	ASLA
American Society of Mechanical Engineers	ASME
American Society of Non-Destructive Test Engineers	ASNDTE
American Society of Testing and Materials	ASTM
American Water Works Association	AWWA
American Welding Society	AWS
American Wood Preservers Association	AWPA
Anti-Friction Bearing Manufacturers Association	AFBMA
BOCA National Building Code	BOCA
Code of the Federal Register of the U.S. Environmental Protection Association	USEPA
Commercial Standards	CS
Crane Manufacturers Association of America	CMAA
Deutsche Industrie Normen	DIN
Ductile Iron Pipe Research Association	DIPRA
Federal Aviation Administration	FAA
Federal Railroad Administration	FRA
Federal Specifications Issued by the Federal Supply Service of the General Services Administration	Fed. Sec's
Hydraulic Institute	HI
Industrial Gas Cleaning Institute	IGCI
Institute of Boiler & Radiator Manufacturers	IBRM
Institute of Electrical and Electronic Engineers	IEEE
Instrument Society of America	ISA
Insulated Power Cable Engineer Association	IPCEA
National Bureau of Standards	NBS
National Clay Pip Institute	NCPI
National Electric Code	NEC
National Electrical Manufacturers Association	NEMA
National Electric Safety Code	NESC
National Fire Protection Association	NFPA
Occupational Safety and Health Administration	OSHA
Scale Manufacturer's Associates	SMA
Sheet Metal Air Conditioning Contractors National Association	SMACNA
State of Maryland Department of Transportation	DOT
Steel Structures Painting Council	SSPC
Tile Council of America	TCA
Underwriters Laboratory, Inc.	UL

4.5 Where the requirements of this Schedule differ from the requirements of the codes and standards referenced herein, the more stringent requirements will apply.

5.0 STRUCTURAL/CIVIL

5.1 Sites

5.1.1 The Rail Transportation System is located at both the Facility Site and the Transfer Station Site.

5.1.2 The Facility site is a parcel of land approximately 35-acres in size, adjacent to PEPCO's Power Plant near Dickerson, Maryland. Refer to Schedule 20 for a description of the Facility Site.

5.1.3 The existing Transfer Station Site is located in Derwood, Maryland. Refer to Appendix B of the Schedule 1A for site layout drawing Nos. C104 and C105.

5.2 Site Layouts

5.2.1 The Transportation System Railyards and Transfer Station layouts will incorporate space requirements consistent with required equipment sizes and rail lines, and will incorporate proper engineering practices for safety, accessibility, maintenance and good housekeeping.

5.2.2 Traffic patterns and turning radii will accommodate container transportation vehicles.

5.2.3 All materials loading and unloading will be managed to prevent scattering and blowing of dust and debris.

5.2.4 Stormwater drainage and collection will be provided for container loading, container unloading and container storage areas.

5.3 Improvements to the Sites

5.3.1 The design of the Transportation System will take into account the existing conditions at the Facility Site and at the Transfer Station site. The Company will be responsible for all site preparation. The Company will be fully responsible for all Transportation System development necessary to render the Transportation System usable and constructable, including but not necessarily limited to, except as specifically delineated in this Agreement the following: establishment of lines and grades, site clearing and grubbing, initial and finish grading, site drainage and control, boundary fencing, on and off-site

vehicular and automobile and rail access, all provisions for acceptance of deliveries, all landscaping, retention ponds, stormwater management, sediment control and all mitigation measures necessary to assure a quality Transportation System.

5.3.2 The sites will be provided with positive drainage by sloped paving and grading as required.

5.3.3 Work and services required for storm drainage systems, which will include the installation of storm drainage pipes, manholes, inlets, headwalls, flared and sections, manhole and inlet castings, cleanouts, and rip-rap, will be furnished in compliance with local, state, and federal codes. Local rainfall intensities found in the "State of Maryland Department of Transportation Highway Drainage Manual" will be used for site drainage design. Design will be based on the minimum standards of the local stormwater management agency and local codes. Stormwater management design and construction will be approved by the County and will take into consideration all improvements by the Company both on and off site.

Where storm drain elevations intersect the groundwater table, all pipe will be gasketed to prevent infiltration. The Company will be responsible for proper drainage and soil erosion and sediment control during construction in areas affected by work activity. The soil erosion and sedimentation plan will conform with County and State grading and other erosion control requirements and be submitted for approval by the County. All sediment traps, stone filter perimeter swales, straw bales, perimeter dikes, interceptor dikes and other items required for soil erosion and sediment control will be provided.

The Company will take all steps necessary during design, construction and operation to control soil erosion on site and to minimize dust emanating therefrom.

5.3.4 Retaining walls will be constructed of reinforced concrete **or reinforced earth with concrete fascia. The Company is responsible for adequate wall design. In particular, loads imposed by the railroad system will be addressed where appropriate.** 9/

5.3.5 The effects of adjacent property which drain onto the Facility site railyard and Transfer Station site will be included in the design. Off-

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9/ Boldfaced text added pursuant to First Amendment.

site grading and seeding to minimize retaining walls and slopes may be permitted with Authority approval.

5.4 Survey

5.4.1 A metes and bounds description of the Facility Site property lines and easements is included in the Facility Site Purchase Agreement. (see Schedule 20). A metes and bounds description of the Transfer Station Site is shown on document dated June 19, 1981 from Maddox and Associates, Inc.

5.4.2 All work and services necessary for or incidental to the performance and completion of survey work necessary for the construction of site work, new utilities, and establishment and maintenance of bench marks, measurement to verify location of completed construction, and survey alignment to existing property boundaries will be provided by the Company. Existing bench marks and property line monuments, on and off site, will not be disturbed. The surveyor will be certified by the State of Maryland.

The Company will furnish all labor, materials, tools, equipment and all work and services necessary for or incidental to the performance and completion of survey work for the construction of the Transportation System. The Company will establish and maintain lines and grades, benchmarks, make measurements to verify location of completed construction and survey alignment to existing property boundaries.

The Company will deliver "As Built" or "Record Drawings" of all improvements for the Transportation System.

5.5 Clearing and Grubbing

5.5.1 The Company will perform work and services necessary for the completion of site clearing, grubbing, removal and disposing of brush, fences and debris, within the Boundary Limits of the Facility site railyard and the Transfer Station site at its sole expense. Materials as necessary will be removed from the site and disposed at a location secured by the Company.

5.5.2 No open burning will be allowed on the Facility Site or the Transfer Station Site.

5.6 Excavation, Filling, and Backfilling

5.6.1 The Company will perform all operations in connection with excavation of materials, including unsuitable materials as required,

regardless of character of material except for any contaminated materials associated with the Controlled Storage Facility and/or the Equalization Pond, and obtain fill and backfill materials approved by the Company's geotechnical consultant to produce final grade lines. Arrangements for obtaining necessary fill material and topsoil from off-site borrow areas will be the responsibility of the Company. Any excess excavated soils will be spoiled on the site or stored at the option of the Authority, and, if stored onsite, such storage will be in areas designated by the Authority. Flyash deposits discovered on the Facility Site will be disposed of by the Company at the PEPCO ash fill areas adjacent to the Facility property.

5.6.2 Earthwork, including excavation, fill, backfilling, dewatering, subgrade preparation and stabilization, shoring, drainage, and frost protection will comply with the geotechnical consultant's recommendations, applicable ASTM standards and provisions of local codes. Permanent grading of embankments and ditches will generally have a minimum of three horizontal to one vertical slope except where excavations are made in stable rock formations. Under these conditions slopes will be in accordance with the geotechnical consultant's recommendations with suitable soil stabilization methods employed. Earthwork associated with roads will conform to applicable AASHTO standards.

5.6.3 The Company will be fully responsible for all earthwork required to render the Transportation System and the sites usable and constructable, including but not limited to all materials, equipment, labor and supervision necessary to perform compaction tests, and to assure proper placement of all materials. The Company will be responsible for all costs associated with the inspection and testing of the earthwork.

5.7 Foundations

5.7.1 All work and services necessary for the furnishing, installation, and any required testing of foundations will be provided. Foundations will be designed and constructed on the basis of geotechnical information. The Company will provide for the services of an independent testing laboratory to perform material evaluation tests, and perform any material and/or geotechnical tests required.

5.8 Paving and Surfacing

5.8.1 The Company will be responsible for all roads required at the Facility railyard and additional roads at the Transfer Station Site. The access roads and/or ramps will be designed to achieve the greatest truck or

tractor maneuvering efficiency, to minimize the interaction of trucks or tractors with staff, visitor vehicles and supplier vehicles hauling containers for residue, refuse or rejects and supplies and to prevent the queuing of vehicles on public roadways. The Company will furnish and install all pavements as required for construction of additional roads at the Transfer Station site and Facility site railyard. Pavements will be constructed of required thicknesses of concrete or asphalt to final lines and grades. Pavement sections will be crowned or sloped to provide positive stormwater or washdown drainage. Base, sub-base and stabilized sub-base as required will be included in the work.

5.8.2 Roads will be designed with proper turning radii **and will be sloped to control storm runoff.** On-site roadways used by supply delivery vehicles will be at least 13 feet wide, per lane, with 4-foot **crushed stone** shoulders on each side except that one-way roadways for truck traffic will be a minimum of 15 feet wide with 4-foot **crushed stone** shoulders each side. Pavements to be used by trucks will be designed for axle loads of at least 20% above Maryland Department of Transportation (MDOT) axle load legal limits. Pavement design and construction will be in accordance with Company's geotechnical consultant's recommendations and MDOT requirements. 10/

5.8.3 At the Transfer Station, traffic flow will be controlled by means of adequate traffic markings and signs.

5.8.4 Construction parking sites are the responsibility of the Company. The Company will maintain responsibility for traffic control of the construction work force.

5.9 Utilities

5.9.1 All above-ground and underground utilities within the Site Boundaries required for permanent service of service water, potable water, wastewater, telephone, storm drains, and any other type of utility required for the Facility site railyard and Transfer Station operation will be furnished and installed by the Company. The Company will provide all needed collection, pumping, treatment, storage, distribution lines, collection lines, and discharge facilities for potable water, fire protection water and wastewater systems.

10/ Boldfaced text added or amended pursuant to First Amendment.

5.9.2 Installation of electrical utilities, service water, potable water, storm and wastewater systems will comply with applicable provisions of civil, mechanical and electrical requirements of these specifications and local, state, federal and utility company's codes, standards, and specifications and as specified in Schedule 20, the Electric Sales Agreement. Additional electrical power required for transfer station operations shall be supplied by PEPCO **or by electricity suppliers,** including the required power transformer. (see Dwg. E104). 11/

The Company will supply a new 480 volt service entrance switchboard adjacent to PEPCO's supply transformer to supply the new compactors. The Company will arrange and provide for all temporary and interim power, water, and sanitary facilities for work during construction. Temporary power systems will meet NEC requirements.

5.9.3 The construction of the stormwater handling facilities will comply with Montgomery County Code.

5.10 Finished Grading and Topsoiling

5.10.1 All work and services necessary for or incidental to the topsoiling and finished grading of all areas within the limits of grading and for all areas outside the limits of grading disturbed in the course of work will be furnished. Work will consist of, but is not limited to correction, adjustment, and/or repair of the rough grading, preparation of the subgrade and spreading of topsoil in areas to be seeded and sodded.

5.11 Fencing

5.11.1 The security fence being provided around the entire Facility site will include the Facility site railyard. Fencing is presently in place at the Transfer Station site. The fencing at the Transfer Station site will be modified to accommodate the addition of the railyard.

5.11.2 The Company will be responsible for providing an adequate level of security during construction of the Transportation System. Such security will be implemented in a manner designed to prevent unauthorized individuals from entering the sites, for safety and security reasons, seven days per week, twenty four hours per day.

5.11.3 The Company will provide work in accordance with provisions of American Society for Testing and Materials (ASTM), Procedures and

11/ Boldfaced text added pursuant to Change Order #107.

Standards of Chain Link Manufacturers Institute, and Industrial Steel Specifications.

5.12 Concrete

5.12.1 All labor, materials, tools, equipment, and all work and services for furnishing and installing all concrete and reinforcement materials will be provided. The Company will furnish and install all supplementary or miscellaneous items, appurtenances, and devices incidental to or necessary for a sound, secure, and complete installation. All work will be in conformance with American Concrete Institute (ACI) Standard 301. Concrete will be provided from Type I or Type II Portland cement with a minimum of 28 day compressive strength as follows:

Structural Concrete - 4,000 psi
Water Tight Concrete - 5,000 psi
Reinforcing Steel - ASTM A615, Grade 60**, No. 3 and No. 4 bar sizes may be ASTM A615, Grade 40** 12/

5.12.2 All work and services necessary for concrete testing will be provided by an approved independent testing agency retained by the Company.

(a) Required testing services will be performed by a qualified testing agency and meet the requirements of ASTM standards.

(b) Testing will include: review and approval of proposed materials for batch design, mix-design, securing production samples of materials at plants for compliance with ACI and ASTM standards, conduct compressive strength tests, slump tests, air content, unit weight, and air entrainment. Copies of all test reports will be submitted to the Authority.

5.13 Structural Steel

5.13.1 The Company will furnish labor, materials, welding, tools, equipment, and supervision for the supply, detailing, fabricating, galvanizing, painting, delivering, and installing of structural steel. All work will be in conformance with the American Institute of Steel Construction (AISC) "Specification for the Design, Fabrication and Erection of Structural Steel for Buildings" (8th Edition).

12/ Boldfaced text added pursuant to First Amendment.

5.13.2 All structural steel will be ASTM-A36. Bolted connections will be ASTM-A325 for primary connections. ASTM A307 bolts may be used for secondary connections. Anchor bolts will be ASTM-A307 or A36.

5.13.3 All labor, tools, materials, equipment, and supervision for the supply, detailing, fabricating, galvanizing, painting, delivering, and installing of miscellaneous steel and accessories will be provided.

5.14 Basis for Design

5.14.1 The Company's design for the Transfer Station will be documented showing minimum design loads and will conform to all applicable state and local building codes as of June 27, 1989 and Company's insurance carrier requirements.

5.14.2 Equipment loads will be per equipment manufacturer's recommendations and will be incorporated in the basic design. Structural design of equipment foundations and support will limit deflections and vibrations to within manufacturer's specified tolerances and local, state and federal code requirements.

5.14.3 Structural steel design will conform to AISC "Specifications for the Design, Fabrication and Erection of Structural Steel for Buildings 8th Edition."

5.14.4 Reinforced concrete design will conform to ACI "Building Code Requirements for Reinforced Concrete" (ACI 318) and to ASTM specifications in effect on June 27, 1989.

6.0 ARCHITECTURAL

6.1 General

6.1.1 The modifications to the Transfer Station and other structure at the Transfer Station site will be designed in accordance with applicable state and local codes, including but not limited to building codes, fire codes, and life safety codes. The Transfer Station modifications will be designed to be functionally efficient as well as aesthetically pleasing.

6.1.2 Final color selections from manufacturer's standard colors will be approved by the Authority.

6.2 Materials

6.2.1 The materials of construction will be selected to provide durability and ease of maintenance. Materials will be of a quality suitable to the functions performed for the Transportation System.

6.2.2 All work will be protected against weather when work is not in progress.

6.2.3 All fabrications including stairs and handrails will be provided in compliance with all regulatory agencies and applicable codes including handicapped requirements.

6.2.4 The Company will work with the Authority to provide a color scheme of finish materials to be developed during the schematic phase for later transformation into a final color schedule. The Authority will review and approve this schedule. All items requiring a color selection such as carpeting, wall coverings, etc., will have samples submitted for the Authority's review and approval.

6.3 Signage

6.3.1 Indoor

6.3.1.1 Signs and graphic designs for identification and directions will be provided. Signage such as Exits, Fire Escape diagrams, building labels, door labels for room use and pipe labels will be employed for safety, ease of operation and direction. The signage system used will provide simple and direct indications using graphics, color, and/or text.

6.3.2 Outdoor

6.3.2.1 Reflectorized identification signs, directional signs and traffic control signs, signals, lane divider markings, and painted pavement marking within the Facility and Transfer Station railyards and Transfer Station for control of vehicles to and on the site will be furnished and installed.

6.3.3 All signage will be subject to the regulatory agencies and Authority's approval.

6.4 Exterior Lighting

6.4.1 Sufficient outdoor lighting of roads, walkways and railyard areas will be provided to ensure the safety and security of the operation of the Transportation System, the safe movement of people and vehicles, and

adequate security. In addition, the lighting system will be designed to minimize nuisance lighting on any neighboring residential or otherwise sensitive areas. The exterior of the buildings will be provided with lights for safe night operations. However, exterior lighting will be designed to minimize the light, direct or indirect, that will go into the sky. At a minimum, low pressure sodium lights as well as shielded luminaries will be used.

The exterior lighting will be provided in accordance with IES Recommended Lighting Levels typified as follows:

	FOOTCANDLES	FIXTURE TYPE
Outdoor Switchyard	2	HPS
Roadways and Parking Areas	1	HPS

Notes: HPS = High Pressure Sodium

6.5 Personal Facilities

Centralized personnel facilities will be furnished at the Transfer Station site in the maintenance building. In addition, space will be provided in the maintenance building to accommodate 6 lockers and computer for CSX. Also, adequate space will be furnished for the installation of equipment monitoring and provided for record keeping by shift personnel. The County will continue to occupy existing administration facilities in the Transfer Station building and to occupy the Scalehouse.

6.6 Administration Space Requirements

Adequate space will be provided in the maintenance building and/or its surrounding buildings to house administrative and clerical personnel as appropriate. The County will continue to occupy the existing offices, storage rooms and lunchroom located on the west end of the Administration Building and the parking lot associated with the Administration Building.

6.7 Maintenance Building

6.7.1 The existing maintenance building at the Transfer Station site will be refurbished including equipment and tools required for the maintenance of equipment installed at the Transfer Station. In

addition, the building will be equipped to service trucks, tractors, trailer chassis and other related vehicles, as needed.

6.7.2 The Company will determine its requirements for its maintenance activities for, but not limited to, motors, pumps, hoists, rails, and containers. The Company will submit a comprehensive maintenance plan for all buildings, equipment and grounds as part of the Operations and Maintenance Manual.

6.7.3 The maintenance building will be furnished with furniture, instrumentation, machinery, parts, supplies, storage spaces, tools, etc., as appropriate.

6.7.4 The selection of equipment to be included in the maintenance facilities will be approved by the Authority.

6.8 Central Control Room

6.8.1 The existing Central Control Room at the mezzanine of the transfer building will be modified as needed to allow for the efficient controlling, monitoring and supervising of operations at the Transfer Station.

6.8.2 Sufficient space with ready access and good visibility will be provided within the Central Control Room for the load dispatcher to supervise the movement of all vehicles such as cranes, loaders, sweeper and tractors.

6.8.3 The existing Central Control Room will be modified as needed, to provide environmental conditioning for temperature and humidity.

6.8.4 Any control room windows added will be double glazed windows.

6.8.5. Central control Room lighting will use a minimum intensity of 70 foot candles on horizontal operating areas. If required, low parabolic diffusers will be included to minimize CRT glare.

6.8.6 All duct, tray and cable penetrations into the Central Control Room will be sealed and fire-stopped to prevent air or water entry into the Central Control Room, and to prevent cable flame spread.

6.8.7 The Central Control Room will be modified if needed to allow for ease of voice communications. None of the construction materials used will interfere with 2-way radio communications between the Central Control Room and major work stations in the Transfer Station Site.

7.0 TRANSPORTATION SYSTEM EQUIPMENT

The equipment requirements for the Rail Transportation system and Transfer Station are summarized in the equipment list, Table 7-1. This list identifies the equipment to be supplied with the Project and required for the normal operation of the Transportation system and Transfer Station, including spares.

7.1 Equipment Installation

7.1.1 General

7.1.1.1 All labor, supervision, services, technical direction, tools, equipment, materials, and consumable supplies required for the receiving, unloading, storage, protection, check-out, testing, start-up, installation, and erection of equipment will be furnished.

7.1.2 Workmanship and Materials

7.1.2.1 The installation and erection of equipment and materials will be governed by the applicable laws of the State of Maryland and Montgomery County and will, unless otherwise specified, be in accordance with the latest revisions in force as of June 27, 1989 and all other applicable codes and standards in effect as of June 27, 1989. If there is a conflict between any requirement, the more stringent code will apply.

TABLE 7-1

TRANSPORTATION SYSTEM AND TRANSFER SYSTEM EQUIPMENT LIST 13/

Description	Total Quantity	Included Spares	Location
Container Tipper (by County)	**1**		**L**
Containers - **(40') (with hatches)**	**130**	**5**	
(40') (without hatches)	**70**	**10**	
Carriers - (**stand alone**, rail cars)	90 14/	**(3)**	TS & F
Compactors - (**4**-Pre-load type)	**4**		TS
Cranes - (Gantry)	**4**		**2**-TS & 2-F
*Tractors and Chassis – (road)	***5***	***(1)***	***TS&F***
Tractors and Chassis – (yard) (shuttle 40' containers)	***3***	(1)	***TS&F***
15/ Over-the-Road Truck Chassis	13		TS
Open Top *Trailers - (For Citizens Station and non-processibles)	**5**		TS

13/ Boldfaced text added or amended pursuant to First Amendment. Boldfaced and underlined text added or amended pursuant to Change Order #26. Boldfaced and italicized text amended pursuant to Change Order #80.

14/ Added pursuant to Change Order #95.

15/ Added pursuant to Change Order #95.

Dozer (At Pit)	1	TS
16/ D8 Dozer	1	TS
17/ Additional Rail Tracks	2	TS&F
Front End Loaders – (1-Pit, 2-Tipping Floor)	3	TS
Clamshell Cranes	2	TS
Bobcat	1	TS
Service Vehicles	2	TS
Mobile Sweeper	1	TS
***Vehicle Mounted Telescoping Boom Rake**	**1**	**F**
Intermodal Container Handler	**2**	**1TS & 1F**
*Backhoe	1	F
18Rail Car Mover	1	F

Note: TS = Transfer Station F = Facility L = Landfill

***Subcontract service**

7.1.2.2 Erection methods and procedures will conform with accepted good engineering practice, the requirements of the ANSI Code for Pressure Piping, the ASME Boiler Code where applicable, and in accordance with procedures furnished and approved by the equipment manufacturers. In case of conflict between this Schedule and the equipment manufacturers' procedures, the most stringent will govern.

16/ Added pursuant to Change Order 95

17/ Added pursuant to Change Order 95

18/ Added pursuant to Change Order 95

7.1.2.3 Equipment will be designed, fabricated and assembled in accordance with the best modern engineering and shop practice. Individual parts fabricated in the U.S. will be manufactured to standard U.S. sizes and gauges so that repair parts, furnished at any time, can be installed in the field. Like parts of duplicate units will be interchangeable. Equipment will not have been in service at any time prior to delivery, except as required for tests.

7.1.2.4 The Company will be responsible for conformance with the design criteria and all operating and performance guarantees.

7.1.2.5 The Company will be responsible for providing expert representatives from each of the following manufacturers of the major sub-systems to instruct and oversee plant operating personnel during facility shakedown, start-up, acceptance testing, plus 10 days of on-call maintenance, and troubleshooting of all equipment and components provided under this contract for a period of one year after the Date of Project Acceptance:

- Compactors
- Gantry Cranes
- Rail Carriers

7.1.2.6 The system will be constructed to permit operation in compliance with empty or full and stacked containers and with all applicable Occupational Safety and Health Administration (OSHA) requirements, good engineering and operating practice, and Federal, State and local laws and regulations.

7.1.2.7 Upon replacement of the gantry crane destroyed by wind in July 2010, such crane shall be outfitted with an upgraded spreader bar that will be able to handle both 40' and 20' containers and will be provided in lieu of the standard 40' spreader bar provided with the original crane. 19/

7.2 Containers 20/

All containers to be provided will be 40-foot long. The containers will be totally enclosed, sealed, International

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19/ Section 7.1.2.7 added pursuant to Change Order No. 113.

20/ Entire Section 7.2 replaced pursuant to Change Order #43. Boldfaced and underlined text added pursuant to Change Order #74.

Standards Organization (ISO) intermodal-type suitable for the transport of refuse and/or residue as applicable.

All containers will comply with the following:

The interior face of each sidewall of the 40-foot long steel containers will be smooth. The containers will be equipped with a door at one end to receive and discharge refuse. Each container will be constructed of a steel plate floor. The side panels will be constructed of vertical steel plate. The roof will be constructed of steel plate. Each container will be designed for a maximum gross weight rating of approximately 77,000 pounds.

The containers will be designed to withstand the stress of compaction and the impacts associated with crane, rail and truck operations. The design of the containers will be provided a minimum useful service life of ten years.

The containers will be configured for intermodal transportation in conformance with the rail carriers and truck chassis requirements. The design will also allow for outdoor operation in subfreezing temperature. The containers will be capable of positively expelling their total contents under all weather conditions, by tipping the 40-foot container. A vehicle mounted telescoping boom rake will additionally be utilized as needed to free sticky loads.

Each container will have a vent door on the opposite side of the main door. This door will be used during tipping operations to vent the interior of the container.

The containers will have Standard ISO corner posts as guides and bearing plates as appropriate to allow for stacking and securing (with locks and locking pins, if required) up to 2 units high on rail carriers and at least 3 units high in designated letdown or storage areas. The design will permit containers to withstand both static and dynamic loads when empty, full or stacked.

A total of 70 containers will be provided without hatches as described above and are intended for refuse transportation only.

130 more containers will be provided with hatches and are intended for transportation of both refuse and residue. These 130 containers will be provided in conformance with the above description and will have the following additional features:

(a) A hatch approximately 5 feet x 6 feet at the top of the container.

(b) Non-skid paint adjacent to and on top of the hatch.

(c) A 1/4 inch thick high molecular weight liner on the bottom of the container and 1 foot up along the sides.

The Company will provide repair and maintenance services on the intermodal containers for which the County and the Authority are responsible. Such services will be performed on a task basis (as needed) and will require written authorization from the Country and the Authority. The parties shall agree upon a task description and cost before each written authorization will be made. The Company will include billing for such services in its normal monthly Service Fee invoice.

7.3 Rail Carriers 21/

Stand alone double-stack intermodal rail carriers will be provided to transport the containers between the Transfer Station and Facility.

A double-stack carrier will consist of **one stand-alone platform**. The carriers will be designed with bulkheads to permit stacking and securing containers up to 2 units high. The overall length of a **carrier** will be approximately **67** feet.

Each platform will be capable of carrying **two (2)** 40-foot by 96-inch **containers one in** the well and one 40 foot by 96 inch wide container on top. The upper container will be restrained by the fixed bulkhead structure. The trucks will be 70 ton rated truck assemblies.

Design of the carriers will conform to Association of American Railroads (AAR) Specifications for Design, Fabrication and Construction of Freight Cars, M-1001, revised January 1, 1987 (effective May 1, 1986), including Chapter VIII Design and Test Requirements for Trailer/Container Cars, except as follows: carrier

21/ Boldfaced text added or amended pursuant to First Amendment.

will meet 5 MPH impact requirement; carrier when loaded with double stacked containers will exceed Plate "C" limiting dimensions for clearances.

The carriers will be equipped with appropriate stabilizers in order to eliminate oscillation, especially harmonics, within the train while in motion. Design of the carriers will permit operation of the train with up to 50% of the carriers completely empty, or with up to 50% of the carriers loaded with empty containers, or such other carrier load conditions as may be required to transport the containers between the Transfer Station and the Facility.

The trucks will be conventional 3-piece assemblies with integral stabilizing devices. Body side bearings will be of the constant contact type. Construction will be in accordance with AAR Specifications M-203 and M-210. Grade B cast steel will be the construction material. Axles will conform to AAR Specification M-101.

The side sills will be reinforced at the bolsters for jacking a fully loaded platform off the trucks.

Couplers will be of the bottom operating type with rigid shanks.

Safety appliance will include handholds, and platforms and sill steps.

Installation of the air brakes will conform to Specification No. 2518, latest revision, "Installation Freight Car Brake Equipment", except that extra strong steel pipe will be used for all piping for auxiliary brake pipe devices. The braking ratio will meet DOT requirements and AAR Interchange Rules. Hand brakes will be of the AAR 1980 type.

Receptacles will be provided for defect cards.

All steel surfaces will be painted with Direct to Metal (DTM) paint after sand blasting. Inaccessible surfaces will be painted with weldable primer before assembly.

All nuts will be American Standard meeting or exceeding ASTM Specification A307.

Bolts will meet or exceed ASTM Specification A325. Welding practices will be in accordance with Chapter V of the AAR Manual, Section C-Part II.

The carriers will be capable of all-weather operation at speeds up to 60 MPH during line runs on the main track. The carriers will be able to safely negotiate horizontal curves of a minimum radius as follows:

- Uncoupled at 180 feet radius
- Coupled to like car at **258** feet radius
- Coupled to 40 feet base car at **255** feet radius

The maximum height of a carrier with 2 empty containers stacked on top of each other will not exceed 19 feet **0** inch (rail to top of upper container).

The design capacity for each carrier will conform to the following:

WEIGHT/CAPACITY (nominal):

Based on **70-**ton trucks:

- Net capacity **164,000** lb
- Gross rail load **220,000** lb

7.4 Compactors

Compactors will be provided at the Transfer Station as follows:

- **Three (3)** pre-load type stationary motor driven compactors will be provided. Each unit will be capable of compacting 125 tons per hour of refuse. Each unit will produce a log 7 ft. wide x 7 ft. high with a 37 ft. length for the 40 ft. container. 22/

Each of the compactors will be equipped to produce refuse logs for end loading into 40-foot ISO intermodal containers. The compactors will be equipped with the hydraulic systems necessary to expel the logs into the ISO containers.

The compactors will be supplied as completely integrated systems including electrical controllers, control stations and weighing systems.

22/ Boldfaced text amended pursuant to First Amendment.

7.5 Gantry Cranes

Bridge type (gantry) cranes will be provided at both the Transfer Station and Facility rail sidings to handle the 40-foot ISO standard intermodal containers. Each crane will be designed with a minimum rated lift capacity of 90,000 lbs under the spreader and will be capable of lifting a container to a sufficient height to clear 3 containers stacked on top of each other.

The cranes will be designed to straddle at least 2 rail tracks and have a nominal clear span sufficient to accommodate container storage and the operating traffic lane for tractor-chassis movement.

The cranes will be diesel-powered and have rubber tires.

Each crane will be equipped with a spreader suitable to engage with locating and locking devices on 40-foot containers dimensioned according to ISO standards. The spreaders will be equipped with electro-mechanical interlocks, which will prevent the movement of a container in the partially secured position. All the indicators will be housed in the central crane control panel. The spreader will be able to be detached from a container only when not under load.

The cranes will be equipped with riding cabs for the operators which will afford an unobstructed view consistent with efficient and safe container loading/unloading operation. The cranes and cabs will be fully weatherized and be equipped with the necessary lighting for full operation during nighttime and inclement weather. The cabs will be heated and air conditioned. Safe access will be provided for operator entry and exit. Appropriate features for emergency evacuation will also be provided.

7.6 Intermodal Container Handlers 23/

Two intermodal container handlers will be provided to handle empty 40-foot ISO standard containers for railyard and train operation. These container handlers will be designed with a rated lift capacity of at least **15,000** lbs under the spreader and be capable of stacking 2 high containers. The container handler will be diesel-powered and will have rubber tires. The container handler will be equipped with a spreader suitable to engage with locating and locking devices on 40-

23/ Boldfaced text amended pursuant to First Amendment. Boldfaced and underlined text amended pursuant to Change Order #26.

foot containers dimensioned to ISO standards. The spreader will be equipped with electro-mechanical interlocks which will prevent the movement of a container in a partially secured position. All indicators will be housed in the container handler operator's cab. The spreader will be able to be detached from a container only when not under load. The container handler operator cab will afford maximum visibility consistent with efficient and safe container loading and unloading. The cab will be fully weatherized and will be provided with heating and interior lighting for full operation during nighttime and inclement weather. Safe access will be provided for operator entry and exit.

7.7 D8 Dozer

The operation, maintenance, replacement responsibilities will governed according to Schedule 44. 24/

7.8 Tractor-Chassis Combinations 25/

Tractor-chassis combination will be provided at the Transfer Station to shuttle on site, 40-foot containers filled with either refuse, yard waste, Non-Processible Waste, "DOT Type" Non-Processible Waste, or other material as agreed to by the parties from time to time, or empty, as needed to operate the Transfer Station.

Tractor-chassis combination will be provided at the Facility to shuttle on site and to the County Compost Facility, 40-foot containers either filled with refuse, yard waste, ash residue or other material as agreed to by the parties from time to time, or empty, as needed to operate the Facility. The road tractors and chassis will be licensed and capable of over-the-road use as a partial back-up system in the event that the rail transportation system is unusable.

All tractors for the tractor-chassis combinations will be equipped with noise reduction features. These will include available options such as additional insulation of engine area, "smart" back-up beepers which provide warning sounds 5dBA

24/ Added pursuant to Change Order #95

25/ Boldfaced text amended pursuant to Change Order #65. Boldfaced and underlined text added pursuant to Change Order #80.

above background noise levels, special mufflers, lagging on the exhaust and noise attenuating inserts in the exhaust system.

7.9 Tractors for Tractor-Chassis Combinations

Tractors will be of heavy duty construction compatible with over-the-road and off-road operation under all weather conditions. They will be highly maneuverable and will facilitate the smooth and efficient hitching and unhitching of the trailer chassis described in the following section.

The tractors will be equipped with the appropriate accessories for braking, lighting and safety. At a minimum, the requirements of The State of Maryland DOT will be satisfied.

The tractors will be equipped with noise reduction features. These will include such available options as special mufflers, lagging on the exhaust and noise attenuating inserts in the exhaust system.

7.10 Chassis for Tractor-Chassis Combinations

Chassis for tractor-chassis combinations will be suitable for holding containers securely in place and will be light weight and designed for long life.

The chassis will be suitable for all year round operation including inclement weather conditions. All appropriate braking lighting and safety features will be supplied with the units.

The chassis will have provisions that permit easy placement and securing of the containers during a loading cycle by overhead crane. The chassis will permit the easy unfastening and removal of the containers during an unloading cycle by an overhead gantry crane. The chassis will have tilting frames for unloading refuse-filled containers at the refuse pit.

7.11 Clamshell Cranes

Two (2) clamshell cranes will be provided. These cranes will be mobile units having wheels with rubber tires. Each unit will be diesel driven and be equipped with a 2 cubic yard clamshell and an enclosed cab. The cab will include a heater, defroster, ventilation and air conditioner.

The diesel engine for each unit will be a 4 cycle, water cooled, turbo-charged engine having 6 cylinders. The drive for each crane will be 4-

wheel, hydrostatic. The swing systems will be powered by a hydraulic motor through spur and planetary gears.

7.12 Front End Loaders

Two (2) standard diesel-powered Caterpillar front end loaders will be provided, (i) a Model 936F equipped with 2 to 3 cubic yard capacity bucket and enclosed cab, and (ii) a Model 950F equipped with approximately a 7 cubic yard bucket and enclosed cab. At the Company's option, a second Caterpillar Model 950F loader can be procured by transferring ownership of the Caterpillar Model 936F loader to the Company to either trade in or using it as it desires. 26/

The diesel engine will be direct injected turbo charged having 6 cylinders. Each loader will be provided with an articulated frame and hydrostatic steering system capable of 40 degree articulation. The cab will be equipped with a falling object protective structure (FOPS) and will include a heater, defroster, ventilator and air conditioner. The operations seat will be fully adjustable set with seat belt and heater.

7.13 Dozer

One (1) diesel-powered Liebherr Model 741 or equal dozer will be provided, equipped with a totally enclosed cab. The engine for this unit will be watercooled, 6 cylinder v-engine, direct injection, turbo-charged. The operation's cab will be equipped with a rollover protective structure (ROPS) and a falling objective protective structure (FOPS), wipers front and rear, pressurized and filtered air ventilation and heater unit and an air conditioner. Belly pans will be provided for undercarriage protection.

7.14 "Bobcat" Front End Loader

One (1) "bobcat"-type diesel powered front end loader will be provided for general cleaning service and other miscellaneous services at the Transfer Station. The rated operating load will be 1200 lb. This unit will be equipped with a liquid cooled, 3 cylinder engine. The power train will be the hydrostatic type with single-stage chain drive to all wheels.

26/ Boldfaced text amended pursuant to Change Order #2.

7.15 **Mobile Sweeper** 27/

The Company will purchase for the County two sweeper trucks, one designated for use at the Transfer Station and one designated for use at the Facility and Compost Facility. The Company will include the billing of such change in its normal monthly invoice as a one-time charge.

The Company will be responsible for the operation of the sweeper truck at the Transfer Station, and will maintain, repair and replace it as necessary in accordance with the Service Agreement. Pursuant to Section 3.7 of Schedule 26 of the Service Agreement, the County shall be responsible for housekeeping of the areas that it occupies at the Transfer Station site, including cleaning up litter and debris in the roadway and pavement areas. The Company will operate the sweeper truck in the areas occupied by the County such that the roadways and curbs are kept clean. The Maryland Environmental Service or another Country contractor will be responsible for the maintenance, repair and replacement of the sweeper designated for the Facility/Compost Facility, and will share the sweeper with the Company's use at the Facility.

7.16 **Backhoe**

One (1) mobile backhoe will be provided on a rental basis as required to ensure the extraction of bridged frozen refuse from the containers at the Facility. This unit will be equipped with a hydraulically operated

7.17 **Authority Provided Equipment** 28/

Pursuant to the Brunswick Agreement the County shall provide to the Authority for the Authority's use under this Agreement, the Authority Provided Equipment listed in this Section 7.17. The County will ensure that all such equipment shall meet all specifications herein, and shall be registered, licensed, insured and maintained according to Section III of Schedule 18.

27/ Boldfaced text added pursuant to Change Order #66.

28/ Section 7.17 deleted and restated in full by Change Order #76.

(A) Facility Equipment

The Authority will provide the following equipment at the Facility for transport of Residue, Residue contaminated rejects from the Facility's ferrous recovery system ("Ferrous Rejects"), Nonprocessible Waste and Bypassed Waste from the Facility to the Designated Landfill. The Authority will install this equipment in accordance with Section 7.1, Equipment Installation, except for Sections 7.1.2.4 and 7.1.2.5 which do not apply. The Authority will provide an expert representative from the intermodal container handler manufacturer (see i) below) to instruct and oversee Company operating personnel in regards to operation and maintenance of the equipment during start-up operations. The Company will operate and maintain Authority equipment according to industry standards and care.

(i) One (1) new or "like new" intermodal container handler (Mi-Jack/Reygo Wagner Model #CH-35 ton capacity)

This intermodal container handler shall be capable of lifting Residue filled Authority Containers from truck Chassis and placing them onto Authority Railcars and capable lifting Residue filled Authority Containers from the Authority Railcars and placing them onto truck Chassis within the portion of the Facility railyard modified in accordance with Section 7.18.

The container handler will be diesel-powered and will have rubber tires and will be supplied with "smart" back-up beepers which provide warning sounds 5 Dba above background noise.

The container handler will be equipped with a spreader suitable to engage with locating and locking devices on 20 foot Authority Containers and 40 foot Containers dimensioned to ISO standards. The spreader will be equipped with electro-mechanical interlocks which will prevent the movement of a container in a partially secured position. All indicators must be housed in the container in a partially secured position. All indicators will be housed in the container handler operator's cab. The spreader must be unable to detach from a container when not under load.

The container handler operator cab will afford maximum visibility consistent with efficient and safe container loading and unloading. The cab must be fully weatherized and must be provided with heating, air conditioning and interior lighting for full operation during nighttime and inclement weather. Safe access will be provided for operator entry and exit.

(ii) <u>One (1) new or "like new" tractor with hydraulic fifth wheel and hydraulic unit</u>

The tractor will be of heavy duty construction compatible with off-road operation under all weather conditions. It must be highly maneuverable and must facilitate the smooth and efficient hitching and unhitching of the truck chassis. The tractor will be equipped with hydraulic units to activate the tilting frames of the 40 foot tipping chassis at the Facility. The tractor must be equipped with the appropriate accessories for braking, lighting and safety. At a minimum, the requirements of the Maryland DOT must be satisfied.

The tractor will be equipped with noise reduction features. These will include such available options as additional insulation of engine area, "smart" back-up beepers which provide warning sounds 5 dBA above background noise levels, special mufflers, lagging on the exhaust and noise attenuating inserts in the exhaust system.

(iii) <u>One (1) new or "like new" tractor with hydraulic fifth wheel</u>

The tractor will be of heavy duty construction compatible with off-road operation under all weather conditions. It must be highly maneuverable and must facilitate the smooth and efficient hitching and unhitching of the ferrous trailer.

The tractor must be equipped with the appropriate accessories for braking, lighting and safety. At a minimum, the requirements of the Maryland DOT must be satisfied.

The tractor must be equipped with noise reduction features. These will include such available options as additional insulation of engine area, "smart" back-up beepers which provide warning sounds 5dBa above background noise levels,

special mufflers, lagging on the exhaust and noise attenuating inserts in the exhaust system.

(iv) Three (3) new or "like new" 20' intermodal truck Chassis

"Chassis" means the truck chassis supplied by the Authority that the Company will use to transport Authority Containers between the Facility residue building and the Facility railyard.

The Chassis must be configured with the Authority Containers for an overall height suitable for the load out of ash in the existing residue building. The Chassis' wheel axles must be suitable so that the existing scales in the residue building can be used to weigh the Residue.

The Chassis will be suitable for holding Authority Containers securely in place and will be light weight and designed for long life.

The Chassis will be suitable for all year round operation including inclement weather conditions. All appropriate braking, lighting and safety features must be supplied with the units.

The Chassis will have provisions that permit easy placement and securing of the Authority Containers during a loading cycle by an intermodal container handler. The Chassis must permit the easy unfastening and removal of the Authority Containers during an unloading cycle by an intermodal container handler.

One of the Chassis must be provided with a mechanism to enable the Chassis to lift an Authority Container so that the contents can be emptied. This Chassis will enable the Company to unload an Authority Container that may be overfilled, leaking or in need of being unloaded for other purposes.

(v) Authority Containers

1. The Authority Containers shall be of 2 types, as follows:

(a) The AH Containers shall be 20-foot long totally enclosed, sealed International Standards Organization (ISO)

intermodal-type suitable for the transport of Residue. The AH Containers will be provided with hatches approximately 10 feet by 6 feet at the top of the container and non-skid paint adjacent to and on top of the hatch. The Authority will provide the Company with a sufficient number of AH Containers at all times to allow the Company to load out the Residue on a consistent basis. The Company will manage the inventory of Residue in the pit and the number of available AH Containers to allow for surges and to minimize the use of additional equipment.

(b) The AO Containers shall be 20-foot long open top International Standard Organization (ISO) intermodal- type suitable for the transport of Nonprocessible Waste, Bypassed Waste and Ferrous Rejects. The Authority will provide the Company with a sufficient number of AO Containers at all times to allow the Company to load out Nonprocessible Waste, Bypassed Waste, and Ferrous Rejects on a consistent basis. The Company will manage the inventory of Nonprocessible Waste, Bypassed Waste and Ferrous Rejects to be loaded and the number of available AO Containers to allow for surges and to minimize the use of additional equipment.

2. All Authority Containers will comply with the following:

a) Each container must be watertight and designed for a maximum gross weight rating of approximately 70,000 pounds.

b) All must have a weather-proof receptacle for suitable storage of the weigh ticket.

c) Each will be designed to withstand the stress of compaction and the impacts associated with crane, rail and truck operations. Each will be configured for intermodal transportation in conformance with the Authority Railcars and truck Chassis requirements. The design must also allow for outdoor operation in subfreezing temperature.

d) The Authority Containers must have Standard ISO corner posts as guides and bearing plates as appropriate to allow for stacking and securing (with locks and locking pins, if required) up to at least 3 units high in designated laydown or storage areas. The design must permit containers to withstand both static and dynamic loads when empty, full or stacked.

The Authority will supply the initial supply of locks and locking pins, if required. The Company will care and maintain the locks and locking pins.

3. Should an emergency arise that is outside the control of the Authority which impedes the Authority from delivering the necessary number of AH Containers, the Authority may use AO Containers, or other suitable ISO intermodal containers for the transport of Residue.

(vi) Authority Railcars

The Authority Railcars shall be a sufficient number of flatbed railcars suitable for transport of the filled Authority Containers by rail from the Facility to the Designated Landfill and return to the Facility of empty Authority Containers in a timely manner to enable the Company to load out Residue and waste in a consistent manner. The Authority Railcars shall meet all Applicable Law and Association of Americas Railroads (AAR) specifications.

(B) Transfer Station Equipment

The Authority will provide the following equipment at the Transfer Station for transport of Nonprocessible Waste, and Bypassed Waste identified at the Transfer Station. This equipment shall be installed by the Authority in accordance with Section 7.1 Equipment Installation herein, except for sections 7.1.2.4 and 7.1.2.5 which do not apply.

(i) Authority Trailers

Authority Trailers must be suitable for loading with approximately 20 tons of waste, configured with a single back door and be of a suitable height and width to enable loading by all of the compactors at the Transfer Station.

The Authority Trailers must be equipped with mechanisms compatible with the Company shuttle trucks for connecting the Authority Trailers to the Company trucks. The Authority Trailers must be equipped with appropriate tarps and tiedowns.

The Authority Trailers shall have an appropriate weather-proof receptacle for placement of the weigh ticket.

The Authority shall provide a sufficient number of Authority Trailers to enable the Company to load out Nonprocessible Waste and Bypassed Waste. At the average current rate of approximately 1500 tons per month of Nonprocessible Waste and no Bypassed Waste it is contemplated that 7 Trailers will be sufficient. The Authority will provide the Company with a sufficient number of Authority Trailers at all times to allow the Company to load out the Nonprocessible Waste and Bypass Waste completely each day.

The Company shall manage the inventory of Nonprocessible Waste and Bypass Waste to be loaded and the number of available Authority Trailers to allow for surges and to minimize the utilization of additional equipment. However the Company must load out all Nonprocessible Waste and Bypass Waste each day.

(ii) <u>One (1) new or "like new" tractor with hydraulic fifth wheel and hydraulic unit</u>

The tractor will be of heavy duty construction compatible with off-road operation under all weather conditions. It will be highly maneuverable and will facilitate the smooth and efficient hitching and unhitching of the truck chassis. The tractor will be equipped with hydraulic units to activate the tilting frames of the 40 foot tipping chassis at the Facility. The tractor will be equipped with the appropriate accessories for braking, lighting and safety. At a minimum, the requirements of the Maryland DOT will be satisfied.

The tractor will be equipped with noise reduction features. These will include such available options as additional insulation of engine area, "smart" back-up beepers which provide warning sounds 5dBa above background noise levels, special mufflers, lagging on the exhaust and noise attenuating inserts in the exhaust system.

7.18 Brunswick Agreement Requirements 29/

Pursuant to the Brunswick Agreement, the Authority will pave both interior sides of the Facility railyard for normal daily use by the intermodal container handler for Residue container operations. The Company shall review the design of the pavement before it is applied. The design and construction of this pavement shall be able to withstand 20% greater than the maximum wheel load of the intermodal container handler (Reference 5.8.2 of this Schedule 1B). Pursuant to the Brunswick Agreement, the Authority shall obtain any permits required to construct the modifications and shall provide all necessary quality assurance personnel and provide in place and laboratory records consistent with MDOT practice to the Company to substantiate that the installed pavement meets the specification. This area will be approximately 800' x 74' wide tapering to the gantry crane interior runways on the north end of the Facility railyard.

7.19 Truck Scale 30/

One (1) electronic, pitless type truck scale will be provided approximately thirty (30) feet east of the scalehouse at the Transfer Station. The scale will have a minimum capacity of 60 tons. This scale will be capable of weighing vehicles as described in Section 4.5 (b) of this Agreement.

The basic scale design will have been previously approved for use by the National Institute of Standards & Technology. (NIST) and will comply with all the rules and regulations promulgated by the local authorities in charge of Weight and Measures for accuracy, type, construction and operation meeting the requirements of the National Type Evaluation Program (NTEP).

The weighing platform will be of the low profile pitless design, having a minimum of 2" vertical clearance between weigh bridge and foundation.

29/ Boldfaced text added pursuant to Change Order #62.

30/ Boldfaced text added pursuant to Change Order #64.

The platform frame will consist of welded and/or bolted structural steel. The top surface of the platform ("deck") will be reinforced concrete.

The weighing instrumentation will be capable of powering load cells, electronics, indicators, and control circuitry. Control circuitry will sum all load cell output signals. All circuits will be protected from lightning and transient line surges.

The weighing electronics will be unaffected by RFI, EMI, or electrostatic discharge as required by NIST Handbook 44.

A local digital weight indicator will be furnished for the scale. The indicator will have a digital display. The indicator will meet the requirements of the NIST Handbook 44 with regard to RFI, EMI interference.

The scale will meet the accuracy requirements of the NIST Handbook 44 for Class V Devices, NTEP, and all applicable local weights and measures regulations.

Wiring will be provided between the Company Scale and the County scale house sufficient to allow use of the scale by the County.

7.20 Backup Diesel Generator 31/

The Authority will provide a backup diesel generator for the Transfer Station. The diesel generator will be an Elliott Magnetek, Model 780RD or similar. The Company shall perform daily inspections and fueling operations for the generator with no increase in the Operating Charge. For maintenance and testing specified in the Operations and Maintenance Manual that requires an outside contractor, the Company shall contract with a vendor that is familiar with this unit and bill the Authority for these charges as an Approved Passthrough Cost.

Should the backup diesel generator be utilized to provide auxiliary power for the operation of the Transfer Station, Covanta will provide fueling and general maintenance with no

31/ Boldfaced text added pursuant to Change Order #79.

increase to the Operating Charge. While the backup diesel generator is being utilized for auxiliary power, the Company will operate the Transfer Station in a manner that will not exceed the load limits of the backup diesel generator.

7.21 Over-the-Road Truck Chassis 32/

Over-the-Road Truck Chassis' operation, maintenance, and replacement responsibilities shall be governed according to Schedule 44.

7.22 Additional Rail Track at the RRF and Transfer Station 33/

The operation, maintenance, and replacement responsibilities for the additional rail track shall be governed according to Schedule 44.

7.23 Rail Car Mover

The operation, maintenance, and replacement responsibilities for the rail car mover shall be governed according to Schedule 44.

7.24 Additional Rail Cars

The operation, maintenance, and replacement responsibilities for the additional rail cars shall be governed according to Schedule 44.

8. TRANSFER STATION MODIFICATIONS

The Transfer Station will be modified to allow the compaction and loading of Processible Waste into the containers and the Transfer Station site will be modified to allow for the loading and unloading of containers onto rail cars and trucks.

8.1 Transfer Station Site Layout and Design

The existing Transfer Station Site will be modified to accommodate the new refuse operation. 34/ The modifications will have minimal effect

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32/ Added pursuant to Change Order #95.

33/ Added pursuant to Change Order #95.

on the current refuse delivery system unloading operations. Road modifications will be provided as described below. New paving materials and construction details will match as closely as reasonably possible that of the existing pavement at the Transfer Station. New signage and lane markings will be provided as reasonably required to facilitate improved traffic patterns.

8.2 Transfer Station Building Modifications 35/

For the **three** refuse compactors that will be installed in the tunnel of the Transfer Station, existing pavement under the compactors will be saw-cut and new foundation pads will be poured. The top of the new compactor foundations will be flush with surrounding pavement. Drainage lines will be relocated around the new foundation.

On the tipping floor of the Transfer Station, three of the existing charging openings will covered. One opening will remain to allow loading of open top containers. All three compactors will be located under existing openings, each of which will be equipped with steel plate chutes to direct the refuse into the compactors.

8.3 Road Modifications

Road modifications will be performed in accordance with Section 5.9 Paving, Curb and Gutter, and Surfacing to accommodate the new mode of operation for the Transfer Station. New paving materials will match existing pavements as close as reasonably possible.

9.0 RAIL TRANSPORTATION SYSTEM

A Rail Transportation System will be provided for the Facility and Transfer Station operation as described below.

9.1 Facility Site Rail Transportation System 36/

The Facility Site rail system will consist of trackage within the Facility Site (on-site) and trackage within the PEPCO easement (off-site).

34/ Modified pursuant to Change Orders #26 and 62.

35/ Boldfaced text amended pursuant to First Amendment.

36/ Boldfaced text added or amended pursuant to First Amendment.

The off-site trackage will consist of a single rail spur connected to the PEPCO Main Track northwest of the Facility site and running **within** the 24' wide easement **and a double track (main and runaround track) running within the 36' wide easement**, as described in Exhibit B of Schedule 20, up to the Facility site. Degree of curve will not exceed **12°, except as approved by CSX.**

The on-site trackage will consist of a rail loading/unloading area at the Facility site and will be constructed northwest of the Facility. The railyard will consist of **three** loading/unloading tracks, **one** runaround track, and a storage and maintenance track. **Each of the three** loading/unloading tracks will be capable of handling **19 stand-alone** rail cars. The storage and maintenance track will be capable of storing **eight** railcars.

The trackage for the Facility Rail Transportation system has been based on the overall length of a **railcar** to be approximately **67** feet. Trackage will be provided to accommodate the actual length of the railcar as purchased.

Stormwater will be directed by catch basis, swales, and surface grading to the facility retention pond located southwest of the railyard.

9.2 **Transfer Station Rail Transportation System** 37/

The Transfer Station rail system will consist of trackage within the Transfer Station Site (on-site) and trackage from the Sears side track to the Transfer Station Site (off-site), as shown on Dwg. **T-301.**

The off-site trackage will consist of a lead track and a runaround track connecting to the Sears side track and running between the Sears siding and the Metro railyard up to the Transfer Station property. Degree of curve will not exceed **12° unless approved by CSX**. The existing Sears lead track serving these two branches will be upgraded to suit specific requirements.

The on-site trackage will consist of a rail loading/unloading area at the Transfer Station site and will be constructed northwest of the existing Transfer Station buildings. The railyard shall consist of four loading/unloading tracks and a storage and maintenance track. Two loading/unloading tracks shall be capable of handling **12 stand-alone** rail cars and two loading/unloading tracks shall be capable of handling

37/ Boldfaced text added or amended pursuant to First Amendment.

7 stand-alone rail cars. The storage and maintenance track shall be capable of storing **5** rail cars. **An** oil separator drip pan **is provided** where the engine(s) will be parked.

The trackage for the Transfer Station Rail Transportation system has been based on the overall length of a **rail car** to be approximately **67** feet. Trackage will be provided to accommodate the actual length of the railcar as purchased.

Stormwater runoff from the track loading-unloading area will be collected in swales and catch basins, and directed to **a paved swale on WMATA's property**. The discharge rate will be limited to calculated pre-developed runoff for a two year storm.

All construction above the existing, or construction of relocated if required, WSSC waterlines will be in accordance with WSSC requirements and County requirements.

9.3 Track Construction Specifications

The Track Construction Specifications for the Facility Rail Transportation System and the Transfer Station Rail Transportation System are described below.

The tracks at both the Transfer Station Site and the Facility will be designed and constructed in accordance with the Guidelines for Design and Construction of Industrial Tracks, CSX Transportation, Inc., June 14, 1988; the American Railway Engineering Association (AREA) Manual for Railway Engineering; standard practices in the railroad industry and as approved by CSX Transportation, Inc. The design and construction standards used for this project will be for industry tracks, as defined by CSX Transportation, Inc.

Track material, such as rail, cross ties, tie plates, stone ballast and joint bars, will be specified in accordance with the Standard Specifications for Track Construction of the CSX Transportation, Inc., October 26, 1989 (as revised) and as supplemented below. All track material specified will be done so in accordance with the above standard specifications and supplemental specifications described below and approved by CSX Transportation, Inc. prior to installation in the track. Specialty trackwork items, such as switches, rail lubricators and derails, will also be specified in accordance with CSX Transportation, Inc. standards. The rail lubricators will be provided to reduce noise and to reduce wear of wheels and rail.

Placement of these lubricators will be on and/or approaching curves. The number and location will be determined by the degree of curvature, grade, CSX requirements and standard industry practice. The lubricators will be of the graphite type.

The following track material specifications supplement the aforementioned CSX specifications and will also apply.

Rail: 115 RE or heavier; controlled cool section, fit or new to CSX Class I Specifications

Joint Bars: 6 hole, 36-inch fit or new to CSX Specifications

Tie Plates: 13"x7-3/4" fit or new to CSX Specifications

Crossties: 7"x9"x8'-6", treated oak or mixed hardwood, installed at 19½ centers

Switch ties: 7"x9", treated oak

Switch point guards on tracks shall be provided at the following sites: 38/

Facility Site

1. "A" runaround
2. B to A crossover switch
3. Maintenance turnout

Transfer Station Site

1. "A" turnout
2. "C" turnout
3. Maintenance turnout

Rail Anchors: On grade at Transfer Facility anchor every second tie against the grade and very fourth tie with the grade (i.e. 18 per 39' rail) and 12 per 39' rail elsewhere, including turnouts.

38/ Amended pursuant to Change Order #40.

Ballast: Refer to CSX drawing, standard Roadbed and Ballast Section for Industry Tracks: A minimum of 8 inches of ballast will be provided in place of the 6 inches shown on this drawing.

In areas where the tracks are paved, a minimum of 12 inches of ballast (no-sub-ballast) under the ties will be provided.

All ballast will be to CSX main line specifications.

Geotextile: To be installed under ballast at turnouts and all areas where tracks are paved. Good quality will be selected, commonly used for railroad applications.

Construction methods used will also be in accordance with the above standard specifications. Proper care will be taken during construction to insure that the track is constructed in accordance with the approved plans and construction standards, and the construction is of high quality.

9.4 Facility Site Fire Protection

The Facility Site Fire Protection will consist of a buried yard branch from the Facility yard loop for protection of the railyard loading/unloading area. Hydrants will be located at approximately 300 foot intervals along the railyard. Fire protection will be designed in accordance with the requirements of NFPA-24.

9.5 Transfer Station Site Fire Protection

The Transfer Station Site Fire Protection will consist of a buried yard branch from the existing Transfer Station yard fire protection piping system for protection of the railyard loading/unloading area. Hydrants will be located at approximately 300 foot intervals along the railyard. Fire protection will be designed in accordance with NFPA-24.

9.6 Spare Parts List

A computerized spare parts list will be provided for the Rail Transportation System.

10.0 HAULING OF YARD WASTE 39/

The Company will haul yard waste from the Transfer Station to the County's Compost Facility in Dickerson, Maryland using the truck shuttle and rail transportation system. The following is a description of additional services, broken down into three phases, to be provided by the Company and the responsibilities of others necessary for the Company to provide such additional services.

(i) Transfer Station Phase - The Company will position a Company chassis and an open-top container at the yard trim loading ramp for loading by County personnel (or designated County agent). Material will be loaded evenly and unmounded beyond the top of the container. Loading operations will be periodically reviewed and modified as mutually agreed due to operational consideration. Upon completion of loading, the container will be moved to the tarping scaffold to be properly tarped by Company personnel to prevent spillage en route, weighed at the Transfer Station scale, and hauled to the rail yard with a Company tractor. The Company will supply all tarps used in hauling yard trimmings. All tarps will conform to specification as set forth by Montgomery county.

When the supply of yard trimmings to be shipped exceeds the capacity of the County-supplied open-top containers, the Company may use closed containers for the transport of yard trimmings. These containers will be used for the haul of yard trimmings only and not refuse or ash unless specifically cleaned before use. For such cleaning, ash containers must be pressure washed and all containers must be completely free of debris and are subject to inspection by the County. The decision whether or not to use closed containers to haul yard trimmings will be made in consultation with the County's designated project manager regarding the status of yard trimmings hauling operations in an attempt to minimize material stored at the Transfer station and recognizing the County maintains the right to restrict the use of closed containers due to operational considerations at the Dickerson Compost Facility.

39/ Boldfaced text amended or added pursuant to Change Order #56.

When loading yard trimmings into a closed container, the Company will position a walking floor trailer free of debris at the yard trim loading ramp for loading by County personnel (or designated county agent). Upon completion of loading, the company will move the trailer to the tipping floor for loading into the compactor, and then into a clean closed container. That container will then be taken by the company to the rail yard with a Company tractor.

Once the container is delivered to the rail yard, it will be placed on the next train or into storage awaiting the following train. When possible, all containers of yard trimmings will be shipped on the first or second train after delivery to the rail yard. In the event this schedule is not possible, the Company will consult with the County's designated project manager regarding the status of yard trimmings hauling operations in an attempt to shorten the operational cycle.

(ii) Facility Phase - Upon arrival at the Facility rail yard, any containers of yard trimmings on the train will be unloaded and either placed into storage on a rail siding or placed on a Company tipping chassis and delivered to the Dickerson compost Facility. When possible, all containers will be delivered no later than 2:30 PM of the day they are shipped, or in the morning of the following workday. In the event this schedule is not possible, the Company will consult with the County's designated project manager regarding status of yard trimmings hauling operations in an attempt to shorten the operational cycle.

(iii) Dickerson Compost Facility Phase - Upon arrival at the Dickerson Compost Facility, trucks will be weighed and the driver will be told where to unload. Upon satisfactory unloading of the container, the driver will return to the Dickerson Compost Facility scale for a tare weight. If the tare weight process proves to be a substantial burden, the County and the Company will work together to find a procedure acceptable to both parties. The container will then be returned to the Facility yard, and then to the Transfer Station on the next available train.

(iv) General Conditions -

- **It is intended that the hauling of yard trimmings from the Transfer Station to the Dickerson Compost Facility be**

accomplished as quickly as is feasible. To the extent that the County feels this is not being accomplished, The Authority, County and the Company will consult and work together to shorten the operational cycle of the task.

- **The Authority and County make no guarantee as to minimum amounts to be delivered.**

- **The Company, the County and the Authority will work together to maximize the amount of yard waste hauled by rail to the Dickerson Compost Facility. The actual amount hauled will depend on operational considerations, such as, insuring that all municipal waste received at the Transfer Station is first delivered to the Facility, and the available number of County provided open top containers.**

To perform the services as described above, the Company shall be reimbursed at a rate of $60.48, adjusted by the Operating Inflation Adjustor as of the first day of each Fiscal Year, for each container of yard waste transported in such Fiscal Year, except for Fiscal Year 1996 which shall be reimbursed at a rate of $72.00. This payment shall be considered an Approved Pass Through Cost under paragraph (xi) of Approved Pass Through Costs in Section 5.1 of this Agreement. The Company shall identify separately the CSX costs associated with the rail transport of MSW and Residue.

11.0 COMMUNICATIONS

Special Communications gear will be installed to allow for 2-way and 3-way radio communications as appropriate.

A multi-channel, multi-frequency radio system will be furnished which allows communications between adjacent crane cabs, the load dispatcher office and the compactor operators. One channel will be reserved on a special frequency for emergency communications.

Portable 2-way radio sets will be supplied as appropriate.

Base communications equipment will be supplied and installed in the Central Control Room as needed to coordinate the Transfer Station operations.

12.0 DATA MANAGEMENT

Data Management equipment will be provided to monitor and record the weighing information of the transport of refuse and residue between the Transfer Station and the Facility and the refuse and residue between the Transfer Station and the Oaks Landfill.

The data management equipment will receive weight information at the Transfer Station from the weigh scales at the compactors and the existing truck scales at the scalehouse. At the Facility weight information will be received from the residue weigh scale at the residue loading area. The compactors will be provided with a local digital readout capable of being hardware accessed for connection to an electronic data transmission system.

The data management equipment will include a central data logger and printer.

13.0 RADIOACTIVE MATERIAL DETECTION EQUIPMENT

The Transfer Station scalehouse will be equipped with appropriate Geiger counter or other such equipment for the detection of radioactive materials. 40/

The Company shall furnish and install a Bicron Model ASM-3000E/11 radiation monitor at the entrance to the Tipping Floor at the Facility providing a visual and audible alarm for the drivers at the door of the Tipping Building and an alarm in the Control Room. The monitor's control unit shall be installed in the Control Room where the unit can be protected and alarms can be addressed at any time.41/

The Company shall install two (2) Bicron Model ASM-3000E/11 radiation monitors at each of the inbound scales at the Transfer Station providing a visual and audible alarm for the drivers and an alarm in the Scalehouse. The monitor's control unit is to be installed in the Scalehouse where the unit can be protected and alarms can be addressed at any time. 42/

40/ Boldfaced text added pursuant to First Amendment.

41/ Boldfaced text added pursuant to Change Order #77.

42/ Boldfaced text added pursuant to Change Order #81.

14.0 NOISE MITIGATION MEASURES 43/

Noise mitigation measures for the Project shall comply with the Orders issued by the Acting Director of the County's Department of Environmental Protection, Mr. Robert C. Merryman dated February 14, 1995 and March 17, 1995 respectively. While the Authority and the Company agree that the Project appears to be in compliance of their interpretation of the Orders, if this interpretation proves to be invalid and a violation results with respect to mobile sources or gantry cranes, and the Facility is otherwise in compliance with this Agreement with respect to design and operations that affect noise mitigation, the cost to correct such violation and any penalties related to such violations shall be considered an Uncontrollable Circumstance, the cost of which the Company is not required to share pursuant to Section 9.8 of this Agreement.

In addition, if the Orders are amended through an appeal process or otherwise, which results in a more strict interpretation of the Orders, and the Facility is otherwise in compliance with this Agreement with respect to design and operations that affect noise mitigation, such amendment will be considered an Uncontrollable Circumstance the cost of which the Company will not be required to share pursuant to Section 9.8 of this Agreement. Further, if any noise mitigation is required pursuant to an amended Order or State enforcement, the Authority will not require such mitigation prior to the occurrence of the Acceptance Date.

The Company shall implement the Orders as follows:

(i) The letter from the Company regarding the noise barrier is hereby superseded. All activities related to the design, procurement, permitting, fabrication, and construction of the noise barrier generally defined as the "PEPCO wall" and the "Compost wall" shall be halted immediately.

(ii) With regard to the "Park wall", on or before the date the Facility is certified as acceptable to the Authority in

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43/ Boldfaced text added or amended pursuant to Change Order #44.

accordance with Section 3.5(b) of this Agreement, the Facility will be in compliance with the property line standards of the County's Noise Ordinance and the Order, including the construction of a properly designed acoustic barrier approved by the Authority, along the Dickerson Conservation Park boundary with the Facility. The Company shall submit to the Authority a modified design of this wall and its specification. Within 3 business days of receipt of these modifications or other minor modifications during construction, the Authority may provide its comments to the Company and such comments will be incorporated into the design and specifications if the Company agrees to the changes. The Authority and the Company will not unreasonably withhold their respective approvals of such modifications. Unless notified by the Authority that the design is not approved, the design will be deemed to be approved by the Authority, and the Company may proceed with construction. In any case, the Company is responsible for obtaining and maintaining all permits and approvals related to the design and construction of the Park noise barrier.

(iii) When attenuated shuttle trucks are available, but prior to the date the Facility is certified as acceptable, the Company will undertake a study and develop actual noise contours of the haul road to the proposed ash landfill. The Company will develop abatement strategies, if necessary, to comply with the property line standard and deliver such strategies to the Authority within 15 days of the study.

(iv) When a locomotive becomes available on site, but prior to the date the Facility is certified as acceptable, the Company will evaluate the noise impact of the locomotive, including an octave band analysis. The Company will provide the Authority with results and analysis of such evaluation within 15 days of the evaluation.

(v) The provision of the Order section VII 1.a which relates to the PEPCO property is valid for a 10-year period beginning on the date of the Order. If this provision is not renewed so that it is effective for the entire term of

this Agreement, it will be considered an amendment to the Order.

(vi) The provision of the Order section VII 1.b which relates to the Compost Site is valid for a period of 1 year beginning on the date of the Order. If this provision is not renewed to be effective for the entire term of this Agreement, it shall be considered an amendment to the Order.

(vii) The Company is not required to develop continuous noise monitoring as required by Section VII, 6 of the Order. Such monitoring will be developed and conducted by others.

Schedule 2
to
Service Agreement

LIST OF CERTAIN ALLOWANCE ITEMS 1/

The following represents items that, as of the date hereof, have not been defined to the extent necessary for inclusion in the Fixed Construction Price and are therefore being designated as allowance items for the purposes of **a Fixed Construction Price Adjustment** :

1. Modification to the Controlled Storage Facility, including but not limited to, relocation of the Controlled Storage Facility Pond, related items and other items such as piping, construction of drainage swales and a retaining wall in the vicinity of the Existing Controlled Storage Facility and other items as required by the Facility Site Agreement. **The Company will perform this work for the fixed price of $1,009,000 multiplied by the Construction Index.**

2. Construction of the PEPCO Ash Haul Road, Rail Overpass Road (Proposed Related Access Road) and the Access Road Through Composting Facility (off-site access road) to the extent, and only to the extent that final specifications for these items (i.e., Montgomery County Department of Transportation "Standard Business District Road - Standard No. 51" for the paving and "Standard Open section Primary Road - Standard NO. 47A" for the roadway width; and "Chapter 4 - Alignment - Geometrics" of the Maryland Department of Transportation Highway (MDOT) Development Manual, using a 40 mile per hour design speed) are required by PEPCO or Applicable Law to be more stringent than those of the existing roads or the design of such items originally submitted by the Company to the Authority as part of the Company's initial proposal regarding the Project or to the extent that they are required to be constructed beyond the limits shown on Dewberry & Davis Drawing number HO-DR-ASL-C-1-11-0001. **The Company will perform this work for the fixed price of $2,368,000 multiplied by the Construction Index.**

3. Construction of rail lead track, and rail side track at the Facility to the extent, and only to the extent, additional civil work is required in the event that PEPCO requirements do not allow the Facility lead track to follow existing grades up to an elevation of 335 feet (above sea level) at the rail overpass and construction of railroad track at the Transfer Station to the u, and only to the extent, that the track alignment or profile varies from that shown on Drawing C105, Revision E, dated May 14, 1990. **The Company will perform the Facility**

1/ Boldfaced text amended or added pursuant to the First Amendment.

Site work for the fixed price of $505,000 multiplied by the Construction Index. The Company will perform the Transfer Station work for the fixed price of $725,000 multiplied by the Construction Index.

4. **Construction of rail track conduit and fill located adjacent to the PEPCO warehouse as required by PEPCO. The Company will perform this work for the fixed price of $89,000 multiplied by the Construction Index**.

5. Construction and installation of noise mitigation measures, as described in the Noise Plan referenced in Schedule 23, to allow the Project at the Facility Site to comply with Applicable Law regarding noise levels.

6. Construction of an off-site run-around track, and any related items, at the Facility. **The Company will perform this work for the fixed price of $586,000 multiplied by the Construction Index.**

7. Extension of the vehicular apron upon the triangular easement at the northern end of the Facility side track and any items associated with such extension. **If requested in writing by the Authority, the Company will perform this work for the fixed price of $500,000 multiplied by the Construction Index.**

Schedule 3
to
Service Agreement

PROTOCOLS FOR INVESTIGATING THREATENED AND ENDANGERED SPECIES AND ARCHAEOLOGICAL FINDS

1. THREATENED AND ENDANGERED SPECIES

The Fixed Construction Price includes the Threatened and Endangered Species Protocol and Stage 1A and Stage 1B of the Archaeological Finds Protocol. If necessary, Stage II of the Archaeological Finds Protocol will be done as an Authority/County ordered change.

(a) Regulatory Requirements

The primary law governing the protection of threatened or endangered species is the federal Endangered Species Act of 1973. Any project which is found to impinge upon the critical habitat of species on, or considered for inclusion on, the federal list of protected species must be approved by the Secretary of the Interior. The Federal Fish and Wildlife Coordination Act provides the Secretary of the Interior with the authority to protect all species of wildlife and their habitat. This statute applies primarily to the impounding, diverting or controlling of waters.

(b) Agency Review

Assessment of threatened and endangered species on the proposed site entails requesting environmental reviews from the U.S. Fish and Wildlife Service and the Maryland Natural Heritage Program:

U.S. Fish and Wildlife Service
1825 B Virginia Street
Annapolis, MD 21401
Attn.: Judy Jacobs

Maryland Natural Heritage Program
Forests, Parks and Wildlife
Tawes State Office Building
Annapolis, MD 21401
Attn.: Donald MacLanchlan

The requests shall be in the form of letters and maps depicting the location and describing the proposed project. Typically, three copies of a USGS 1:24,000-scale locus map are required. There is generally a one or two month turn-around for a response.

(c) Literature Review

During the agency response time, a review of existing data relevant to the site area shall be conducted. These data shall include published and unpublished studies on the site including the recent studies done by PEPCO for Station M, or in the site area, data in agency and/or organization files (e.g., the Maryland breeding bird atlas project), and general information on the occurrence of threatened or endangered species in Maryland (e.g., White, 1982, Endangered and Threatened Wildlife of the Chesapeake Bay Region). The Natural Heritage Program also has a general publication identifying Threatened and Endangered species within the State, and their ranges.

(d) Site Field Reconnaissance

A site visit shall be undertaken by a senior ecologist to assess habitat quality, level of disturbance, and potential for the occurrence of any of the 76 animals or 267 plants currently listed as threatened and endangered in Maryland. The timing of the site visits shall be discussed with the agencies and the visit or visits shall be made to coincide with the growing season to maximize the likelihood of encountering these species. During the site walkover, existing habitats shall be characterized and searches shall be conducted for threatened and endangered species in suitable habitats. Surveys shall be conducted at the general reconnaissance level. No intensive trapping or enumeration techniques shall be used. Determinations of wildlife occurrence shall be based on observations and signs (e.g., tracks, scats, etc.). Plant specimens shall be vouchered only in instances where confirmation of identification is necessary. Photographic documentation of typical communities shall also be obtained, especially in instances where threatened and endangered species are encountered. Specimen identification shall be confirmed by a plant taxonomist when a suspected threatened and endangered species is involved. A brief report presenting the results of the investigation shall be submitted to the Authority following the field effort.

2. ARCHAEOLOGICAL FINDS

(a) Regulatory Requirements

The preeminent legislation guiding construction in areas of cultural significant is Section 106 of the National Historic Preservation Act of 1966, which requires that any federally funded project which impacts cultural resources listed in or eligible for the National Register must be approved by the Advisory Council for Historic Preservation. For non-NEPA jurisdiction projects, historical/archaeological reviews are typically performed on the state level.

(b) Agency Review

Scoping of archaeological investigations in Maryland is an interactive process with the Maryland Historical Trust (MHT). A project review must be initially requested:

Maryland Historical Trust
21 State Circle
Annapolis, MD 21401
Attn: Elizabeth Cole, Administrator of Archaeological Services

At the same time, a review shall be requested from the Montgomery Preservation, Inc. (c/o Bobbie Haan), a non-profit organization from whom the state is likely to seek input. Additionally a review of the studies done by PEPCO for Station H will be made.

The request letter shall include a project description and a copy of a USGS 1:24,000-scale map with the site location indicated. Responses usually are received within one week.

(c) Literature and Field Investigations

Subsequent studies shall be required if MHT deems they are warranted. Typically, a tiered effort is used to evaluate the proposed project. The investigation is divided into stages with increasing intensity and detail, as described below.

Stage I Surveys

Stage I surveys are designed to determine the presence or absence of cultural resources in the project's potential impact area. The Stage I survey is divided into two logically progressive steps.

Stage 1A is the initial level of survey and is carried out to evaluate the overall intensity of the project area for the presence of cultural resources as well as to guide subsequent field investigations, should they be warranted. Stage 1A entails a literature search of sources at the Maryland Historic Trust, universities, local libraries, museums, and historical societies. An initial field inspection, in the form of a site walkover, is undertaken. The Stage 1A document reports the cultural history of the project area, an evaluation of the area's known and potential sensitivity for cultural resources which might be affected by the proposed project. The Stage 1A report makes recommendations for the subsequent Stage 1B investigation.

Stage 1B involves field investigations to determine the presence or absence of cultural resources. The areas to be subjected to surveys are selected on the basis of the data gathered in the Stage 1A investigation and the areas to be disturbed in construction of the proposed project. Subsurface testing is the major component of this level of survey and is required unless the presence or absence of resources can be determined by direct observation or by examination of specific documented references. Detailed evaluation of resources is not carried out at this level; instead, the careful location of these resources with respect to areas of impact of the proposed project is established.

If no cultural resources are discovered, the survey process is complete. If resources are discovered and cannot be avoided through modification of project design, a Stage II investigation will likely be required.

Stage II surveys are detailed investigations of identified cultural resources that cannot be avoided by reasonable modification of the project design. Research is carried out on each of the identified resources to provide adequate data to allow a determination of the resource's eligibility for inclusion on the National Register. The Stage II report should include, at a minimum, information on boundaries, integrity and significance of the resource(s) and an evaluation of the impact of the proposed project.

Mitigation is conducted if a resource included or eligible for inclusion on the National Register is identified and impacts to the resource by the proposed project are anticipated. Mitigation plans must be based on engineering, environmental, economic, and resource preservation concerns. Mitigation may take the form of avoidance, reduction of direct impact, and/or data recovery prior to disturbance.

(d) Archaeological Subcontractor

Archaeological investigations are specialized surveys which are carried out most effectively by local specialists. If MHT requires specific site investigations, the Company will utilize the services of a specialist approved by MHT and the Authority. Two such specialists include:

Greenhorne & O'Mara
7001 Edmonston Road
Greenbelt, Maryland 20770

Hunter Research Associates
714 S. Clinton Avenue
Trenton, New Jersey 08611

Schedule 4
to
Service Agreement

PAYMENT PROCEDURES

1.0 APPLICATION FOR PAYMENT

1.1 Section 1 of this Schedule 4 applies only to requisitions by the Company for amounts payable to it as part of the Fixed Construction Price (as adjusted in accordance with this Agreement). Within five (5) Business Days before or after the end of each month, the Company must submit to the Consulting Engineer an itemized Application for Payment indicating the percentage of work completed on the Project pursuant to Exhibit A to this Schedule 4. Applications for Payment must include only payments for (i) work, materials and equipment or other construction-related work in accordance with the Construction Milestone Schedule attached as Exhibit A, (ii) work in progress on or off the Project Sites for which the Authority has agreed to make the progress payments being requisitioned, or (iii) subject to Paragraph 1.3, amounts payable in respect of Fixed Construction Price Adjustments pursuant to Paragraph 1.3. No Applications for Payment will be required to be submitted for requisition pursuant to Paragraph 5.0

1.2 Each Application for Payment must contain or be accompanied by a certificate of the Company Representative certifying that (i) the work for which payment is sought has been performed, to the extent indicated in the Application for Payment as determined pursuant to Exhibit A to this Schedule 4, and in accordance with the Specifications and Detailed Plans, subject to minor deviations for which the Company has developed a plan for correction which has been approved by the Consulting Engineer and the Authority, (ii) the Required Insurance and the Payment Bond are in full force and effect, (iii) the amount received by the Company pursuant to all previous Applications for Payment, together with the amount being requisitioned, does not exceed the current cumulative draw amount as established pursuant to Exhibit A to this Schedule 4, (iv) there are no liens, charges or encumbrances on any work, materials or equipment relating to the Project or the Project Site other than Permitted Liens, and (v) such other matters as the Trust Indenture may require. Each Application for Payment must also be supported by such information as is consistent with the verification methods described in the milestone schedule set forth in Part A of this Schedule 4 and reasonably necessary to substantiate the Company's completion of individual milestones.

If the Company anticipates that a Fixed Construction Price Adjustment will be in excess of $2,000,000, the Company and the Authority will either agree on a separate milestone schedule for such Fixed Construction Price Adjustment or agree to adjust the milestone schedule set forth in Part A in respect of such Fixed Construction Price Adjustment, and Applications for Payment submitted in respect of such Fixed Construction Price Adjustment, and construction Price Adjustment shall include a certificate that the work has been performed in accordance with either the separate milestone schedule or the adjusted milestone schedule, as the case may be, and that the amount being requisitioned does not exceed any draw amount limitations which are imposed pursuant to such milestone schedule.

1.3 Each Application for Payment for amounts payable in respect of a Fixed Construction Price Adjustment which is not requisitioned in accordance with Paragraph 1.2 above, or Paragraph 5.0 below, must be accompanied by a certificate of the Company Representative certifying (A) with respect to such work, the matters set forth in clauses (ii), (iv) and (v) of Paragraph 1.2 above, and (B) that the work for which payment is sought has been performed in accordance with the Specifications and Detailed Plans subject to minor deviations for which the Company has developed a plan for correction which has been approved by the Consulting Engineer and the Authority.

Applications for Payment under this paragraph shall not be required to state a percentage of work completed pursuant to the Milestone Schedule, and reimbursement for such Applications shall not be limited by the Milestone Schedule.

1.4 A copy of each Application for Payment and accompanying documentation must be submitted to the Trustee, the County Representative, the Authority Representative and the Consulting Engineer.

2.0 OBJECTION BY AUTHORITY OR COUNTY REPRESENTATIVE

Any objection by the Authority Representative or the County Representative to any Application for Payment must be made to, and received by, the Consulting Engineer, the Company and the Trustee within five (5) Business Days of receipt by the Authority Representative and the County Representative of the Company's Application for Payment. Such objections must be sustained or overruled, in whole or in part, and the Trustee must be so notified by the Consulting Engineer within the time limits specified in Paragraph 3.1 of this Schedule 4. If such objection is overruled, remittance must be made by the Trustee to the Company in accordance with Paragraph 4.0 of this Schedule 4. Thereafter, the Authority may contest the proprietary of such remittance pursuant to Section 14.15 of this Agreement. If it is determined that such remittance was not properly made, the Company must pay the Authority an amount equal to the amount of the

improper remittance, together with interest on such amount from the date of the improper remittance to the date payment is made calculated at the Late Payment Rate; and such payment constitutes the Authority's sole damages for the improper remittance. The Company must remit the amount of such interest to the Authority on the date such payment is made.

3.0 CERTIFICATION BY THE CONSULTING ENGINEER

3.1 Within ten (10) Business Days of receipt of an Application for Payment under this Schedule 4, the Consulting Engineer must issue to the Trustee a certificate of payment of such amounts as the Consulting Engineer believes the Company to be entitled to under Exhibit A to this Schedule 4 and the other provisions of this Agreement. If the Consulting Engineer's certification fails to certify for payment any amounts requested by the Application for Payment, it must state its objection and provide the Company Representative, the County Representative, the Authority Representative and the Trustee with a detailed explanation of its reasons therefor. If the Consulting Engineer fails to submit its certificate of payment or fails to note its objection to payment within the time specified above, the Consulting Engineer will be deemed to have issued a certificate of payment for the amount specified in the Company's Application for Payment.

3.2 The issuance of a certificate of payment constitutes a representation by the Consulting Engineer to the Trustee, based on its observation at the Project Sites and the data comprising the Application for Payment, that the work has progressed to the point indicated in the Application for Payment and that, to the best of its knowledge, information and belief, the quality of work is generally in accordance with the Detailed Plans Specifications and good engineering practices and the Company is entitled to remittance of the amounts requested in accordance with Exhibit A to this Schedule 4 and the other provisions of this Agreement. The Consulting Engineer must not be deemed by such certification to represent that it has made continuous or exhaustive on-site inspections to check the quality or quantity of work, or that it has reviewed the construction means, methods, techniques or procedures, or that it has made any examination to ascertain how or for what purpose the Company has used monies previously paid.

4.0 PAYMENT BY THE TRUSTEE.

4.1 When a certificate of payment is issued or deemed to have been issued in accordance with Paragraph 3.1, the Trustee must make remittance to the Company of the amount of the Application for Payment for such month within three (3) Business Days of the receipt or deemed receipt of such certificate. In the event of an objection by the Consulting Engineer, remittance must be made to the Company for all nondisputed amounts of the Application for Payment.

4.2 All disputed amounts must be invested by the Trustee in a manner consistent with the principles of sound financial management and preservation of capital and the standards for investment set forth in the Trust Indenture. If it is later determined that the Company was entitled to remittance of amounts set forth in an Application for Payment which were not remitted by the Trustee within three (3) Business Days after the Trustee's receipt (or deemed receipt) of the certificate of payment relating to such Application, then the Company is entitled to the remittance, together with interest on the remittance calculated at the Late Payment Rate, from the date the Company should have been paid until the date payment is made and such amount constitutes the Company's sole damages for delay of such payment. The Trustee must remit the amount of such interest to the Company on the date such payment is made.

4.3 At the time of its remittance to the Company, the Trustee must withhold the amount specified in Section 3.3(b) of the Service Agreement from the total amount approved for payment under an Application for Payment (until a maximum amount of $15,000,000 has been retained under this Paragraph 4.3), and the amount so withheld must be deposited by the Trustee in the Retainage Fund and disbursed in accordance with Article 6.0 of this Schedule 4.

5.0 ADDITIONAL PAYMENT BY THE TRUSTEE.

5.1 Notwithstanding the provisions of Section 1.1 and 1.2 of this Schedule 4, amounts payable to the Company in respect of any Fixed Construction Price Adjustment pursuant to Section 3.2(c) of this Agreement which is not for design, engineering or construction work performed by the Company shall be paid as follows:

5.2 The Company must submit invoices or other information substantiating the Company's right to reimbursement in respect of any amounts payable under this Section 5.2 to the Trustee, the Authority Representative, the County Representative and the Consulting Engineer. Within ten (10) Business Days of receipt of a regulation by the Company hereunder, the Consulting Engineer must issue a certificate of payment of such amounts as the Company believes the Company to be entitled to hereunder. An objection by the Authority to the Company's submission must be made by the Consulting Engineer and received by the Company and the Trustee within ten (10) Business Days of receipt by the Authority Representative, the County Representative and the Consulting Engineer of the Company's submission: provided, however, that any such objection shall be limited to (i) mathematical error, (ii) an assertion that the amounts invoiced have been paid pursuant to a previous requisition, or (iii) an assertion that such amount is not properly payable as a Fixed Construction Price Adjustment under the Service Agreement. If the Consulting Engineer fails to make an objection to the Company's submission within the time period specified above, the Consulting Engineer will be deemed to have issued a certificate of payment for the full amounts specified in the

Company's submission, and the Trustee shall remit to the Company the amount set forth in the Company's submission within three (3) Business Days of the receipt or deemed receipt of such certificate of payment.

5.3 In the event of any dispute, the Trustee shall remit to the Company all undisputed amounts within the time specified in Paragraph 4.1 above. All disputed amounts must be invested by the Trustee in a manner consistent with the principles of sound financial management and preservation of capital and the standards for investment set forth in the Trust Indenture. If it is later determined that the Company was entitled to remittance of amounts set forth in the submission which were not remitted by the Trustee within three (3) Business Days after the Trustee's receipt or deemed receipt of the certificate of payment, then the Company is entitled to the remittance, together with interest on the remittance calculated at the Late Payment Rate, from the date the Company should have been paid until the date payment is made and such amount constitutes the Company's sole damages for delay of such payment. The Trustee must remit the amount of such interest to the Company on the date such payment is made. If it is determined that a remittance to the Company was not properly made, the Company must pay the Authority an amount equal to the amount of the improper remittance, together with interest on such amount from the date of the improper remittance to the date payment is made calculated at the Late Payment Rate, and such payment constitutes the Authority's sole damages for the improper remittance. The Company must remit the amount of such interest to the Authority on the date such payment is made.

6.0 RETAINAGE FUND

6.1.1 Upon a termination of the Service Agreement, the Authority may draw upon the Retainage Fund as provided in Paragraph 10.0 of this Schedule 4 by submitting a requisition therefor to the Trustee with copies sent simultaneously to the Company Representative, the Consulting Engineer and the County Representative.

Any amounts paid to the Authority as a result of a termination of the Agreement pursuant to Section 11.4 shall be applied to reduce any other damages payable by the Company to the Authority as a result of such termination. If it is determined that the remittance to the Authority was not properly made, the Authority must pay to the Company an amount equal to the amount of such improper remittance, together with interest on such amount from the date of such improper remittance to the date payment is made, calculated at the Late Payment Rate, and such payment constitutes the Company's sole damages for the improper remittance. The Authority must remit the amount of such interest to the Company on the date such payment is made.

6.2 Simultaneously upon receipt by the Trustee of the Escrow Agreement executed by all of the parties thereto and simultaneously with the delivery by the Company to the Escrow Agent of the amounts to be deposited into the Escrow Accounts created under the Escrow Agreement, all amounts on deposit in the Retainage Fund (other than amounts retained for Punch List items and/or for the occurrence of the Final Acceptance Date as provided in Sections 3.9 and 3.10) must be paid to the Company. Concurrently with such payment, the Authority Representative and the Company Representative must agree on a schedule for withdrawal of amounts retained in the Retainage Fund for Punch List items ("Retainage Draw Schedule"). A listing of the Punch List items and the Retainage Draw Schedule must be delivered to the Trustee.

6.3 At any time after the occurrence of the Acceptance Date, the Company Representative may draw amounts on deposit in the Retainage Fund, with respect to Punch List items, in accordance with the Retainage Draw Schedule by submitting a requisition therefor accompanied by an Application for Payment meeting the requirements of Paragraphs 1.1 and 1.2 of this Schedule 4 to the Consulting Engineer with copies sent simultaneously to the Trustee, the County Representative, and the Authority Representative.

6.4 Any objection by the Authority to the Company's requisition must be made to and received by the Consulting Engineer and the Company within five (5) Business Days of receipt by the Authority Representative of such requisition. Such objections must be sustained or overruled in whole or in part and the Trustee must be so notified by the Consulting Engineer within ten (10) Business Days of receipt by the Consulting Engineer of the Company's requisition. If such objection is overruled, remittance must be made by the Trustee to the Company. Thereafter, the Authority may contest the propriety of such remittance pursuant to Section 14.15 of this Agreement. If it is determined that such remittance was not properly made, the Company must pay to the Authority an amount equal to the amount of the improper remittance, together with interest on such amount from the date of the improper remittance to the date payment is made calculated at the Late Payment Rate and such payment constitutes the Authority's sole damages for the improper remittance. The Company must remit the amount of such interest to the Authority on the date such payment is made.

6.5 Within ten (10) Business Days of the receipt of the Company's requisition, the Consulting Engineer must submit to the Trustee a certificate of payment of the amounts in the Company's requisition unless the Consulting Engineer fails to approve any amounts requested by the Company in its requisition, in which event it must state its objection and provide the Company Representative with a detailed explanation of its reasons therefor. Should the Consulting Engineer fail to submit its certificate within the time period specified above, it must be deemed to have approved the Company's requisition.

6.6 If the requisition has been approved by the Consulting Engineer or deemed to have been approved in accordance with Paragraph 6.5, the Trustee must make remittance to the Company of the amount of the requisition within three (3) Business Days of the receipt of such requisition. In the event of an objection by the Consulting Engineer, remittance must be made to the Company for all nondisputed amounts of the requisition. If it is later determined that the Company was entitled to remittance of any amount set forth in an Application for Payment that was not remitted by the Trustee within three (3) Business Days after the Trustee's receipt thereof, the Company be entitled to the remittance, together with interest on the remittance calculated at the Late Payment Rate, from the date the Company was entitled to receive this amount until the date payment is made, and this amount constitutes the Company's sole damages for delay of such payment. The Trustee must remit the amount of such interest to the Company on the date such payment is made. If it is determined that such remittance was not properly made, the Company must pay to the Authority an amount equal to the amount of the improper remittance, together with interest on such amount from the date of the improper remittance to the date payment is made by the Company calculated at the Late Payment Rate and such payment constitutes the Authority's sole damages for the improper remittance. The Company must remit the amount of such interest to the Authority on the date such payment is made.

6.7 Upon receipt of the Company's notice pursuant to Section 3.9(b) and a certificate of the Consulting Engineer concurring that all final permits, licenses and approvals relating to the Project have been obtained by or on behalf of the Company, the Final Acceptance Retainage must be paid to the Company within three (3) business days of receipt of the foregoing materials by the Trustee.

7.0 O&M RESERVE FUND 1/

8.0 COMPANY DRAWS UPON O&M RESERVE FUND 2/

10.0 TERMINATION 3/

1/ Section deleted as a result of Change Order #115.

2/ Section deleted as a result of Change Order #115.

3/ Section deleted as a result of Change Order #115.

CONSTRUCTION MILESTONE AND PAYMENT SCHEDULE

Part A

Completion of the discrete milestone/events set forth in Part B entitles the Company to payment in an amount equal to (1) the aggregate percentages of the Fixed Construction Price plus Fixed Price Allowance Items (as adjusted pursuant to this Agreement) set forth in Part B hereof with respect to such completed milestone/events (the "Payment Percentages"), less (2) amounts payable into the Retainage Fund in the manner provided in this Agreement and the Trust Indenture. Notwithstanding the foregoing, the Company is not entitled to requisition payments, in any month, which exceed the cumulative "not to exceed" percentage specified below; provided:

Payment Number	Requisition for Month	Percentage of Fixed Construction Price plus Fixed Price Allowance Items to be Drawn—not to exceed Cumulative
1	Closing Date	2.5
2	Month 1	3.4
3	Month 2	6.2
4	Month 3	9.4
5	Month 4	13.1
6	Month 5	16.2
7	Month 6	19.8
8	Month 7	23.8
9	Month 8	29.8
10	Month 9	35.2
11	Month 10	41.7
12	Month 11	47.2
13	Month 12	54.0
14	Month 13	59.3
15	Month 14	64.3
16	Month 15	68.6
17	Month 16	71.8
18	Month 17	77.2
19	Month 18	80.3
20	Month 19	83.8
21	Month 20	86.8
22	Month 21	89.2
23	Month 22	91.5
24	Month 23	93.9
25	Month 24	95.6
26	Month 25	97.0
27	Month 26	98.4

Payment Number	Requisition for Month	Percentage of Fixed Construction Price plus Fixed Price Allowance Items to be Drawn—not to exceed Cumulative
28	Month 27	98.8
29	Month 28	99.0
30	Month 29	99.2
31	Month 30	99.4
32	Month 31	99.6
33	Month 32	99.8
34	Month 33	100.0
35	Month 34	—
36	Month 35	—
37	Month 36	—

Part B

SELECTION OF ALL SUBCONTRACTORS AND/OR EQUIPMENT VENDORS SHALL BE VERIFIED BY A SIGNED LETTER OF INTENT THAT AUTHORIZES THE VENDOR OR SUBCONTRACTOR TO PROCEED WITH WORK ASSOCIATED WITH THE PROJECT, SIGNED UNPRICED PURCHASE ORDER, SIGNED UNPRICED SUBCONTRACT OR OTHER WRITING REASONABLY APPROVED BY THE AUTHORITY.

Elements of Work	% of Fixed Construction Price plus Fixed Price Allowance Items	Milestone and Verification for Payment
Award of Project	1.0	1. Development Costs.
	0.3	2. Develop Master Schedule.
	0.1	3. Issuance of the Soil Survey and Testing Report.
	0.8	4. Certificate of Insurance.
	0.3	5. Construction Permits.
	2.5	

Engineering	0.50	1. Process and Environmental P&ID's.*
	0.15	2. Site Plan.*
	0.15	3. General Arrangements.*
	1.30	4. Civil/Structural/ Architectural.*
	1.30	5. Mechanical/Piping.*
	1.30	6. Electrical/ Instrumentation.*
	1.71	7. Project Management.**
	0.60	8. Cost/Scheduling/ Purchasing.**
	7.01	

** Items 7 and 8 are to be based on 33 equal monthly payments

* For Items 1-6, milestone completion will be based on the percent completion of the number of furnished drawings and specifications. Company will supply a total number of drawings and specifications within 60 days of contract signing.

Combustion Train		Progress/advance substantiated by completion of milestones as follows:
a. Stokers	2.55	1. Selection of stoker vendor
	2.55	2. Shipment of stokers by vendor, verified by bill of lading. (0.85 per unit)
	0.90	3. Arrival on site of stokers, verified by signed delivery receipt. (0.30 per unit)
	6.0	

b. Boilers, furnace combustion air, refractory and gallery work		Progress/advance substantiated by completion of milestones as follows:
	2.40	1. Selection of boiler subcontractor.
	3.20	2. Material Fabrication (0.40 per month for 8 consecutive months staring after shop certification of initiation of fabrication).
	2.40	3. Start erection of steel supports.
	1.20	4. Shipments of drums, verified by bill of lading. (0.40 per unit)
	0.90	5. Shipment of pressure parts, verified by bill of lading. (0.30 per unit)
	1.11	6. Arrival on site of drums, verified by signed delivery receipt. (0.37 per unit)
	1.20	7. Arrival on site of pressure parts, verified by signed delivery receipt. (0.40 per unit)
	0.75	8. Boiler Drums set. (0.25 per unit)
	0.45	9. Hydrostatic Test completion, verified by test report. (0.15 per unit)
	0.75	10. Stokers grate bars installed. (0.25 per unit)
	0.30	11. Selection of combustion air fans vendor.
	0.30	12. Arrival on site of combustion air fans, verified by signed delivery receipts.
	1.40	13. Selection of refractory subcontractor.

	0.40	14. Arrival on site of refractory, verified by signed delivery receipt.
	0.24	15. Refractory installation complete. (0.08 per unit)
	0.70	16. Arrival on site of boiler platforms and gallery work, verified by signed delivery receipt.
	17.70	Verification of installation/ erection will be by visual inspection.

Flue Gas System

a. Air Pollution Control		Progress/advance substantiated by completion of milestones as follows:
	3.70	1. Selection of air pollution control system subcontractor.
	0.60	2. Air pollution control system material fabrication. (0.2 per unit) Verified by shop certification of initiation of unit fabrication.
	0.70	3. Start shipment of air pollution control system by subcontractor, verified by bill of lading.
	1.80	4. Start erection of air pollution control system. (0.6 per unit)
	0.60	5. Complete erection of air pollution control system. (0.2 per unit)
	7.40	Verification of installation/ erection will be by visual inspection.

b. Ductwork		Progress/advance substantiated by completion of milestones as follows:
	0.28	1. Selection of ductwork fabrication vendor.
	0.28	2. Arrival on site of ductwork, verified by signed delivery receipt.
	0.24	3. Complete erection of ductwork. (0.08 per unit)
	0.80	Verification of installation/ erection will be by visual inspection.
c. Stack		Progress/advance substantiated by completion of milestones as follows:
	0.35	1. Selection of stack subcontractor.
	0.07	2. Subcontractor mobilizes on site.
	0.08	3. Stack shell started.
	0.20	4. Complete erection of stack and flues.
	0.70	Verification of installation/ erection will be by visual inspection.

Turbine Generator		Progress/advance substantiated by completion of milestones as follows:
	2.00	1. Selection of turbine generator vendor.
	0.70	2. Shipment of turbine generator, verified by bill of lading.
	0.35	3. Installation of turbine on pedestal.
	0.45	4. Installation of generator on pedestal.
	0.10	5. Turbine generator turned on turning gear.
	3.60	Verification of installation/ erection will be by visual inspection.
Ash Handling System		Progress/advance substantiated by completion of milestones as follows:
	1.20	1. Selection of ash handling system vendor.
	0.20	2. Ash handling system material fabrication. Verified by shop certification of initiation of fabrication.
	0.15	3. Start of arrival on site for ash handling system, verified by signed delivery receipt.
	0.15	4. Ash handling system installed.
	1.70	Verification of installation/ erection will be by visual inspection.

Balance of Equipment		Progress/advance substantiated by completion of milestones as follows:
	0.40	1. Selection of cooling tower subcontractor.
	0.17	2. Selection of circulating water pump vendor.
	0.17	3. Cooling tower subcontractor mobilizes on site.
	0.17	4. Arrival on site of circulating water pumps, verified by signed delivery receipt.
	0.17	5. Circulating water pumps installed.
	0.26	6. Cooling tower erection complete by subcontractor.
	0.26	7. Selection of main condenser vendor.
	0.17	8. Arrival on site of main condenser, verified by signed delivery receipt.
	0.17	9. Installation of main condenser.
	0.17	10. Selection of condensate pump vendor.
	0.09	11. Arrival on site of condensate pumps, verified by signed delivery receipt.
	0.09	12. Installation of condensate pumps.
	0.30	13. Selection of boiler feedback pump vendor.
	0.17	14. Arrival on site of boiler feedwater pumps, verified by signed delivery receipt.
	0.13	15. Installation of boiler feedwater pumps.
	0.17	16. Selection of bypass condenser vendor.
	0.13	17. Arrival on site of bypass condenser, verified by signed delivery receipt.
	0.13	18. Install bypass condenser.

0.81	19. Selection of refuse cranes vendor.
0.17	20. Arrival on site of refuse cranes, verified by signed delivery receipt. (0.1 per unit)
0.09	21. Install refuse cranes.
0.26	22. Selection of Deaerator vendor.
0.17	23. Arrival on site of deaerator, verified by signed delivery receipt.
0.09	24. Install deaerator.
0.74	25. Selection of water treatment system vendor.
0.50	26. Arrival of water treatment system on site, verified by signed delivery receipt.
0.13	27. Install water treating equipment.
0.26	28. Selection of turbine generator crane vendor.
0.13	29. Arrival of turbine generator crane on site, verified by signed delivery receipt.
0.09	30. Install turbine generator crane.
0.22	31. Selection of unit substation vendor.
0.13	32. Arrival on site of unit substation, verified by signed delivery receipt.
0.50	33. Selection of switchgear vendor.
0.17	34. Arrival of switchgear on site, verified by signed delivery receipt.
0.30	35. Selection of MCC vendor.
0.17	36. Arrival of MCC on site, verified by signed delivery receipt.
0.13	37. Selection of main transformer vendor.

	0.09	38. Arrival on site of main transformer, verified by signed delivery receipt.
	0.09	39. Install main transformer.
	0.09	40. Install unit substation.
	0.05	41. Install switchgear.
	0.05	42. Install MCC.
	0.30	43. Selection of truck scales on site, verified by signed delivery receipt.
	0.26	44. Arrival of truck scales vendor.
	0.09	45. Install truck scales.
	0.26	46. Selection of field erected tanks subcontractor.
	0.26	47. Complete installation of field erected tanks.
	0.30	48. Selection of air compressor vendor.
	0.09	49. Arrival of air compressors on site, verified by signed delivery receipt.
	0.09	50. Install air compressors.
	0.00	51. Selection of cooling tower helper vendor.
	0.00	52. Arrival on site of cooling tower helper.
	0.00	53. Install cooling tower helper.
	10.4	Verification of installation/ erection will be by visual inspection.
Construction		Progress/advance substantiated by completion of milestones as follows:
a. Mobilization		
	0.15	1. G.C. mobilizes on site, verified by visual inspection.
	0.15	

b. Site Work

0.40	1. Site clearing and demolition (if required) initiated.
0.08	2. Site clearing and demolition (if required) complete.
0.17	3. Fencing initiated.
0.08	4. Fencing completed.
0.50	5. Grading initiated.
0.66	6. Rough grading of site completed.
0.83	7. Roadway and parking subcontractor mobilizes.
0.83	8. Roads and parking complete.
0.25	9. Landscaping complete.
0.10	10. Controlled Storage Facility earthwork initiated.
0.20	11. Controlled Storage Facility drain piping initiated.
0.10	12. Controlled Storage Facility earthwork and piping installation complete.
4.20	Verification of site work milestones will be by visual inspection.

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c. Concrete Work

0.06	1. Start excavation for refuse pit.
0.06	2. Complete excavation for refuse pit.
0.06	3. Start rebar for refuse pit.
0.13	4. Complete rebar for refuse pit.
0.59	5. Refuse pit slab in place.
0.36	6. Complete refuse pit walls.

3.24	7. All remaining concrete cubic yards in place to be 0.36 per month for 9 consecutive months following completion of backfilling the pit excavation to grade to a maximum of 3.24 percent.
4.50	Verification of concrete milestones will be by visual inspection.

d. Structural Steel		
	0.65	1. Selection of steel supplier.
	0.65	2. Steel delivered to site, verified by signed delivery receipt. Payment by percent of steel delivered as compared to total forecast. Forecast to be supplied by Company within 30 days after selection of the steel supplier.
	1.75	3. Steel erection to be 0.35 per month for 5 consecutive months following completion of the refuse pitwalls. Maximum of 1.75 percent.
	3.05	Verification of steel milestone will be by visual inspection.
e. Mechanical/Piping		
	0.35	1. Selection of piping materials/fabrication supplier.
	0.15	2. Start delivery to jobsite, verified by signed delivery receipt.
	2.55	3. Piping quantities installed, to be 0.17 per month for 15 consecutive months following arrival of the initial delivery of underground pipe, maximum 2.55 percent.
	3.05	Verification of piping milestones will be by visual inspection.

f. Buildings

0.32	1. Building subcontractor mobilizes on site.
1.18	2. Installation and completion of siding.*
1.02	3. Installation and completion of roofing.*
0.63	4. Installation and completion of interior finishing.*
0.63	5. Installation and completion of HVAC and plumbing.*
0.32	6. Building subcontractor demobilizes.
4.10	Verification of milestones will be by visual inspection.

* Payment of 25% amount upon initiation; 25% upon 50% completion; 25% upon 75% completion and 25% upon 100% completion. Base unit measurements to assess % completion must be submitted prior to mobilization of contractors.

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g. Painting/Insulation

0.04	1. Selection of painting subcontractor.
0.07	2. Painting contractor mobilizes on site.
0.04	3. Selection of insulation subcontractor.
0.07	4. Insulation contractor mobilizes on site.
0.04	5. Painting contractor demobilizes.
0.04	6. Insulation contractor demobilizes.
0.30	Verification of milestone will be by visual inspection.

h. Instrumentation/ Electrical		
	0.12	1. Selection of instrument controls vendor.
	0.12	2. Selection of continuous emissions monitoring equipment vendor.
	0.12	3. Arrival on site of instrument controls system, verified by signed delivery receipt.
	0.12	4. Arrival on site of continuous emissions monitoring equipment, verified by signed delivery receipt.
	0.40	5. Plant instruments installed and calibrated, verified by visual inspection of calibration logs.
	0.96	6. Selection of bulk electrical wiring and conduit materials supplier.
	0.56	7. Actual wire installed to be 0.08 for 7 consecutive months following arrival of initial delivery of wire. Maximum of 0.56 percent.
	2.40	Verification of milestones will be by visual inspection.
Start-up and Commissioning		Progress/advance substantiated by: time-related advances on an incremental scale based upon the hiring of plant staff and operating personnel, time-related advances for initial operations and shakedown of the facility and completion of operational testing of the facility as follows:

0.30	1. Hiring of plant management team consisting of Plant Manager, Plant Engineer, Maintenance Foreman and Shift Supervisors, verified by report of hiring and visual inspection.
0.30	2. Completion of hiring of 40% of plant staff, verified by report and visual inspection.
0.30	3. Completion of hiring 60% of plant staff, verified by report and visual inspection.
0.30	4. Completion of hiring 100% of plant staff, verified by report and visual inspection.
1.80	5. Initial operations and shakedown of the Facility and request for tonnage deliveries. Advance will be 0.40% per month for three consecutive months and 0.30% per month for two consecutive months following switchyard energization.
0.30	6. Operational testing of the Facility, verified by acceptance test report.
3.30	

PEPCO Road Improvements		Progress/advance substantiated by completion of milestones as follows:
	0.05	1. Contractor mobilizes.
	0.20	2. Begin Ash haul road relocation.
	0.40	3. Begin access road modifications.
	0.20	4. Finish ash haul road relocation.
	0.10	5. Finish access road modifications.
	0.25	6. Being work on road F.
	0.10	7. Road F paving complete.
	0.25	8. Begin work on road G.
	0.10	9. Road G paving complete.
	1.65	

Utility Easement Work		Progress/advance substantiated by completion of milestones as follows:
	0.04	1. Begin easement work.
	0.03	2. Start excavation for pipe.
	0.03	3. Finish excavation for pipe.
	0.03	4. Start backfill for pipe.
	0.03	5. Finish backfill for pipe.
	0.20	6. Start installation of pipe.
	0.10	7. Finish installation of pipe.
	0.05	8. Start intake structure.
	0.05	9. Finish intake structure.
	0.04	10. Finish easement work.
	0.60	

Transportation System		Progress/advance substantiated by completion of milestones as follows:
	0.39	1. Contractor mobilizes.
	1.20	2. Start rail yard installation at transfer station.
	0.57	3. Finish rail yard installation at transfer station.
	2.10	4. Start rail yard installation at resource recovery facility.
	0.78	5. Finish rail yard installation at resource recovery facility.
	0.52	6. Select compactor vendors.
	0.68	7. Arrival on site of compactors.*
	0.98	8. Install compactors.*
	1.14	9. Select mobile gantry cranes' vendor.
	0.37	10. Arrival on site of mobile gantry cranes.*
	0.21	11. Install mobile gantry cranes.*
	0.37	12. Select railroad cars/ supplier.
	0.83	13. Fabricate rail cars; verified by certification from vendor of initiation of fabrication.
	0.21	14. Arrival of rail cars on site.*
	0.37	15. Select ISO containers/ supplier.
	0.83	16. Fabricate ISO containers, verified by certification.
	0.21	17. Arrival of ISO containers on site.*
	0.37	18. Start modifications to transfer station.
	0.22	19. Finish modifications to transfer station.
	0.62	20. Start tipping building.
	0.47	21. Finish tipping building.
	0.39	22. Start residue building.
	0.23	23. Finish residue building.

	0.23	24. Contractor demobilizes.
	0.25	25. Start offsite track work.
	0.35	26. Install offsite track 0.07 per month for five consecutive months following start of work.
	14.89	
GRAND TOTAL =	**100.00**	

* Payment based on percentage of materials or equivalent installed or delivered based on amount of materials or equipments described in Schedule 1B.

The Company shall be entitled to monthly drawndown payments from the Trustee in amounts equal to the product of (a) the aggregate percentages of Construction Price plus Fixed Price Allowance Items set forth in Part B, Milestone Schedule, with respect to the Milestones certified by the Company and confirmed by the Consulting Engineer to be completed (and which do not form the basis of any prior payment) and (b) the Construction Price plus Fixed Price Allowance Items; provided that such aggregate percentages of Construction Price, forming the basis for all previous payments, shall not exceed the cumulative percent of Construction Price plus Fixed Price Allowance Items to be drawn as set forth in Part A, Not To Exceed Payment Schedule.

Schedule 5
to
Service Agreement
1/

PERFORMANCE STANDARDS

Part I

5.1 GENERAL

This Part I describes the Performance Standards and Minimum Performance Standards for the Project which are applicable during any Performance Test of the Project conducted pursuant to Schedule 6.

5.2 PERFORMANCE STANDARDS

5.2.1 Guaranteed Capacity

Capacity Test (**14** days)

The Project must Process, in a 14-day period, not less than the following amount (95% of MCR, as defined in Schedule 6) of Processible Waste based on the average HHV of Processible Waste determined in accordance with Schedule 6:

HHV	Amount of Waste Processed
4,000 Btu/lb.	26,334 tons
4,500 Btu/lb.	26,334 tons
5,000 Btu/lb.	26,334 tons
5,500 Btu/lb.	23,940 tons
6,000 Btu/lb.	21,945 tons
6,500 Btu/lb.	20,257 tons

MCR Test (7 days)

The Project must Process, in a seven day period, not less than the following amount of Processible Waste based on the average HHV of Processible Waste determined in accordance with Schedule 6:

1/ Entire Schedule 5 restated pursuant to Third Amendment.

HHV	Amount of Waste Processed
4,000 Btu/lb.	13,860 tons
4,500 Btu/lb.	13,860 tons
5,000 Btu/lb.	13,860 tons
5,500 Btu/lb.	12,600 tons
6,000 Btu/lb.	11,548 tons
6,500 Btu/lb.	10,660 tons

The Facility Guaranteed Capacity shall be appropriately reduced by the Authority to an amount mutually agreeable to the Authority Representative and the Company Representative due to (i) the unavailability of sufficient quantities of water from the PEPCO discharge canal as established by the Company (but in no event will the availability of 1,900,000 gallons of water or more per day for consumption use be insufficient), or (ii) a low flow event declared by the State of Maryland with respect to the removal of water from the Potomac River.

5.2.2 Electricity Production Guarantee

Gross Electrical Output

The Project must generate on an average basis for each ton of waste Processed at the Facility, the following kilowatt hours of electricity (based on the HHV of Processible Waste determined in accordance with Schedule 6) in accordance with the terms and specifications of the Electricity Sales Agreement which relate, among other things, to voltage, frequency, synchronization and similar technical matters (excluding provisions relating to line loss factors):

HHV	Kilowatt hours per ton of waste processed
4,000 Btu/lb.	538
4,500 Btu/lb.	620
5,000 Btu/lb.	695
5,500 Btu/lb.	773
6,000 Btu/lb.	855
6,500 Btu/lb.	931

Net Electrical Output

The Project must generate on an average basis for each ton of waste Processed at the Facility, the following kilowatt hours of electricity (based on the HHV of Processible Waste determined in accordance with Schedule 6), net after consumption of energy as metered at the Facility in accordance with the terms and specifications of the Electricity Sales Agreement which relate, among other things, to voltage, frequency, synchronization and similar technical matters (excluding provisions relating to line loss factors):

HHV	Net Kilowatt hours per ton of waste processed
4,000 Btu/lb.	426
4,500 Btu/lb.	502
5,000 Btu/lb.	570
5,500 Btu/lb.	643
6,000 Btu/lb.	718
6,500 Btu/lb.	788

The kilowatt hours per ton of waste Processed shall be reduced by 0.67 kwh/ton to account for the impact of the dolomitic lime addition system operation.

5.2.3 Residue Quantity and Quality Guarantee

The composite Residue generated by the Project must contain no more than 4% unburned carbon (as adjusted to account for carbon injected in connection with the mercury control system and as adjusted to account for lime injected in connection with the dolomitic lime addition system) and no more than 0.20% putrescible matter by weight.

5.2.4 Ferrous Metal Recovery Guarantee

The Guaranteed Ferrous Metal Recovery (ton of recovered ferrous/ton of all ferrous metals contained in Total Residue which does not pass through a one inch (1") screen expressed as % weight) is 80%.

If total Residue contains less than five percent (5%) by weight of magnetic ferrous metals, then the Facility will recover from total Residue only that fraction of ferrous metal as is reasonably practicable.

5.2.5 Environmental Performance Guarantee

The Project must meet or exceed all Federal, State and local environmental laws and regulations enforceable on the dates of testing for compliance. Unless directed as an Authority Change in accordance with Article VIII of the Service Agreement, the Company shall not be required to comply with regulations or permit conditions which pursuant to the Service Agreement are required to be fulfilled by the County, or which do not directly relate to performance or operations of the Facility (including without limitation, regulations or permit conditions relating to recycling or materials separation). Additionally, the Project must generate no more than the specified quantities of materials listed on Table 5.1 of this Schedule, and must meet the criteria set forth in Table 5.2.

5.2.6 Transportation System Guarantee

The Project must complete sixty (60) rail container cycles at both facilities (Transfer Station and the Facility) within a twenty-four hour (24 hr) period when servicing the Facility at MCR. One rail container cycle consists of removing a rail container from the rail car or storage area, moving it to the compactor or discharge area, loading or unloading waste into or from the container, and securing the container on a rail car or in the storage area.

The Project must be capable of meeting the unloading and loading responsibilities of the Authority under its Rail Transportation Agreement, provided that the Rail Transportation Agreement is amended to the satisfaction of the Authority and the Company to reflect the larger transportation system.

The Project must be capable of (i) loading and transporting 1920 tons of waste from the Transfer Station to the Facility by rail in a 24-hour period, and (ii) loading and transporting an amount of Residue equivalent to that resulting from the processing of such waste at the Facility to the Transfer Station by rail in the same 24-hour period. All rail loading and transportation must be performed in accordance with the Rail Transportation Agreement in Schedule 20.

5.3 MINIMUM PERFORMANCE STANDARDS

5.3.1 Guaranteed Capacity

Capacity Test (14 days)

The Project must Process, in a 14-day period, not less than the following amount of Processible Waste based on the average HHV of Processible Waste determined in accordance with Schedule 6:

HHV	Amount of Waste Processed
4,000 Btu/lb.	21,067 tons
4,500 Btu/lb.	21,067 tons
5,000 Btu/lb.	21,067 tons
5,500 Btu/lb.	19,152 tons
6,000 Btu/lb.	17,556 tons
6,500 Btu/lb.	16,206 tons

MCR Test (7 days)

The Project must Process, in a 7-day period, not less than the following amount of Processible Waste based on the average HHV of Processible Waste determined in accordance with Schedule 6:

HHV	Amount of Waste Processed
4,000 Btu/lb.	11,088 tons
4,500 Btu/lb.	11,088 tons
5,000 Btu/lb.	11,088 tons
5,500 Btu/lb.	10,080 tons
6,000 Btu/lb.	9,238 tons
6,500 Btu/lb.	8,528 tons

5.3.2 Electricity Production Guarantee

Gross Electrical Output

The Project must generate, for each ton of waste Processed at the Facility, the following kilowatt hours of electricity (based on the HHV of Processible Waste determined in accordance with Schedule 6) in accordance with the terms and specifications of the Electricity Sales Agreement which relate, among other things, to voltage, frequency, synchronization and similar technical matters (excluding provisions relating to line loss factors):

HHV	Kilowatt hours per ton of waste processed
4,000 Btu/lb.	430
4,500 Btu/lb.	496
5,000 Btu/lb.	556
5,500 Btu/lb.	618
6,000 Btu/lb.	684
6,500 Btu/lb.	744

Net Electrical Output

The Project must generate, for each ton of waste Processed at the Facility, the following kilowatt hours of electricity (based on the HHV of Processible Waste determined in accordance with Schedule 10), net after consumption of energy by the Facility, in accordance with the terms and specifications of the Electricity Sales Agreement which relate, among other things, to voltage, frequency, synchronization and similar technical matters (excluding provisions relating to line loss factors):

HHV	Kilowatt hours per ton of waste processed
4,000 Btu/lb.	340
4,500 Btu/lb.	401
5,000 Btu/lb.	455
5,500 Btu/lb.	514
6,000 Btu/lb.	574
6,500 Btu/lb.	630

The kilowatt hours per ton of waste Processed shall be reduced by 0.67 kwh/ton to account for the impact of the dolomitic lime addition system operation.

5.3.3 Environmental Performance Guarantee

The Project must meet the full Performance Standard specified in Section 5.2.5.

5.3.4 Transportation System Guarantee

The Project must be capable of (i) loading and transporting 1536 tons of waste from the Transfer Station to the Facility by rail in a 24-hour period, and (ii) loading and transporting an amount of residue equivalent to that resulting from the Processing of such waste at the Facility to the Transfer Station by rail in the same 24-hour period. All rail loading and transportation must be performed in accordance with the Rail Transportation Agreement in Schedule 20.

OPERATING GUARANTEES

Part II

5.4 FULL PERFORMANCE STANDARDS

This part describes the Performance Standards required to be met during operations of the Project after the Acceptance Date and for purposes of Article V of this Agreement. The Authority and the Company agree that after the Construction Period and unless otherwise excused or provided for pursuant to Section 9.1 or any other provision of this Agreement, the Company shall pay all increased or additional costs incurred or payable by the Authority or the County under any Primary Project Agreement and the Joint and Mutual Determination (executed in accordance with the Facility Site Agreement) that result from the failure by the Company to cause the Facility to operate in accordance with the provisions of Section 5.4.5 of this Schedule 5.

5.4.1. Guaranteed Throughput Capacity

Annual Standard

HHV	Amount of Waste Processed
4,000 Btu/lb.	614,304 tons
4,500 Btu/lb.	614,304 tons
5,000 Btu/lb.	614,304 tons
5,500 Btu/lb.	558,450 tons
6,000 Btu/lb.	511,910 tons
6,500 Btu/lb.	472,530 tons

For Higher Heating Values which fall between the values provided above, the Guaranteed Throughput Capacity will be determined by linear interpolation utilizing the HHV's from the above chart which are immediately above and immediately below the HHV, which HHV shall be determined in accordance with Schedule 10.

The Facility Guaranteed Throughput Capacity shall be appropriately reduced by the Authority to an amount mutually agreeable to the Authority Representative and the Company Representative due to (i) the unavailability of sufficient quantities of water from the PEPCO discharge canal as established by the Company (but in no event will the availability of 1,900,000 gallons of water or more per day for consumptive use be insufficient), or (ii) a low flow event declared by the State of Maryland with respect to the removal of water from the Potomac River.

Determination of Monthly Throughput Capacity

For purposes of determining the Monthly Throughput Capacity pursuant to Article V of this Agreement, the following formula will be utilized:

$$MTC = \frac{GTC \times DPM}{DPY}$$

Where:

GTC means Guaranteed Throughput Capacity (Annual Standard), DPM means Days per Month and is equal to the number of days in the month for which the Service Fee invoice is being prepared.

DPY means Days Per Year and is equal to the number of days in the Fiscal year for which the monthly Service Fee invoice is being prepared.

5.4.2. Guaranteed Kilowatt Production

The Project must generate on an annual average basis for each ton of waste Processed at the Facility, the following kilowatt hours of electricity:

HHV	Net Kilowatt hours per ton of waste Processed, other than Excluded Tons (on an annual average basis)
4,000 Btu/lb.	426
4,500 Btu/lb.	502
5,000 Btu/lb.	570
5,500 Btu/lb.	643
6,000 Btu/lb.	718
6,500 Btu/lb.	788

For Higher Heating Values which fall between the values provided above, the Guaranteed Kilowatt Production will be determined by linear interpolation utilizing the HHV's from the above chart which are immediately above and immediately below the HHV, which HHV shall be determined in accordance with Schedule 10. Net Kilowatt hours per ton of waste Processed shall not include tons Processed ("Excluded Tons") or electricity produced on Excluded Days.

An "Excluded Day" shall mean any day on which the Facility operates at less than 90% of MCR due solely to (i) the nonavailability of sufficient amounts of Processible Waste at the Facility for reasons not the fault of the Company, or (ii) the unavailability of sufficient quantities of water for consumptive use from the PEPCO discharge canal as established by the Company (but in no event will the availability of 1,300,000 gallons of water or more per day for consumption use be insufficient), or (iii) a low flow event declared by the State of Maryland with respect to the removal of water from the Potomac River, or (iv) (previously effective wording has been removed and this clause (iv) shall have no effect), 2/ or (v) a reduction in load due to electrical curtailment under the Energy Sales Agreement, or (vi) the unavailability of ash boxes needed to remove ash from the ash pit at the Facility, or (vii) any other event mutually agreed to by the parties. In addition, on a daily basis for a day that is already considered an Excluded Day and upon prior agreement from the Authority's or County's designee, the Company may perform maintenance on a unit that is not operating. The day in which the Company performs maintenance under this provision will continue to be counted as an Excluded Day. "MCR" is 12,319 klb/day of steam produced. 3/

The kilowatt hours per ton of waste Processed shall be reduced by 0.67 kwh/ton to account for the impact of the dolomitic lime addition system operation.

2/ Language deleted and underlined text added pursuant to Change Order #109.

3/ Boldfaced text deleted and restated pursuant to Change Order #103.

Sample Calculation for Adjusted Guarantee and Performance Points

Day	Tons Processed	Net Electricity MWHr	HHV (monthly)	Day Excluded	MMBTU Input	Included MMBTU's	Included Tons	Included MWHr
7/1/2004	2,114	1,300	5100		21,563	21,563	2,114	1,300
7/13/2004	2,039	1,266	5100		20,798	20,798	2,039	1,266
7/25/2004	1,036	504	5100	Yes	10,567	0	0	0
8/6/2004	1,944	1,215	5200		20,218	20,218	1,944	1,215
8/18/2004	1,901	1,192	5200		19,770	19,770	1,901	1,192
8/30/2004	1,291	721	5200	Yes	13,426	0	0	0
9/11/2004	2,232	1,241	4686		20,917	20,918	2,232	1,241
9/23/2004	1,572	808	4686	Yes	14,733	0	0	0
10/5/2004	1,383	771	5078		14,046	14,046	1,383	771
10/17/2004	1,398	717	5078		14,198	14,198	1,398	717
10/29/2004	2,013	1,214	5078		20,444	20,444	2,013	1,214
11/10/2004	1,359	750	5169		14,049	14,049	1,359	750
11/22/2004	1,990	1,211	5169		20,573	20,573	1,990	1,211
12/4/2004	2,026	1,251	5260		21,314	21,314	2,026	1,251
12/16/2004	1,356	781	5260		14,265	14,265	1,356	781
12/28/2004	1,034	519	5260	Yes	10,878	0	0	0
1/9/2005	1,731	1,157	5528		19,138	19,138	1,731	1,157
1/21/2005	1,267	754	5528	Yes	14,008	0	0	0
2/2/2005	1,430	796	5204	Yes	14,883	0	0	0
2/14/2005	1,926	1,208	5204		20,046	20,046	1,926	1,208
2/26/2005	1,330	690	5204	Yes	13,843	0	0	0
3/10/2005	2,147	1,198	4813		20,667	20,667	2,147	1,198
3/22/2005	2,066	1,070	4813		19,887	19,887	2,066	1,070
4/3/2005	2,009	1,203	5209		20,930	20,930	2,009	1,203
4/15/2005	1,964	1,222	5209		20,461	20,461	1,964	1,222
4/27/2005	1,273	693	5209		13,262	13,262	1,273	693
5/9/2005	2,074	1,203	4998		20,732	20,732	1,074	1,203
5/21/2005	2,085	1,269	4998		20,842	20,842	2,085	1,269
6/2/2005	2,021	1,202	4860		19,644	19,644	2,021	1,202
6/14/2005	2,165	1,240	4860		21,044	21,044	2,165	1,240
Total	52,176	30,366			531,146	438,808	43,216	25,574

Actual Electrical Production Rate for all days
(30,366 MWHr/52,176 tons) * (1000) = 582.0 kWHr/ton

HHV for all Days (weighted average)
(531,146 MMBTU * 1000)/(52,176 * 2000) = 5090 BTU/lb

Guaranteed Kilowatt Production 583.1 kWHr/ton
(extrapolated from the table)

Actual rate for all tons is lower than the Guarantee point. Recalculate based only on included days.

Actual Electrical Production Rate for included days
(25,574 MWHr/43,216 tons) * (1000) = 591.8 kWHr/ton

HHV for all included Days (weighted average)
(438,808 MMBTU * 1000)/(43,216 * 2000) = 5077 BTU/lb

Guaranteed Kilowatt Production 581.2 kWHr/ton
(extrapolated from the table)

Adjusted rate for non-excluded days greater than Guarantee point based on HHV adjusted for included days.

5.4.3. Residue Quantity and Quality

The Project must generate no more than 0.298 tons of Residue on a wet basis (excluding Recovered Materials) per ton of waste Processed (as adjusted to account for the actual amount of reagent injected in connection with operation of the mercury control and dolomitic lime addition systems but in no event more than .022 tons of Residue on a wet basis per ton of waste Processed which is derived from a rate of 2 lbs of carbon added per ton of waste Processed and 20 lbs. of dolomitic lime with an equivalent amount of water added per ton of waste Processed) or the composite Residue generated by the Project must contain no more than 4.00% unburned carbon (as adjusted to account for carbon injected in connection with the operation of the mercury control system and as adjusted to account for lime injected in connection with the dolomitic lime addition system) and no more than 0.20% putresible matter by dry weight, pursuant to the definition of "Excess Residue" in Schedule 16.

5.4.4 Ferrous Metal Recovery

The Guaranteed Ferrous Metal Recovery (ton of recovered ferrous/ton of all ferrous metals contained in Total Residue which does not pass through a one ("1") inch screen) expressed as % weight is 80%.

If Total Residue contains less than five percent (5%) by weight of magnetic ferrous metals, then the Facility will recover from Total Residue only that fraction of ferrous metal as is reasonably practicable.

5.4.5 Environmental Performance Guarantee

The Project must meet or exceed all Federal, State and local environmental laws and regulations enforceable on the dates of testing for compliance. Unless directed as an Authority Change in accordance with Article VIII, the Company shall not be required to comply with regulations or permit conditions which pursuant to the Service Agreement are required to be fulfilled by the County, or which do not

directly relate to performance or operations of the Facility (including without limitation, regulations or permit conditions relating to recycling or materials separation). Additionally, the Project must generate determined on a rolling annual average basis (using no less than two stack tests per twelve month period) no more than the specified quantities of materials listed in Table 5.1 and shall meet the criteria set forth in Table 5.2.

5.4.6 Transportation System Guarantee

The Transportation System must be capable of transporting by rail from the Transfer Station to the Facility, 1920 tons per day of Processible Waste, transporting the resulting Residue by rail from the Facility to the Transfer Station and by truck from the Transfer Station to the Initial Landfill.

Table 5.1

PERFORMANCE TEST EMISSION FACTORS

	Category[1]	Eng. Unit	Average Stack Concentration	Test Method[4]	Test Scope[5] (Qty. @ Duration)
A.	1. Particulate Matter				
	TSP[6]	gr/dscf [3]	0.010	5	3 @ 2 hours
		gr/dscf[2]	0.012	5	3 @ 2 hours
	2. Sulfur Dioxide[7]	ppmdv [2]	30	6C	3 @ 1 hour
		%	85		
	3. NO_x (as NO_2)	ppmdv [2]	180	7E	3 @ 1 hour
	4. Carbon Mono.[8]	ppmdv [2]	200	10	1 HR (CEM data)
		ppmdv [2]	100	10	4 HR (CEM Data)
		ppmdv [2]	50		24 HR (CEM Data)
	5. Non-Methane Hydrocarbons	mg/dscm [3]	10	18/25A	3 @ 1 hour
	6. Hydrogen Chloride[7]	ppmdv [2]	25	26	3 @ 1 hour
		%	95		
	7. Fluoride (Total)	mg/dscm [3]	7.1	13B	3 @ 1 hour
	8. Dioxins/Furans[8][9][11](TOTAL)	ng/dscm [2]	30	23	3 @ 4 hours
	9. Polynuclear Aromatic Hydrocarbons (PAH)[8][11][13]	ug/dscm [2]	15	0010	3 @ 3 hours
	10. Temperature	(10)	N/A	N/A	1 per unit
	11. Opacity	%	10		6 min avg
	12. Heavy Metals				
	12.1 Beryllium	ug/dscm [3]	0.82	29	3 @ 2 hours
	12.2 Mercury	mg/dscm [3]	3.4	29	3 @ 2 hours
	12.3 Mercury	mg/dscm [2]	0.080	29	3 @ 2 hours
		%	85		
	12.4 Lead	mg/dscm [2]	0.44	29	3 @ 2 hours
	12.5 Lead	mg/dscm [3]	2.5	29	3 @ 2 hours
	12.6 Cadmium	mg/dscm [2]	0.040	29	3@ 2 hours
	13. Sulfuric Acid Mist	mg/dscm [3]	46	8	3 @ 4 hours
	14. Ammonia	**ppmdv[2]**	**15**	**CTM-027**	**3 @ 1 hour** 4/

4/ Boldfaced text added pursuant to Change Order #106.

B. Observations[12]

1.	Heavy Metals	29	3 @ 2 hours
	Arsenic	29	3 @ 2 hours
	Chromium (Total)	CARB 425	3 @ 2 hours
	Chromium (Cr +6)	29	3 @ 2 hours
	Nickel		

Notes:

(1) The constituents which will be tested for during the environmental compliance testing are presented in the Category column. Category A - Guarantee, includes those constituents which have guaranteed emission factors. Category B - Observations, includes those constituents which do not have guaranteed emission factors.

(2) Engineering Units (Eng. Unit) are as follows:

gr/dscf	:	grains per dry standard (68°F) cubic foot corrected to 7% O_2
ppmdv	:	part per million, dry volume basis (68°F) corrected to 7% O_2
mg/dscm	:	milli grams per dry standard (68°F) cubic meter corrected to 7% O_2
ng/dscm	:	nano grams per dry standard (68°F) cubic meter corrected to 7% O_2

(3) Engineering Units (Eng Unit) are as follows:

gr/dscf	:	grains per dry standard (68°F) cubic foot corrected to 12% CO_2
mg/dscm	:	milli grams per dry standard (68°F) cubic meter corrected to 12% CO_2
ug/dscm	:	micro grams per dry standard (68°F) cubic meter corrected to 12% CO_2

(4) All test methods are per Environmental Protection Agency definition in accordance with 40 CFR 60 Appendix A and SW-846 except for opacity which is per COMAR monitoring requirements and CARB 425 for hexavalent chromium. The sampling period for each test run shall be per EPA requirements. Noted sampling times are approximate.

(5) The indicated test scope is for each of the three units. The results shall be reported as the average for each unit of the tests performed.

(6) Total Suspended Particulate (TSP) is defined as the front-half of an EPA Method 5 which includes filter and nozzle probe wash.

(7) The guarantee shall be considered achieved if the gaseous concentration in the stack does not exceed the indicated value (as ppmdv) or the removal efficiency on a weight basis (at a minimum) is achieved.

(8) In event of a malfunction period as defined by 40 CFR 60.8, and accepted by the Maryland Department of Environment, the test run will not be considered as one of the required tests and that test run will be repeated.

(9) The detectable tetra through octa dioxin and furan isomers are presented as EPA toxic equivalence with EPA isomer specific toxicities in effect on June 27, 1989.

(10) A flue gas retention time of 1 second or more at a temperature of 1800°F will be determined during performance testing for each combustion unit by a furnace temperature traverse using a suction pyrometer.

(11) The emission characteristics for dioxins, furans, PCB's and PAH's will be determined from samples obtained from the same sampling train, the number of tests determined as provided in Table 5.1.

(12) All emission factors in this category are estimated values which are explicitly not to be interpreted as guaranteed values. This information is only intended to define the scope of emission testing during the compliance test period.

(13) PAH compounds included in this emission factor are: Naphthalene, 2-Methylnaphthalene, 2-Chloronaphthalene, Acenaphthylene, Acenaphthene, Fluorene, Phenanthrene, Anthracene, Fluoranthene, Pyrene, Benzo (a) anthracene, Chrysene, Benzo (b) Fluoranthane, Benzo (k) Fluoranthene, Benzo (a) pyrene, Indeno (1,2,3-CD) pyrene, Dibenz (a,h) anthracene and BenzO (g,h,i) perylene.

Table 5.2

WASTEWATER DISCHARGE QUALITY

Effluent Limitation	Daily Max.	Quarterly Average
Total Residual Chlorine	(1) mg/l	n/a
Total Suspended Solids	60 mg/l (2)	30 mg/l
	100 mg/l (3)	30 mg/l
Oil and Grease	20 mg/l (3)	15 mg/l
Fecal Coliform	200 MPN/100 ml (4)	n/a
pH	6.0 to 9.0 (4)	6.0 to 9.0

Notes:

(1) Monitoring required without limits at Monitoring Point 101.

(2) Cooling Tower Blowdown monitored at Monitoring Point 101.

(3) Boiler Blowdown and Demineralizer regenerate monitored at Monitoring Point 102.

(4) Monitored at Outfall 001.

Schedule 6
to
Service Agreement

PERFORMANCE TESTS PROCEDURES

1.0 PERFORMANCE TESTS REQUIREMENTS

(a) General

This Schedule describes, in general, the procedures for the Performance Testing of the Project.

The final Performance Test procedure will be embodied in the Performance Test Manual and will be provided to the Authority, the County and the Consulting Engineer for their review and approval. The Performance Test Procedure will follow the principles developed herein but may vary in detail, subject to final approved design specifications and applicable editions of codes. The Performance Test procedures will require satisfactory performance (according to this text) of the entire Project during the test period.

The Authority will designate its Consulting Engineer who will observe the Performance Test and verify data submitted thereunder. The Authority's Consulting Engineer must have access to all raw data and calculations. A copy of pertinent test data must be provided by the Company to the Consulting Engineer as it becomes available. For the purposes of completing the Facility Performance Test, all waste must be transported to the Facility utilizing the Rail Transportation System in compliance with the Rail Transportation Agreement.

The Performance Standards and Guarantees referred to in this Schedule are those set forth in Part 1 of Schedule 5.

(b) Notification Requirements

Subject to Section 3.5 of the Service Agreement, at least 90 days prior to the estimated date that the Facility and the Transportation System will be substantially and materially complete and ready to start up, the Company must notify the Authority of the startup schedule, of the estimated requirements for Processible Waste, and of the planned date for the Performance Test under the terms and provisions of the Service Agreement.

Processible Waste will, to the extent possible, be delivered to the Company by the Authority or on behalf of the Authority in the amounts required by the Company for the purpose of conducting start-up, preliminary testing, Performance Testing, or any additional testing subject to the terms of the Service Agreement.

(c) Performance Test Manual Review

The Company will prepare a Performance Test Manual and submit it to the Authority and the County for review at least 90 days prior to the commencement of any Test which is part of the Performance Test, except that a separate Performance Test Manual and Performance Test Report, consistent with the requirements of Section 1(b) and (c) and Section 6, respectively, must be submitted for the Equipment Test portion of the Transportation System Performance Test. The Authority and the County will provide written comments on the Performance Test Manual to the Company within 30 days (Review Period) of the receipt of the Manual. If no comments are provided, the manual shall be deemed acceptable. Within 30 days thereafter (Agreement Period), the Authority, the County and the Company will agree upon the Performance Test Manual. After 20 days of the aforesaid Agreement Period, any party may refer the disputed material to the dispute resolution procedure as detailed in Section 14.15 of the Service Agreement. If the Authority fails to prevail in any dispute resolution procedure, the Scheduled Acceptance Date will be extended to reflect the delay in approval but only to the extent that the 30 day Agreement Period has not been met. The Company will issue an approved Performance Test Manual at least 30 days prior to the start of any Test which is part of the Performance Test. If the Company fails to issue a Performance Test Manual which is approved by the Authority and the County, or with respect to which all issues have been resolved pursuant to dispute resolution, then it may proceed with testing only at its own risk. The Authority and the County will not unreasonably withhold approval.

The Performance Test Manual must completely describe the schedule and procedures to be followed during the Performance Test, including at a minimum 1) detailed measurement and testing procedures; 2) sampling and data collection locations; 3) instrument calibration procedures; 4) formula for adjusting Higher Heating Value (HHV) of the waste processed to the HHV of Reference Waste; 5) a formula for adjusting net power output to account for the difference between ambient air conditions during the test and the design criteria specified in Schedule 1A; such formula using certified curves relating: (a) wet bulb temperature to condenser back pressure, and (b) condenser back pressure to gross turbine power output; 6) an outline of the Performance Test Report required in Section 6 of this Schedule 6; and 7) a detailed test procedure for demonstrating the turbine performance curve (gross power-vs.-condenser back pressure) at (i) 50% of turbine-generator maximum continuous rated throttle flow and design throttle steam

temperature and pressure, and (ii) 80% of Turbine MCR throttle flow and design steam temperature and pressure.

(d) General Test Criteria

The Company will commence the Performance Test when the Company certifies to the Authority that: (1) start-up operations have concluded, (2) any permits required to be obtained by the Company in order to start initial Performance Testing have been obtained, and (3) a Performance Test Manual has been issued by the Company and approved by the Authority, or all issues have been resolved pursuant to dispute resolution. Thereafter the Performance Test must be conducted as provided under Section 3.5 of the Service Agreement.

Notwithstanding anything to the contrary in Section 3.5 of the Service Agreement or Section 1 (c) this Schedule, the Performance Tests may start on July 17, 1995 using the Final Performance Test Manual Volume I dated June 10, 1995 and the Final Performance Test Manual Volume II dated June 3, 1995.

For the purpose of this Schedule 6 "Reference Waste" will be Processible Waste having a HHV of 5,500 Btu/lb. The HHV of the waste actually processed will be adjusted when necessary to compare actual performance to Performance Standards in accordance with the Performance Test Manual.

(e) General Testing Procedures

The purpose of the Performance Test is to evaluate the Project's ability to satisfy the Performance Standards set forth in Part I of Schedule 5 to the Service Agreement. The Performance Test will consist of the following:

(i) Facility Performance Test:

- Capacity Test and MCR Tests
- Energy Efficiency Test
- Steam Quality Test
- Turbine-Generator Set Demonstration
- Standby Generator(s) Test
- Environmental Test Comprised of:
- Air Emissions Test
- CEM Demonstration
- Wastewater Test
- Residue Quality and Quantity Test
- Ferrous Recovery Test

(ii) Transportation System Performance Test:

- Equipment Test
- Operations Test

Except for the Turbine-Generator Set Demonstration, each of the Facility Performance Tests must be conducted with each unit operating at or near MCR. Individual requirements for the above tests are defined in the following sections of this Schedule 6 and testing for compliance with the requirements of each of these collectively comprise the Performance Test.

No portion of the Energy Efficiency Test, Residue Quality and Quantity Test, or the Operations portion of the Transportation Test may be conducted prior to the beginning of a Capacity Test. The Equipment Test portion of the Transportation System Performance Test must be completed prior to the Transportation System Operations Date.

Weight of incoming waste at the Transfer Station will be measured at the weigh scale. Weighing accuracy will be maintained within the State of Maryland requirements. The scales will be calibrated and certified by the State authorities. A continuous log of waste quantities delivered for the Performance Test period will be maintained by the Company and monitored by the Authority. Weights for the purpose of the Performance Test also include crane weighing and compactor weighing systems.

During any Test period, notice of such Test period having been given in accordance with Schedule 7, and the foregoing items 1(b) and 1(c), the Authority will use all reasonable efforts to deliver or cause to be delivered the required quantities of Processible Waste. If, despite all its reasonable efforts, the Authority fails to deliver the required quantities of Processible Waste, then the Scheduled Acceptance Date will be extended. Any delay costs incurred by the Company due solely to the non-delivery of waste would be reimbursed to the Company as an adjustment to the Construction Period Service Fee or as an adjustment to the Service Fee payable pursuant to Article V (as the case may be). If the Authority determines that there is insufficient waste and changes the Performance Test, the revised test will be no more stringent than the original test.

During any Test herein, the Project must operate all of its related systems normally. Prior to commencement of any Test herein (but not earlier than twelve weeks prior to commencement), the Company must calibrate all of the measuring instruments to be used in the Test. Documentation on this calibration must be made available to the Authority at least one week prior to commencement of any Trust. During any Test herein, all normal operations must be in effect.

Preliminary test runs may be conducted prior to any test run for the purpose of checking and making adjustments to the equipment and familiarizing test personnel with the Project and equipment.

In the event of a shortfall of Processible Waste delivered by the Authority or the unavailability of Processible Waste at the Facility due to the limits of the Rail Transportation System, any of the performance test durations may be shortened by the Authority and the Performance Test requirements will be adjusted by mutual consent of the Authority Representative and the Company Representative. 1/

2.0 FACILITY PERFORMANCE TEST 2/

(a) Capacity Test and MCR Test

The Start-up Demonstration shall be performed in accordance with section 3.2 of the Final Performance Test Manual dated June 10, 1995.

During start-up and shakedown operation of the Facility and before conducting the Performance Tests, all instrumentation and controls will be calibrated by technicians provided by the Company, its subcontractors, or suppliers. The Agency and Consulting Engineer will be given, upon 24 hour notice, the opportunity to witness the calibration of any instruments or control loops.

Facility throughput capacity must be tested during a continuous fourteen (**14**) day (**336**)-hour period for the purpose of determining that the Facility meets the Guarantee of Capacity set forth in Part I of Schedule 5 to the Service Agreement.

This shall be a **fourteen (14)** consecutive day test of the Facility at an average processing level of 95% of Facility MCR while operating under automatic combustion control, performed by the permanent plant operating personnel.

The throughput quantities calculated for each individual day shall be added to obtain the Total **14**-day throughput. The total 14-day throughput shall be a minimum of **23,940** tons of Processible Waste, after adjustment for actual HHV as noted below.

Throughout the Capacity Test no cleaning of the boiler will be permitted other than normal rapping and soot-blowing at regular intervals.

1/ Boldfaced text added pursuant to First Amendment.

2/ Section amended pursuant to First Amendment.

During the Capacity Test, the Company will use its best efforts to avoid bypassing Processible Waste. In the event of a shortfall of Processible Waste delivered by the Authority, the Capacity Test duration may be shortened by the Authority, and the Performance Test requirements will be adjusted by mutual written consent.

As part of the Capacity Test, an MCR Test will be conducted. The objective of this MCR Test is to demonstrate the capacity of each furnace/boiler unit to process waste and produce design steam during a seven (7) consecutive day Test period while operating all three furnaces at MCR design capacity. For the purposes of the MCR Test, the Facility will be operated for one 168-hour period, which will be part of the Capacity Test, during which the Facility will process at least 12,600 tons of Processible Waste after adjustment for actual HHV as noted below. If any portion of the MCR Test is conducted after the Capacity Test, then the Facility will not be considered to have passed the MCR Test in the absence of a successful Residue Quality and Quantity Test run concurrently with the MCR Test while the Residue Quality Guarantee is met.

For the purposes of the Capacity Test, the MCR Test, or any test requiring that the Facility or a single unit be operated at or near MCR, the Facility throughput will be measured using the following procedures:

- Waste fed to each boiler train must be weighed by using the weighing system installed on the cranes. A record must be maintained showing the weight of each grapple load and the furnace into which it was deposited.

- The crane weighing systems must be calibrated prior to starting the Capacity Test. The Company shall perform a refuse crane calibration demonstration during start-up in accordance with Section 5.1.3.5 of the Capacity and MCR Tests (Tab 4) of the Final Performance Test Manual. During the Capacity Test, the calibration must be checked at least two times daily at approximately 12 hour intervals. Percent deviations must be noted and recorded. If any deviation exceeds +/- 2 percent, the weighing system must be repaired or recalibrated. At the end of the Capacity Test, the deviation, if greater than 2 percent, must be accounted for when calculating the Facility throughput capacity.

- Data collected during periods when deviations were greater than 2% will be interpreted under the worst case assumption, that the entire deviation was experienced from the time of the last calibration check.

Prior to any test run, all operating conditions will be established and stabilized. During the test run, all operating conditions which might affect the results of the test run will be maintained as constant as possible, recognizing the heterogeneous nature of the waste, and maintaining steam output of the boilers and power output of the steam turbine as close to MCR design conditions as possible. The Facility must be operated in a manner consistent with expected day-to-day, long-term operation of the Facility.

Adjustments will be made to the actual amount of waste processed by comparing the Reference Waste HHV to the as-processed waste HHV in accordance with the Performance Test Manual, which method: (1) for tonnage processed during the Energy Efficient Test shall be that required by ASME Test procedures as described herein, and (2) for all other tonnage shall not be any less rigorous than the method in Schedule 10. The actual and adjusted waste processed during the Capacity Test will be compared to the Guaranteed Capacity to determine compliance. The Facility will not be considered to have passed the Capacity Test in the absence of successful Residue Quality and Quantity Test.

Notwithstanding any other provision of this Agreement, the following procedures will be followed with respect to the Capacity Test and the MCR Test:

(i) <u>Low Refuse Pit Inventory at Beginning of Capacity Test:</u>

The Company will endeavor to begin the Capacity Test on a Monday, Tuesday, Wednesday or Thursday, but is not required to do so. If the refuse pit does not contain at least 8000 tons of Processible Waste at the end of the Demonstration Period or some lesser amount acceptable to the Authority, provided the Company is ready to commence the Capacity Test, one unit will be operated at minimum load as needed to maintain furnace temperature without the use of supplemental fuel and the other two units will be shut down. After the waste inventory together with the tons of waste expected to be received at the Facility within the next two days reaches 10,700 tons or some lesser amount acceptable to the Authority, the other two units may be brought on line and operated at 80 - 90% load for approximately 40 hours. All units may then be operated at or near full load for approximately eight hours prior to the commencement of the Capacity Test, at which time the Capacity Test shall commence.

The time from the shut down of the two units as provided above until the commencement of the Capacity Test will be defined as the "Delay Time" hereunder. The Delay Time will be adjusted as follows:

- **hours for maintenance which would have delayed commencement of the Capacity Test in any event will be deducted from the Delay Time; and**
- **the Delay Time will then be rounded off to the nearest whole day.**

The Scheduled Acceptance Date shall be extended by the Delay Time (not to exceed four days). The Company shall receive credit for the Delay Time (but not the first four days of the Delay Time) in calculating the number of days between Acceptance Date and Scheduled Acceptance Date under §3.1(g) of this Agreement, so that the Acceptance Date will be deemed to have occurred on the actual Acceptance Date, less the Delay Time in excess of four days, and the Total Net Savings will be calculated in all respects as if the Acceptance Date had occurred on such earlier date "the Adjusted Acceptance Date". With the exception of this adjustment, the Company shall not be entitled to Delay Costs for the Delay Time.

When the Acceptance Date is adjusted pursuant to this Schedule 6 for purposes of §3.1(g) of this Agreement, the date as adjusted shall be referred herein as the "Adjusted Acceptance Date".

(ii) <u>Low Waste Flow During Capacity Test or MCR Test:</u>

If waste flow during the Capacity Test is not sufficient to keep all three units operating during the 14-day Capacity Test, or 7-day MCR Test (which can be completed during any seven consecutive days of the 14-day Capacity Test) one or more units may be shut down according to the procedure described below.

Each day during the Capacity Test, the Company's test manager and the Authority's representative shall consult by 7:00 p.m. (or other time as mutually agreed), to evaluate whether or not a unit needs to be shut down. Factors to be considered will be the day of the week, the number of days remaining in the test, the pit inventory, the amount of Processible Waste received at the Transfer Station on that day and the amount of Processible Waste expected to be received during the remainder of the test. After such consultation, the Authority will decide whether to shut down a unit. The Authority will consider the following information when making the decision so that (a) the Capacity Test will extend the full fourteen days with at least one unit operating at all times and (b) the unit with the most environmental tests completed will be shut down first; however, the selection of the unit to be shut down will be made by the Authority. If the refuse pit level drops below 750 tons at any time

during the Capacity Test, the Facility shall be operated with only one unit in service for the remainder of the Capacity Test. If the pit level drops below 500 tons at any time during the Capacity Test or MCR test the Capacity Test shall end. An acceptable Capacity Test may then be less than 14 days and an acceptable MCR test may then be less than 7 days.

If a unit or units are shut down, the Guaranteed Capacity set forth in Paragraph 5.2.1 of Schedule 5 and the Minimum Guaranteed Capacity set forth in Paragraph 5.3.1 of Schedule 5 will be adjusted as follows:

The hours that a unit or units are shut down, including the number of hours that all three units are shut down if the Capacity Test or MCR Test ends before 14 days after the start of the tests, pursuant to the procedures set forth above will be logged and the Performance Standards and Minimum Performance Standards for Guaranteed Capacity (Capacity Test) will be reduced on a unit/hour basis. The Performance Standards and Minimum Performance Standards for Guaranteed Capacity (MCR Test) set forth in Schedule 5 will also be reduced on a unit/hours basis if the MCR Test could not be completed before a unit was shut down, but was still completed within the period of the Capacity Test. For example, for the MCR Test, if the average HHV of the Processible Waste was determined in accordance with Schedule 6 to be 5,500 BTU/lb, and one unit was shut down for 2 days (48 hours), the 12,600 ton Performance Standard would be adjusted (reduced) to 11,400 tons. Since 12,600 tons per seven Facility-days equals 4,200 tons per 7 unit-days or 25 tons per unit-hour, the MCR Test Performance Standard would be reduced by 25 tons for every hour that each unit is shut down pursuant to the above procedure.

The Company will use reasonable efforts to complete the Energy Efficiency Test and the Environmental Compliance Test before a unit is shut down pursuant to the procedures set forth above. If necessary all other Performance Tests will be completed with less thin three units operating. The Authority may waive the requirement to perform one or more of the required Energy Efficiency Tests if at least one Energy Efficiency Test was completed during the Capacity Test and based on the results of the Energy Efficiency Test or Tests already completed, the Company has passed the Energy Efficiency Test. If either the Energy Efficiency Test or the Environmental Compliance Test cannot be completed during the Capacity Test because a unit or units were shut down pursuant to the procedures set forth above, then the test will be completed as soon as sufficient waste is available and all witnesses from the Maryland Department of Environment that are needed are available (notwithstanding any provision of paragraphs (b) and (f) of this Section 2 to complete the tests during the Capacity Test). Provided all other criteria

necessary to achieve the Acceptance Date as provided in Schedule 16 of this Agreement are met, the Acceptance Date will occur at the end of the Capacity Test or on the date that all Environmental and Energy Tests are complete which ever is later.

The Adjusted Acceptance Date for purposes of calculating Total Net Savings under Section 3.1(g) of this Agreement will be adjusted as follows: (1) The Adjusted Acceptance Date will occur on the Acceptance Date less any calendar days of Delay Time as defined in 2(a)(i) that are greater than four days, and (2) If the Environmental Tests or Energy Efficiency Test cannot be completed during the Capacity Test because a unit or units were shut down pursuant to the procedures above, the Adjusted Acceptance Date shall be the Acceptance Date less the calendar days needed for testing that the unit or units were shut down and any number of calendar days prior to completing the test(s) which are necessary to provide enough waste for the test(s).

The Officer's Certificate and the Performance Test Report will be submitted after the completion of the tests as provided in section 3.5 (b) of this Agreement and provided that all other criteria necessary to achieve the Acceptance Date as provided in Schedule 16 of this Agreement are met, then the actual Acceptance Date (except for the purposes of section 3.1 (g)) will be the date on which all Environmental Tests are complete but no earlier than the date on which the Capacity Test is complete.

During the MCR portion of the test, the balance of plant equipment, and specifically the make-up water system for the service water tank and the boiler feed water system for the demineralized water tank, will be monitored to demonstrate capability of the equipment. This data will only be used to evaluate the capability of the balance of plant systems to sustain MCR for seven consecutive days if a unit is shut down as provided above during the MCR Test.

If the inventory of Processible Waste in the Facility's refuse pit drops below 500 tons with one (1) unit operating at any time during the Capacity Test or MCR Test then the Capacity Test or MCR Test shall end and, not withstanding any other provision of this Agreement, the above provisions will be adjusted by agreement of the parties in order to ensure that the Company's rights and obligations under the Service Agreement are not adversely affected.

(iii) Examples:

The following are examples of possible adjustments to the Scheduled Acceptance Date and to the Acceptance Date for purposes of

§3.1(g) of this Agreement pursuant to the foregoing provisions of this Section 2(a).

Example 1: If the Delay Time under Paragraph (i) above, is three days, and all Environmental and Energy Tests are completed during the Capacity Test, then the Scheduled Acceptance Date would be increased by three days. There would be no adjustment to the Acceptance Date for purposes of §3.1(g) of this Agreement.

Example 2: If the Delay Time under Paragraph (i), above, is four days and the Environmental Test is completed four days after completion of the Capacity Test as the result of a unit being shut down pursuant to the above procedures, then the Scheduled Acceptance Date would be increased by four days and the Adjusted Acceptance Date for purposes of §3.1(g) of this Agreement would be deemed to have occurred four days earlier than the actual Acceptance Date.

Example 3: If the Delay Time under Paragraph (i), above, is eight days and the Environmental Test is completed four days after completion of the Capacity Test as the result of a unit being shut down pursuant to the above procedures, then the Scheduled Acceptance Date would be increased by four days and the Adjusted Acceptance Date for purposes of §3.1(g) of this Agreement would be deemed to have occurred eight days earlier than the actual Acceptance Date.

Example 4: If the Delay Time under paragraph (i), above, is eight days the Scheduled Acceptance Date would be increased by four days and the Adjusted Acceptance Date shall be adjusted to be four days earlier than the Acceptance Date. In addition, if the Environmental Tests are completed five days after the end of the Capacity Test, three days of which are the result of a unit or units being shut down pursuant to the above procedures and one day was required to provide enough waste for the testing, the Adjusted Acceptance Date shall be further adjusted to account for only four of the five days needed to complete the Environmental Tests. Thus in this example the Adjusted Acceptance Date would be deemed to be eight days earlier than the Acceptance Date.

Example 5: If the Delay Time under paragraph (i), above, is eight days the Scheduled Acceptance Date would be increased by four days and the Adjusted Acceptance Date shall be

adjusted to be four days earlier than the Acceptance Date. If a unit or units are shut down pursuant to the procedures above for three days and one day is required to provide enough waste for the Environmental Tests and the Environmental Tests takes only two days to complete after the end of the Capacity Test, then the Adjusted Acceptance Date shall be further adjusted to account for the two days actually needed to complete the test and the one day needed to provide enough waste for the Environmental Test. Thus in this example, the Adjusted Acceptance Date would be deemed to be seven days earlier than the Acceptance Date.

(b) Energy Efficient Test

The objective of the Energy Efficiency Test (EET) is to establish the steam and electrical energy production per ton of Reference Waste at the specified MCR capacity of the boilers together with the turbine(s) when processing Reference Waste at the Facility MCR (75 TPH). The Energy Efficiency Test must be conducted with each furnace running at or near 25 TPH. Other than normal rapping and soot blowing at regular intervals (as specified in the approved Performance Test Manual) boiler cleaning will not be allowed during the Energy Efficiency Test. Residue Quality during the EET averaged with that during the Capacity Test must not exceed the Residue Guarantee stated for the Capacity Test.

(i) Approach

Steam and electrical generation is dependent upon the solid waste throughput composition, and HHV; ambient wet bulb and the condenser back pressure. For Performance Test purposes, it is recognized that the Processible Waste delivered to the Facility may not be representative of the Reference Waste and the quantity of specified Reference Waste which must be provided to generate the electrical energy and must, therefore, be corrected to the energy obtainable from the deliverable Processible Waste. It is further recognized that, by using the combustion system as a calorimeter, HHV of the delivered Processible Waste may be determined (and it may be greater or less than the Reference Waste). The method of using the combustion system as a calorimeter will be in accordance with the American Society of Mechanical Engineers' Performance Test Code 4.1 (FTC-4.1) for steam generating units and/or Performance Test Code 33 (FTC 33) for large incinerators (the ASME test code) for the editions in print as of the date of execution of the Service Agreement.

For these tests, the Facility must be operated at a rate of approximately 1,800 tons of Reference Waste per day and at the design capacity of the boilers and the turbine. Use of auxiliary fuel during the test is permitted only if required to satisfy environmental permit conditions, in which case the auxiliary fuel used will be measured by metering with a meter dedicated to this purpose.

Processible Waste fired during the test will, if possible, be pre-selected to be as near representative of the Reference Waste as is reasonably available. The combustion trains will be operated with continuous boiler blowdown closed in order to improve the accuracy of steam/feedwater flow measurement.

(ii) Procedures

Each of the Energy Efficiency Tests will be conducted while the Facility is operating at or near MCR (75 tons per hour). During four (4) 8-hour (ASME minimum) test periods on pre-selected days, pertinent test data will be recorded at appropriate intervals and in accordance with the ASME Test Code. Data is to be reported in 4-hour block averages. Data and measurements taken on each contribution train will include, but not necessarily be limited to, the following:

- Waste feed rate, individual and total for all boilers.
- Boiler outlet steam rates, net after soot blowing, temperature and pressures.
- Feedwater rates, temperatures and pressures, average for all operating boilers.
- Attemperator water rates (if applicable), temperatures and pressures, average for all operating boilers.
- Boiler drum pressures, average for all operating boilers.
- Turbine Generator throttle steam flow, temperature and pressure.
- Air temperature at the air preheater inlets and outlets, if applicable.
- Flue gas rates, temperatures and opacity.
- CO_1, CO_2, O_2, H_2O in the flue gas at economizer outlet, except that the CO measurements may be measured in the stack and adjusted to the economizer exit.
- Residue quantities and quality as described in the Residue Quality and Quantity Test (Section 1(d) of this Schedule 6). Through the Test period grab samples from each processing unit must be taken hourly and composited. Composite samples from hourly samples in accordance with ASME FTC 4.1 Section 5.12 and FTC 33 Section 4.8.4 from each furnace combined, or if mutually agreed upon from a common Residue stream.
- Barometric pressure.
- Ambient wet/dry bulb temperatures.
- Turbine generator gross electrical output, voltage, frequency and power factor readings.
- In-house power consumption.
- Turbine exhaust pressure.
- Slowdown rates on boilers and temperature.

Test measurements will be taken from installed Facility instruments which will have been previously calibrated in accordance with Section 1(e) of this Schedule 6. Special portable instrumentation may also be used where required and specifically provided for in the approved Performance Test Manual. Raw data will be recorded at time intervals of not more than 15 minutes. Such recording will be primary (i.e. not transcribed) and must be taken in a printed, written or other hard-copy fashion. Each separate or separable sheet or page of raw data must be initialed at the time of monitoring by the individual directly responsible for monitoring and recording raw data during the tests, and must be submitted to the Authority as part of the Performance Test Report.

(iii) Data Analysis

Using the test data and measurements from the tests, calculations will be made in accordance with the ASME Test Code for the determination of all boiler heat losses, heat outputs and heat credits. All data and measurements for the tests will be averaged for the total number of combustion trains.

Calculations for heat credits will include sensible and latent heat in the combustion air.

Calculations for heat outputs will include heat in the output steam. Calculations for heat losses will include:

- Carbon loss due to unburned combustibles in the Residue.
- Incomplete combustion due to Carbon Monoxide.
- Sensible and latent heat in the wet flue gas.
- Sensible heat in the Residue and fly ash.
- Heat loss in the quench cooling water vapor in the combustion gases.
- Heat loss in the blowdown.

Heat loss due to radiation and convection from the boilers will be taken from the latest edition of the ABMA radiation loss chart.

Unaccounted losses must not exceed 1.50% unless otherwise specified in the approved Performance Test Manual.

HHV will be calculated by dividing the heat input (in Btu's) by the amount of waste processed (in pounds). The heat input is the sum of: heat output plus heat losses minus heat credits. Data from this test will be used to produce two graphs and equations of Schedule 10 for Annual HHV determination. Specifically, the two graphs are: (1) HHV (higher heating value) versus SSR (specific steaming

rate), and (2) wet O2 (in flue exhaust) versus dry excess air; and the equations shall be linear least-squares fit to the EET data.

Adjustments will be made to the actual net and gross electricity production by comparing the Reference Waste HHV to the as-processed waste HHV and comparing design and actual ambient wet bulb, in accordance with the Performance Test Manual. The actual and adjusted net and gross electricity production measured during the Electricity Production Test (in kwh/ton) will be compared to the Electricity Production Guarantee to determine compliance.

Notwithstanding any other provisions of this Schedule, the HHV determination portion of the Energy Efficiency Test will be performed in single combustion trains instead of a Facility basis, pursuant to the Final Performance Test Manual.

(c) Steam Quality Test

A Steam Quality Test shall be conducted according to ASME PTC 19.11 Sect. 3 by using one of the following methods, sodium tracar, electrical conductivity, gravimetric, or ion exchange. This Test shall be conducted while the Facility is operating at or near MCR rating (75 tons per hour). This Test will be compared to design specifications and applicable code in order to determine compliance.

(d) Turbine-Generator Set Demonstration Test

This test refers to item 1(c)(7) above. The turbine curve demonstration test must occur after load stabilization and over a continuous 2-hour period with data recorded at no longer than 15 minute intervals with stable operation at each of two load points; (1) Facility MCR, and (2) 50% of Turbine/Generator MCR. This test may occur outside the period of the capacity test.

Notwithstanding anything to the contrary in Sections 1(c)(7) or above in this Section of this Schedule, the turbine generator set will be demonstrated at **(i)** 100% of MCR throttle flow and **(ii)** 67% of MCR throttle flow.

(e) Standby Generator(s) Demonstration Test

(i) Factory Testing

The fully-assembled standby generator set(s) must be given the full battery of manufacturer's standard tests at the factory, and certified test results from manufacturer must be included in the Performance Test Manual. This

requirement must be applied regardless of whether diesel engine(s) or gas turbine(s) are selected as prime movers.

(ii) **The** standby generator set **must include three Construction site tests which** will be performed in accordance with the Final Performance Test Manual.

(f) Environmental Compliance Test

The Environmental Compliance Test must be conducted concurrently with the Capacity Test to determine whether the Facility meets the Environmental Compliance Guarantee. The Facility will be tested to confirm compliance with all applicable federal, state and local environmental laws, regulations and permit conditions using testing procedures that will satisfy the testing requirements in effect at the time the actual test is performed. Each of the parameters to be monitored relative to the Environmental Compliance Test will be determined in accordance with the methods and testing procedures required by each applicable environmental permit at the time the actual test is performed. The Environmental Compliance Test will consist of the following, as more specifically described below: i) the Air Emissions Test; ii) CEM demonstration; and iii) the Wastewater Quantity and Quality Test.

(i) The Air Emissions Test

The Air Emissions Test must be performed on each combustion train. The combustion units must be operated at MCR, as described for the MCR Test in Section 2(a) of this Schedule 6, and at design boiler output conditions. Normal sootblowing must take place during at least one particulate Testing period for at least one contribution train.

During the Air Emissions Test, all parameters specified in all air emissions permits including, but not limited to, the following will be measured at the intervals specified in the permits:

- Flue gas rate, temperature and pressure at the exit of the combustion chamber and just prior to entering and just following the air pollution control system. Flue gas rates at combustion chamber exist may be calculated;
- Particulates in the flue gas as total suspended particulate (TSP) and (PM-10);
- CO, CO_2, O_2, H_2O, HCl, Fluoride (as HF), SO_2, NO_2, VOC in the flue gas, average for all operating boilers;
- Quantity of reagent consumed for said gas removal;

- Trace contaminants including, but not limited to, heavy metals (arsenic and compounds, beryllium and compounds, cadmium and compounds, chromium and compounds, hexavalent chromium, lead, nickel and compounds, and mercury) 2, 3, 7, 8 TCDD toxic equivalent, furans, polychlorinated biphenyls (PCB's), PAH's and Aldehydes;
- Stack capacity; and
- Any other constituents required by applicable permits.

(ii) CEM Demonstration

At the start of and during the Performance Tests, the Company shall use all reasonable efforts: (a) to cause the Continuous Emission Monitoring devices ("CEMS") specified in Schedule 19 to the Service Agreement to be properly installed, calibrated, maintained and operated, all in accordance with 40 CFR 60.13, and (b) to achieve the emission factors set forth in Table 19.2 of Schedule 19 in accordance with the methods specified therein without compromise to Facility throughput, steam flow or similar basic operating conditions. It is specifically recognized that: (a) the readings from the CEMS may, from time to time, indicate excursions from the standards set forth in such table and (b) outages of the CEMS will occur from time to time and in such event the Company shall use all reasonable efforts to cause the CEMS to resume operating in conformance with Schedule 19 and 40 CFR 60.13 as promptly as possible.

(iii) Wastewater Quantity and Quality Test

Wastewater testing must include a quantity measurement of the service and sanitary wastewater produced and an analysis of the wastewater transported to the PEPCO discharge canal for all parameters required by applicable permits. Wastewater sampling will be conducted at a minimum on an 8-hour compositing basis, except for parameters which must be taken by grab in which case one grab per 8 hour period will be required throughout the Capacity Test. Samples will be taken, unless inconsistent with the NPDES permit, at the point of discharge into the PEPCO canal. The Performance Test Manual must specify the sampling locations, sampling and measurement procedures (including sampling frequency), and QA/QC procedures for the Wastewater Quantity and Quality Test and must reference and be consistent with the NPDES permit. Results must meet the parameters in Table 5.2 in order to demonstrate compliance.

(g) Residue Quality and Quantity Test

A Residue Quality and Quantity Test must be conducted concurrently over the entire period of the first attempt to pass the Capacity Test. A successful Residue Quality and Quantity Test must be conducted concurrently with a successful Capacity Test or MCR Test, subject to the interpretation of the results of

analysis to determine compliance described below. Residue will be analyzed for percent moisture, total carbon, unburned combustible and putrescibles. In addition, Residue will be analyzed for information purposes for any other components required by applicable ASME guidelines, standards, and permits, including the Oaks Landfill Permit.

Grab samples of Residue must be collected from Residue which passes through the grizzly scalper screen every four (4) hours during the Capacity Test period and composited daily. The daily composite Residue samples will be analyzed in accordance with established ASTM procedures.

The average of the results of the analysis will be compared to the Residue Quality Guarantee (see Schedule 5) to determine compliance. Compliance with the Residue Quality Guarantees will be deemed, for purpose of this Schedule 6, to be in compliance with the Residue Quality Guarantee. In order to determine compliance, data from that required Residue Quality and Quantity Test which is conducted concurrently with the first attempt to pass the Capacity Test, shall be averaged over the entire **14-**day Capacity Test Period, and the Residue Quality Guarantee (Part I of Schedule 5) will be deemed passed for the purpose of this Schedule 6 while allowing a 20% excess in Residue Quality over that guaranteed.

If the Capacity Test has been deemed to be passed while using the excess Residue allowance, then the Residue Quality and Quantity Test must be retaken concurrently with a successful MCR Test taken subsequent to the Capacity Test period. In such case, the Residue Quality and Quantity Test results will be averaged over the entire 7-day MCR Test Period, and compliance with the Residue Quality Guarantee (Schedule 5) shall be interpreted without allowing any excess in Residue Quality over that guaranteed.

(h) The Ferrous Recovery Test will be performed in accordance with the Final Performance Test Manual.

3. TRANSPORTATION SYSTEM PERFORMANCE TEST

The ability of the Transportation System to provide for the transport of **Acceptable Waste** 3/ from the Transfer Station to the Facility; to transport Landfill Waste to the Designated Landfill and to transport Residue from the Facility to the **Transfer Station and then to** 4/ Designated Landfill must be

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3/ Boldfaced text amended pursuant to First Amendment.

4/ Boldfaced text added pursuant to Change Order #26.

tested from two perspectives. First, the Company must demonstrate that the equipment that makes up the Transportation System can operate at its design capacity. Second, by meeting the Transportation System Guarantee, the Company must demonstrate that the Transportation System will, on an ongoing basis, provide for the reliable movement of waste. The Transportation System Performance Test will consist of two separate tests: the Equipment Test and the Operations Test.

(a) Equipment Test

The purpose of the Equipment Test is to determine if the component of the Transportation System can operate at design capacity for a period of three (3) consecutive days.

Based on a schedule contained in the Performance Test Manual and to the extent possible, given the availability of Acceptable Waste, all systems of the Transportation System will be operated at design capacity. The following data, at a minimum, will be recorded during the Test period:

(i) For the container cranes --

(Specify separate data for each container crane in operation at both the Facility and the Transfer Station)

Number of complete cycles

Average cycle time

Number of containers lifted from railcars, trucks and storage area

Number of containers returned to railcars, trucks and storage area

Start time and finish time

Length of lunch period and if any other interruptions

(ii) For the compactor station --

(Provide separate data for each compactor station in operation at the Transfer Station)

Number of containers charged/discharged

Gross weight of each container load with container number

Average weight of container loads

List of container tare weights

Number of complete strokes per hour

One out of every ten containers must be weighed at the Scale House for calibration

(iii) For the train loading --

Beginning and ending times for unloading and loading entire train (at Transfer Station) and loading and unloading **Twenty (20)** cars at the Facility 5/

The data will be compared to the design rating for each component and related to the systems ability to handle projected peak waste delivery periods.

(b) Operations Test

The purpose of the Operations Test is to determine if the Transportation System can effectively provide for the movement of Processible Waste, Acceptable Waste and Residue as provided for in the Service Agreement. This test is to be conducted concurrently with the Capacity Test portion of the Facility Performance Test.

Throughout the Capacity Test all Acceptable Waste delivered to the Transfer Station and all Residue produced at the Facility must be transported and/or disposed of as provided for in the Service Agreement. In order to accomplish this, it is necessary for the Transportation System to operate reliably and effectively. All Acceptable Waste received at the Transfer Station must be transported to the Facility or the Designated Landfill and all Residue must be transported from the Facility **to the Transfer Station and then** 6/ to the Designated Landfill subject to the Company's right to reject waste under 4.2 of the Agreement. All terms of the Rail Transportation Agreement must be adhered to.

The following data must be provided for each day of the Capacity Test:

5/ Boldfaced text amended pursuant to First Amendment.

6/ Boldfaced text added pursuant to Change Order #26.

- Total amount of Acceptable Waste delivered to the Transfer Station Site
- Total Amount of **Acceptable** Waste transported to the Facility and the amount transported to the Designated Landfill 7/
- Gross weights and number of containers (as measured by both the compactor scale and scalehouse)
- Total amount of Landfill Waste transported to the Designated Landfill
- Total amount of Acceptable Waste loaded into transportation vehicles and/or containers and not transported from the Transfer Station Site **or the Facility Site 8/**
- Total amount of Residue produced at the Facility, estimated by proration of the weekly generation
- Total amount of Residue transported from the Facility to the Transfer Station Site **or the Designated Landfill 9/**
- Total amount of Residue transported from the **Facility Site or the** Transfer Station to the Designated Landfill 10/
- Total amount of Residue loaded into containers and not transported from the Facility Site
- Rail movement times as follows:

    1. Time CSX crew is on duty
    2. Time when locomotive first couples to cars
    3. Time when first coupling is made and train is complete
    4. Time the brake test (air test) is complete
    5. Time the CSX dispatcher is called for permission to enter CSX mainline
    6. Time the CSX dispatcher grants permission
    7. Time the main track switch is re-aligned for the CSX main track after the train occupies the main track
    8. Time the train stops at the Facility (Monocacy River bridge) to throw the PEPCO switch
    9. Time the main track switch is realigned for the main track after the train enters the PEPCO track
    10. Time reported by the train crew to CSX dispatcher that the train is clear of the main track
    11. Time the train arrives at the Facility (First Stop)

7/ Boldfaced text amended pursuant to First Amendment.

8/ Boldfaced text added pursuant to First Amendment.

9/ Boldfaced text added pursuant to First Amendment.

10/ Boldfaced text added pursuant to First Amendment.

12. Time the engine uncouples from the train
13. Time the Company locks the first track to start work
14. Time the Company unlocks the last track
15. Time when locomotive first couples to cars
16. Time when last coupling is made and train is complete
17. Time the brake test (air test) is complete
18. Time the CSX dispatcher is called for permission to enter CSX mainline
19. Time the CSX dispatcher grants permission
20. Time the main track switch is re-aligned for the CSX main track after the train occupies the main track
21. Time the train stops at the Transfer Station to throw the sidetrack switch
22. Time the main track switch is realigned for the main track after the train enters the sidetrack
23. Time reported by the train crew to the CSX dispatcher that the train is clear of the main track
24. Time the train arrives at the Transfer Station (First Stop)
25. Time the engine uncouples from the train
26. Time the Company locks the first track to start work
27. Time CSX crew reports off duty

The data will be reviewed to determine compliance with all operational considerations in applicable permits; the Service Agreement, the Landfill Agreement, the Rail Transportation Agreement and any other applicable Project Agreement.

4. SPECIAL PERSONNEL PROHIBITED

The Company is prohibited from using overtime, additional staff or specially qualified personnel or supervisors during any of the Performance Tests, for the purpose of operating the Facility, except as would be normally required. The use of overtime, additional staff or specially qualified personnel or supervisors for the purpose of supporting test function and protocols is permitted and expected.

5. PERFORMANCE TEST REPORT

Within a period not to exceed thirty (30) days following completion of the Performance Test, the Company must submit to the Authority ten (10) copies of the Performance Test Report. The Report must include all raw data recorded during the Performance Test plus detailed analysis comparing the performance of the Project to the Performance Standards. The Performance Test Report must contain a certificate signed by an authorized officer of the Company and by a professional engineer employed by the Company stating that based on the results of the

Performance Test, the Project has demonstrated the ability to satisfy all Performance Standards.

The Authority, the County and the Consulting Engineer will review the Performance Test Report and the Officers' Certificate. If within thirty (30) days of receipt, the Authority believes that the Company did not have reasonable basis for certifying as to its ability to satisfy any of the Performance Standards, the Authority may refer the matter to the Independent Engineer pursuant to Section 14.15 of the Agreement. If, within thirty (30) days the Independent Engineer provides written opinion that the Company did not have reasonable basis for certifying as to its ability to satisfy the Performance Standards, the Company will, according to a schedule mutually agreeable to the Company and the Authority, take such actions as may be necessary to satisfy the Performance Standards and retake the Performance Test.

6. TRANSPORTATION SYSTEM DEMONSTRATION

(a) Demonstration Requirements

The transportation system demonstration ("Demonstration") will be repeated on three consecutive days using the CSX crew and locomotive as stated in the Rail Transportation Agreement. The Demonstration must be completed no later than 180 days prior to the Scheduled Acceptance Date. The demonstration procedures are described below. The Company must contact CSX to arrange for locomotive service during the demonstration, in accordance with the Rail Transportation Agreement. The Company may use operating personnel from other Facilities and subcontracted labor during the demonstration. However, the Facility Manager must be present at the demonstration. The Authority Representative, the County Representative and the Consulting Engineer must be notified at least 14 days in advance of the demonstration date. With the exception of the residue container demonstration, described below, all demonstration must take place at the Transfer Station and Facility Site in Montgomery County, Maryland.

In no case will the Company be allowed to import waste or residue for the demonstration. Portions of the demonstration requirements may be changed by mutual agreement, but may only be waived at the sole discretion of the Authority.

(b) Container Loading Demonstration

Prior to the first rail shipment, the containers must be loaded at the Transfer Station and at the Facility using the equipment specified in Schedule 1 to this Agreement. The data requirements specified in Part (e) must be provided.

(c) Rail System Demonstration

Thirty (30) rail cars **loaded with empty containers** will be assembled at the Transfer Station. This configuration will check the system's ability to perform. At the Facility, the cars will be positioned for unloading, all **30** cars will be unloaded and reloaded. The train will be reassembled with loads again adjacent to the engine and return to the Transfer Station. The demonstration train will carry **60 empty forty-foot containers. 11/**

Containers will be loaded and reloaded using the equipment specified in Schedule One of this Agreement. Jockey drivers with chassis will simulate the movement of containers between the rail yard, the tipping floor and the residue area.

Modifications may be made to the aforementioned protocols as mutually agreed in writing between the Company Representative and the Authority Representative.

A detail time record will be maintained (see part e below), and must meet the guarantees in Schedule Form 8 of this Agreement. In addition, the duration of time between items 9 and 16 inclusive may not exceed four hours.

(d) Data Requirements 12/

The Company shall supply, for each day of the demonstration, that data which must be recorded in order to follow the procedures and requirements set forth in Section 3(a)(i), (ii), and (iii) of this Schedule 6.

11/ Boldfaced text amended and restated or added pursuant to First Amendment.

12/ Boldfaced text amended pursuant to First Amendment.

Schedule 7
to
Service Agreement

REPORTING REQUIREMENTS

The Company must give the Authority Representative, the County Representative and the Consulting Engineer the following reports and information at the times indicated below. The Company must complete the Forms included herein as Exhibit A during the Operations Period.

7.1 CONSTRUCTION PERIOD REPORTS

The Construction Progress Report must be delivered by the 21st day of each calendar month from the Commencement Date to the Acceptance Date. The report must describe in reasonable detail the design, construction and procurement activities of the Company and its major subcontractors during the previous month and any problems encountered during the month and corrective action taken to resolve them. It must also state the percentage of the work completed on the Project and on each major work item. The report must also describe the plans for the next month, including, design milestones, major construction activities, equipment orders and delivery schedules and testing requirements. The report must also include a schedule showing the estimated dates on which the major milestones will be achieved and an estimate of the Acceptance Date. The report must contain the information and minority contracting reports required by this Agreement. The final form of the report must be mutually agreed upon prior to the first submittal.

The Company shall also deliver the following information:

Information:	Delivery Date:
Copies of Required Insurance for the construction period (see Section 10.2 and Schedule 12 of this Agreement)	Commencement Date
Project implementation schedule	Within 25 days of the Commencement Date
Permit applications	At the same time as submission to agency
Initial design review ("IDR") agenda	At least 30 days before the IDR

Preliminary construction schedule	At least 30 days before the IDR
IDR documents	At least 30 days before the IDR
IDR	At completion of IDR
All Detailed Plans	Shall be made available in accordance with Section 2.4 of this Agreement
Preliminary Performance Test Manual (See Section 3.5 of this Agreement)	At least 90 days before any Performance Test
Draft Operation and Maintenance Manual (See Section 2.3 of this Agreement)	At least 90 days before Performance Test
List of spare parts	At least 60 days before Performance Test
Final and complete Operation and Maintenance Manual (See Section 2.4 of this Agreement)	At least 60 days before Performance Test
Approved Performance Test Manual (See Section 3.5 of this Agreement)	At least 30 days before Performance Test
Final Notice of Performance Test	At least 7 days after Authority agreement with Test Manual and 7 days prior to Test Start Date
Notice of actual Acceptance Date (See Section 2.1 of this Agreement)	At least 7 days prior to date expected to be the actual Acceptance Date
Preliminary Plan for Transportation System Demonstration	At least 60 days prior to Demonstration
Approved Plan for Transportation System Demonstration	At least 30 days prior to Demonstration

Notice of Actual Transportation System Demonstration Start Date	At least 14 days prior to Actual Transportation System Demonstration Start Date
Successful Completion of Transportation System Demonstration	At least 180 days prior to Scheduled Acceptance Date
Report Documenting Successful Completion of Transportation System Demonstration	No longer than 3 weeks after Transportation System Demonstration

7.2 PERIODIC REPORTS DURING START-UP AND PERFORMANCE TESTING

Report:	Delivery Date:
Performance Test Report (See Schedule 6 of this Agreement)	Not more than 30 days after the end of the Performance Tests
Certificate of Independent Engineer as to Guaranteed Performance Level (See Schedule 6 of this Agreement)	Not more than 30 days after the end of the Performance Tests
Schedule of charges for Out-of-Hours Deliveries (See Sections 4.3 and 5.4 of this Agreement)	At least 30 days before start of Facility operations
Copies of Required Insurance for the operating period (See Section 10.2 and Schedule 12 of this Agreement)	At least 30 days before the start of Facility operations
Other Information:	Delivery Date:
Performance Test information, records, data and calculations described in Schedule 6 of this Agreement and other information pertaining to the Performance Tests	Available upon request of the Authority or the County

7.3 PERIODIC REPORTS DURING OPERATIONS

Report:	Delivery Date:
Monthly Performance Report (See Exhibit A to this Schedule)	On or before the 10th Business Day of each calendar month for the preceding calendar month
Schedule of charges for Out-of-Hours Deliveries (See Section 4.3 and 5.4 of this Agreement)	On or before (January 1st) of each Fiscal Year, the Schedule may be revised until the (March 1) preceding the Fiscal Year for which the charges are effective
Estimates of Service Fee (See Section 5.7 of this Agreement)	On or before (January 1st) of each Fiscal Year; estimates may be revised until the (March 1) preceding the Fiscal Year for which the Service Fee is effective
Transfer Station rules and regulations (See Section 4.8 of this Agreement)	At least 30 days before intended implementation date
Penalty imposed for violation of Transfer Station rules and regulations (See Section 4.12 of this Agreement)	3 Business Days before the imposition of penalty
Log of maintenance and equipment replacement activities (See Section 4.10 of this Agreement)	Kept continuously during operations; available upon reasonable notice and request of the Authority of the County
Accounting of Service Fee during Fiscal Year (See Schedule 10 of this Agreement)	Not more than 30 days after the close of each Fiscal Year

Report of corrective action taken to cure deficiencies revealed by annual inspection (See Section 4.11 of this Agreement)	Kept continuously during period following receipt of Inspection Plan; available upon reasonable notice and request of this Authority or the County
Reports required by the Project Agreements and Bond Documents	As required by the Project Agreements and the Bond Documents

The Authority and the Company agree that in the event a delivery date set forth herein above conflicts with the delivery date for the same item set forth in the main body of the Service Agreement, the main body of the Service Agreement shall control.

Each monthly report shall include a summary of the environmental monitoring test result data relating to the reporting period.

Exhibit A

USE OF MONTHLY PERFORMANCE REPORT FORMS

The Company must complete the Monthly Performance Report Form shown below and submit the form to the Authority within ten (10) business days after the end of each month. The Authority will use this data as one means of detecting degradation in Facility performance and be used to establish monthly waste throughput. If negative trends are detected, review meetings with the Company may be convened by the Authority to discuss remedies.

MONTHLY PERFORMANCE REPORT
Month _____, Year _____

A. Waste Quantities (tons)

	Delivered		Processed		% of CT		Bypass		Diverted	
	Month	YTD*	Month	YTD	Month	YTD	Month	YTD	Month	YTD
(1) Processible Waste	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

		Disposal location (if other than Designated Landfill)
(2) Non-Processible Waste	_____ _____	_____
(3) Diverted Waste	_____ _____	
(4) Bypassed Waste	_____ _____	
(5) Hazardous Waste	_____ _____	

GT - Guaranteed Throughput
*YTD - Year-to-Date

B. Residue Generation (wet tons)

	Month	YTD*
(1) Residue transported to landfill		
(2) Residue sold		
(3) Residue to Other Use		
(4) TOTAL RESIDUE GENERATED		
(5) Residue in excess of Guarantee		

*Year-to-Date

C. **Materials Processing (tons)**	Month	YTD	Per cent of Total Residues Month	YTD
Ferrous Metals Extracted Prior to Incineration				
Ferrous Metals Extracted From Residue				
TOTAL Ferrous Metals Extracted				
TOTAL Ferrous Metals Sold				
Non-Ferrous Metals Extracted Prior to Incineration				
Non-Ferrous Metals Extracted From Residue				
TOTAL Non-Ferrous Metals Extracted				
TOTAL Non-Ferrous Metals Sold				
Other Materials Extracted Prior to Incineration (specify)				
Other Materials Extracted From Residue (specify)				
TOTAL Other Materials Extracted				
TOTAL Other Materials Sold				

D. Energy Production

Total Electricity Produced (Kwh)	_____	_____
Total In-Plant Electricity Use (Kwh)	_____	_____
Total Electricity Produced by Backup Generator (Kwh)	_____	_____
Total Electricity Bought (Kwh)	_____	_____
Total Electricity Sold (Kwh)	_____	_____
Total Steam Sold (Lbs.)*	_____	_____
Total Fossil Fuel Used (therms)	_____	_____
Total Fuel Used in Backup Generator (gallons)	_____	_____

E. Revenues from Product Sales

			Average Unit Sales Price (specify units)	
	Month	YTD	Month	YTD
Revenues from Electricity Sales	_____	_____	_____	_____
Revenues from Ferrous Metal Sales	_____	_____	_____	_____
Revenues from Non-Ferrous Metal Sales	_____	_____	_____	_____
Revenues from Other Material Sales	_____	_____	_____	_____
Revenues from Residue Sales	_____	_____	_____	_____
Revenues from Steam Sales	_____	_____	_____	_____
TOTAL Revenues from All Product Sales ($)	_____	_____	_____	_____

F. Processible Waste Shipped by Rail

Residue Shipped by Rail	_____	_____	_____	_____

G. Utilization Statistics

	Total Hours In Month	Total Hours Utilized In Month	Percent Utilization This Month	Total Hours YTD	Total Hours Utilized YTD	Percent Utilization YTD
Furnace/Boiler System:*						
(a) Unit 1						
(b) Unit 2						
(c) Unit 3						
(d) Unit 4 (if applicable)						
Turbine/Generator:						
(a) Unit 1						
(b) Unit 2 (if applicable)						

* Includes complete "chute to stack" system (i.e. feed mechanism, furnace, boiler, ash system, APC system and related auxiliary systems).

H. Plant Operating Statistics

Monthly Average Data

1.	Total Throttle Steam Flow this month Sum of main steam flow for all units		_____ lbs
2.	Average steam temperature at superheater outlet		_____ F
3.	Average steam pressure at superheater outlet		_____ psig
4.	Total feedwater flow (Sum of feedwater flow for all units)		_____ lbs
5.	Average feedwater temperature at economizer inlet		_____ F
6.	Average feedwater pressure at economizer inlet		_____ psig
7.	Average flue gas temperature at economizer outlet		_____ F
8.	Average O_2, % by volume, in flue gas		_____ %
9.	Average combustion inlet air temperature downstream of FD fans but upstream of steam coil air preheaters		_____ F
10.	Combustion air temperature immediately downstream of the steam coil air preheaters		_____ F
11.	Average condensate flow		_____ gpm
12.	Average turbine exhaust pressure		_____ psia
13.	Average ambient air temperatures:	wet bulb dry bulb	_____ F

I. Environmental Compliance

1. Air Emissions

   [To be determined based on monitoring and reporting requirements in permits.]

2. Water and Wastewater

   [To be determined based on monitoring and reporting requirement in permits.]

J. Unit Downtime Report

Unit No. _____ Month/Yr. ___/___

Occurrence No. _____ Duration (min.) _____ Cumulative (min)* _____

Date _____ Scheduled (S) or Unscheduled (U) _____

Cause: _____

_____

Corrective Action Taken: _____

_____

_____

[Repeat above form as needed for each occurrence greater than 2 hrs., each unit]

*Monthly Cumulative Downtime To Date, This Unit

K. Electric Outage Report

Occurrence No. _____ Cause: PEPCO (P) or In-plant (I): _____

Date: _____ Time: _____ Duration (min): _____

Cumulative: _____MTD_____YTD

[Repeat as needed for each occurrence]

Schedule 8
to
Service Agreement

LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that Ogden Martin Systems of Montgomery, Inc. ("Ogden Martin") as Principal, _____ _____ and as Surety, hereinafter called Surety, are held and firmly bound unto _____ as Obligee, hereinafter called Owner, for the use and benefit of claimants as herein below defined in the amount of _____ Dollars ($_____), for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Ogden Martin has by written agreement dated _____ _____, 19____, entered into a contract with Owner for (here insert full name, address and description of project) in accordance with Drawings and Specifications prepared by (here insert full name and address or legal title of Architect) which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Ogden Martin promptly makes payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the preference of its Construction Obligation under the Service Agreement, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however to the following conditions:

1. Claimant is defined as one having a direct contract with Ogden Martin or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

A Claimant is also defined to include one having a right or asserting a right to a lien for labor and/or material in accordance with the Mechanic's Lien Law of Maryland, as the same may from time to time be amended, modified, or changed.

Notwithstanding anything contained in paragraph 3, it is understood and agreed that the limitation periods provided in paragraph 3 shall not bar any action under this bond by any Claimant having a right or asserting a right to a lien for labor and/or material in accordance with the Mechanic's Lien Law of Maryland, as the same may from time to time be amended, modified, or changed.

Any obligee may enforce its rights under this bond either alone or with one or more of the other obligees.

2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every claimant as herein defined who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Owner shall not be liable for the payment of any costs or expenses of any such suit.

3. No suite or action shall be commenced hereunder by any claimant:

(a) Unless Claimant, other than one having direct contract with the Principal, shall have given written notice to any two of the following: the Principal, the Owner, or the surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal, Owner or Surety, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer.

(b) After the expiration of one (1) year following the date on which Principal ceased Work on said Contract, it being understood, however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

(c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.

4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

Signed and sealed this _____ day of _____, 19___.

_____
(Principal) (Seal)

_____
(Witness)

_____
(Title)

_____
(Surety) (Seal)

_____
(Witness)

_____
(Title)

Schedule 9
to
Service Agreement

INFLATION ADJUSTOR

"Inflation Adjustor" means an amount equal to the greater of 1.0 or the sum of (i) .55 multiplied by a fraction, the numerator of which is the ENR Wage Index for "Skilled Labor" for Baltimore published on the date closest to the calculation date and the denominator of which is the ENR Wage Index for "Skilled Labor" for Baltimore published on the date closest to June 27, 1990; (ii) .25 multiplied by a fraction, the numerator of which is the Equipment Cost Index for Steam Power Industry prepared by Marshall and Swift, Los Angeles, California published on the date closest to the calculation date and the denominator of which is the Equipment Cost Index for Steam Power Industry prepared by Marshall and Swift, Los Angeles, California published on the date closest to June 27, 1990; and (iii) .20 multiplied by a fraction the numerator of which is the Consumer Price Index published on the date closest to the calculation date and the denominator of which is the Consumer Price Index published on the date closest to June 27, 1990.

Schedule 10
to
Service Agreement

HIGHER HEATING VALUE AND VERIFICATION PROCEDURES

Based upon information obtained from the Performance Test pursuant to which the Acceptance Date was established, a correlation curve will be developed indicating the refuse higher heating value (in Btu per pound) versus specific steam production from the boilers (in pounds of steam generated per pound of refuse fired). The curve will be normalized to standard design conditions for steam and feedwater temperatures and pressures and referenced to the measured economizer exit gas temperature(s), measured economizer exit oxygen content, measured ambient air temperature(s) and measured combustion air temperatures (i.e., heat credits resulting from air preheat) while the boilers are operated at maximum continuous rating (MCR) steam flow. Specific steam production as measured will be utilized in conjunction with the curve to determine the refuse higher heating value. A typical specific steam production versus refuse higher heating value correlation curve is attached as Figure 1.

The Specific Steaming Rate (SSR) versus HHV correlation curve will be transformed into a mathematical equation by a least squares of the Energy Efficiency Tests (EET) data. The equations will be used for purposes of determining waste HHV and the following will be used as correlations to the HHV determined by the correlation curve.

For every 10°F increase (decrease) from the initial reference economizer exit gas temperature for which the correlation curve was developed, the higher heating value (HHV) will decrease (increase) approximately 0.562 percent. Therefore, the refuse higher heating value obtained from the correlation curve shall be adjusted proportionately upward (downward) based upon the actual increase (decrease) in economizer exit gas temperature at MCR.

For every 10% increase (decrease) from the initial reference excess air percentage for which the correlation curve was developed, the higher heating value will decrease (increase) 0.773 percent. Excess air percentage will be obtained from the equation referred to in Schedule 6, Section 2.b(iii) relating wet 0_2 (from stoker combustion control oxygen analyzer) to dry excess combustion air (An example of this relationship is shown in Figure 2.)

For every 10°F increase (decrease) from the reference combustion air inlet temperature for which the correlation curve was developed, the higher heating value will also increase (decrease) 0.562 percent.

For every 10°F temperature rise in combustion air temperature across the steam coil airheaters above (below) the reference combustion air temperature

rise for which the correlation curve was developed, the refuse higher heating value will decrease (increase) by 14.0 Btu/lb.

Adjustment factors for deviation in economizer exit gas temperature, inlet air temperature, airheater outlet temperatures and excess air percentage from test reference values may be modified after operating data is developed if mutually agreed upon between the company and the authority.

Data for the above calculations shall be obtained from the following sources:

Steam Flow - Boiler outlet flow determined by calibrated permanent plant primary flow element.

Flue gas oxygen (%) - Station oxygen analyzer used for the stoker combustion controller.

Economizer Exit Gas
Temperatures (°F) - Station thermocouples in the economizer gas outlet flue.

Ambient Inlet Air
Temperatures (°F) - Station thermocouples in the forced or overfire air fan inlet ducts.

Combustion Air Temperature
Downstream of the Steam
Coil Air
Preheaters (°F) - Station thermocouples downstream of the air preheat coils.

Refuse Quantity - The monthly Facility refuse throughput will be determined using the truck scale/pit volume method as follows:

MRT = PIB + WRS - WR - PIE

Where:

Monthly Refuse Throughput (MRT) is the amount of refuse in tons determined to have been Processed by the Facility in accordance with the above formula.

Pit Inventory Beginning (PIB) is the amount of refuse in tone determined to be in the Facility refuse storage pit at the beginning of the month.

Waste Received Scales (WRS) is the amount of refuse in tons as measured by the charging press scales or other mutually accepted method, transported to the Facility and discharged into the Facility refuse storage pit during the month.

Waste Returned (WR) is the amount of refuse in time diverted from the Facility (for alternate disposal) after having been credited as WRS.

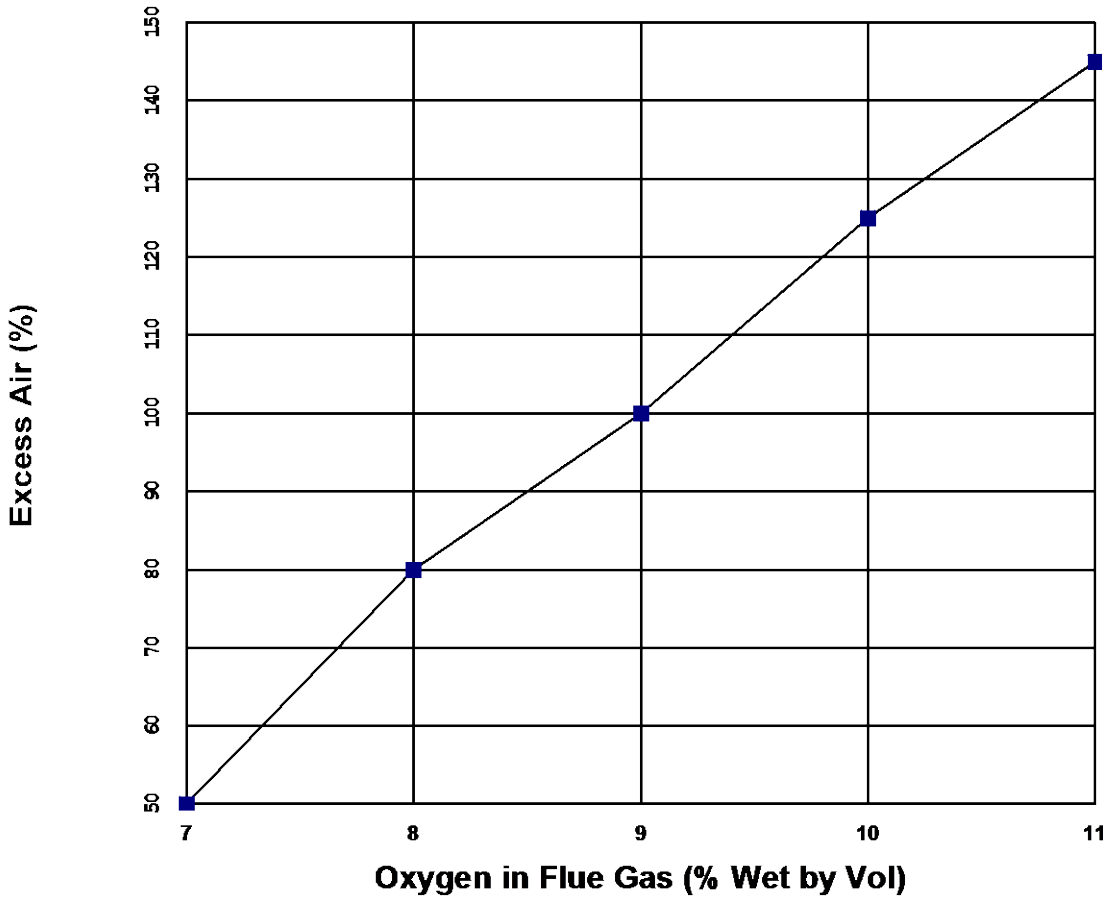
Pit Inventory End (PIE) is the amount of refuse in tons determined to be in the Facility storage pit at the end of the Month.

Figure 2
to
Schedule 10

SAMPLE

Montgomery County RRF

Excess Air v. 02 Percent in Flue Gas
(Note: 10% moisture by volume assumed)



Schedule 11
to
Service Agreement

DEFINITIONS OF UNACCEPTABLE WASTE AND NONPROCESSIBLE WASTE

Unacceptable Waste means any material not included in the definition of Hazardous Waste which is not permitted by Applicable Law to be delivered to or disposed of at the Transfer Station and materials that:

(A) (1) in the reasonable judgment of the Company,

(a) would pose a substantial threat to public health or safety if accepted at the Transfer Station, or

(b) are so large or bulky as to present a risk of blocking the Transfer Station waste feed chutes, or

(2) are present in the concentrations or quantities exceeding those normally found in solid waste generated in residences or non-industrial commercial establishments and, in the reasonable judgment of the Company, would either pose a reasonable possibility of adversely affecting the operation of the Transfer Station in any material respect, or cause applicable air quality or water effluent standards to be violated by the disposal of such materials at the Designated Landfill; and

(B) are listed below in the definition of Unacceptable Waste on this Schedule 11 or included in a written notice provided by the Company to the Authority and the County stating that the material constitutes Unacceptable Waste.

(1) Explosives

Dynamite
Hand grenades
Blasting caps
Shotgun shells
Fireworks
Any other explosives

(2) Liquid Wastes

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

(3) Tires

Tires exceeding 16 1/2" in diameter
More than four tires in any single vehicle load

(4) Motor Vehicles and Motor Vehicle Parts

Motor vehicles
Transmissions
Rear ends
Springs
Fenders
Other large motor vehicle parts
Large farm machinery and equipment

(5) Miscellaneous Materials

Pathological and biological waste
Radioactive Materials
Human remains
Dead animals
Agricultural and farm machinery and equipment
Friable asbestos
Tar
Asphalt
Sealed drums
Pressurized containers
Tree stumps
Tree logs and wood products greater than four (4) feet in length and four (4) inches in diameter
Burning or smoldering materials

(6) Waste that is delivered to the Transfer Station and tendered to the Company for acceptance in a single vehicle with a load of 8 tons or more that consist in whole or material part of one or more of the following materials (unless such materials are segregated and removed by the operator of the vehicle to the reasonable satisfaction of the Company) provided, however that during any calendar day the Company is not obligated to accept in the aggregate more than 400 cubic yards of the following materials:

Aggregate
Brick
Stone
Cement
Gravel
Sand
Structural clay products
Soil
Asbestos
Roofing materials
Plaster
Tires
Other non-combustible construction debris

The County Representative, upon written notice to the Company Representative and the Authority Representative, may designate residential yard waste as Unacceptable Waste.

Acceptable Waste consists of two types of waste: Processible Waste and Nonprocessible Waste.

Processible Waste means all Acceptable Waste other than Nonprocessible Waste.

Nonprocessible Waste means materials that:

(A) are Acceptable Waste; and

(B) (1) in the reasonable judgment of the Company,

(a) would pose a substantial threat to public health or safety if Processed at the Facility;

(b) would result in Residue being a material or substance described in clause (a) or (b) of the definition of "Hazardous Waste" if Processed at the Facility;

(c) are so large or bulky as to present a risk of blocking the waste feed chutes or the rail compaction equipment; or

(d) under Applicable Law or the Rail Transportation Agreement may not be transported by rail from the Transfer Station to the Facility or disposed of at the Facility; or

(2) are present in concentrations or quantities exceeding those normally found in solid waste generated in residences or nonindustrial commercial establishments and, in the reasonable judgment of the Company, would either:

(a) pose a reasonable possibility of adversely affecting the operation of the Facility if Processed, or

(b) cause applicable air quality or water effluent standards to be violated by the Processing thereof during normal operation of the Facility; and

(C) are listed below in the definition of Nonprocessible Waste on this Schedule 11 or included in a written notice provided by the Company to the Authority stating that the material constitutes Nonprocessible Waste.

Construction Debris

Aggregate
Brick
Stone
Cement
Gravel
Sand
Structural Clay products
Soil
Roofing materials
Plaster
Other non-combustible construction debris
Structural steel
Rebar
Demolition debris
Wallboard

White Goods

Refrigerators
Washing Machines
Other large metal objects

Schedule 12
to
Service Agreement

REQUIRED INSURANCE

1.0 Construction Period Insurance

From the Commencement Date until the Acceptance Date, the Company shall maintain the following insurance:

(a) Workers' Compensation Insurance

Workers' Compensation Insurance required by law covering all Company employees with the Company as named insured and with no deductible amount and evidence of Workers' Compensation Insurance required by law.

(b) Employer's Liability Insurance

Employer's Liability Insurance with limits not less than $500,000 per occurrence, accident or employee disease, with the Company as named insured, with no deductible amount, and with total policy limits of $10,000,000.

(c) Comprehensive General Liability Insurance

Comprehensive General Liability and Property Damage Insurance, with Contractual Liability, Products/Completed Operations, Personal Injury, Fire Damage, Legal Liability and Broad Form Property Damage Coverages, with primary limits of liability of $10,000,000 per occurrence for bodily injury, $10,000,000 per occurrence for property damage, and $10,000,000 per occurrence for combined aggregate bodily injury and property damage, or an amount sufficient to support the purchase of excess liability insurance in an amount equal to $75,000,000 dollars when combined with the primary insurance, with the Company as named insured and with no deductible amount.

(d) Comprehensive Automobile Liability Insurance

Comprehensive Automobile Liability Insurance with a combined limit per occurrence for bodily injury and property damage of at least $5,000,000 with the Company as named insured and no deductible amount.

(e) Excess Liability Coverage

Excess Liability Insurance in the amount of $65,000,000 per occurrence (or an amount equal to $75,000,000 when combined with 1(c), above) with the Company as named insured and the Trustee included as additional insured and with a maximum deductible amount of $25,000.

(f) "All Risk"/Builders Risk Property Damage Insurance

Insurance for loss, damage or destruction to the Project (including boiler and machinery) caused by "all risk" or builder's risk peril in an amount equal to the full replacement value of the Project (including, insurance for such loss caused by flood totaling $25,000,000 or earthquake totaling $50,000,000). Such "all risk" insurance shall also include vandalism, malicious mischief and collapse endorsements with limits of at least $50,000,000. The Company and the Authority shall be included as additional insureds and with a maximum deductible amount of $25,000. The policy must include an endorsement clause for demolition and cleaning.

(g) Business Interruption Insurance

Business Interruption and Extra Expense Insurance covering expenses and losses due to business interruption, caused by an insured peril in paragraph 1(f) above as well as design errors, and omissions and faulty workmanship and materials which result in physical damages due to an insured peril under paragraph 1(f) above. Such insurance shall provide coverage in an aggregate amount of one years' principal and interest on the Bonds, with a deductible of $100,000. The Company and the Authority shall be included as additional insureds as their interests may appear.

(h) Professional Liability Insurance

The Company must obtain, self-insurance or provide through its design contractor, liability insurance covering errors and omissions and negligent acts with coverage of at least $10,000,000, or such greater amount as the Authority shall request and as is commercially available, per claim and aggregate for the design of the Facility. The policy must provide a three (3) year discovery period and, if commercially available, a five year discovery period.

At the request of the Authority, or the County, the Company will obtain quotes for this Professional Liability Coverage. If the Authority or the County request, the Company will obtain this insurance.

(i) Environmental Impairment Liability

If available upon commercially reasonable terms, the Company must provide environmental impairment liability insurance with a limit of at least $10,000,000 per occurrence for any release of toxics or hazardous waste or other hazardous substance requiring monitoring, cleanup or corrective action under the Comprehensive Environmental Response Compensation and Liability Act.

2.0 Operating Period

After the Acceptance Date, the Company shall maintain, unless the Authority or County maintains as provided for in Section 10.1(a), the insurance described below. The direct costs paid by the company in respect to the premiums payable for the insurance described in this Section 2 for the insurance that the Company is providing will be included in the Approved Pass Through Costs to the extent provided for in Section 5.1. 1/

(a) Workers' Compensation Insurance

Workers' Compensation Insurance required by law, covering all Company employees with the Company as named insured and with no deductible amount.

(b) Employer's Liability Insurance

Employer's Liability Insurance with limits not less than $500,000 per occurrence, accident or employee disease, with the Company as named insured, with no deductible amount, and with total policy limits of $10,000,000.

(c) Comprehensive General Liability Insurance

Comprehensive General Liability and Property Damage Insurance, with Contractual Liability and Products/Completed Operations, personal injury, fire damage, legal liability and broad form property damage coverages, with primary limits of liability of $10,000,000 per occurrence for bodily injury, $10,000,000 per occurrence for property damage, and $10,000,000 per occurrence combined aggregate bodily injury and property damage, or an amount sufficient to support the purchase of excess liability insurance in an amount equal to $75,000,000 when combined with the primary insurance with the Company as named insured and with no deductible amount.

1/ Boldfaced text amended pursuant to Change Order #86.

(d) Comprehensive Automobile Liability Coverage

Comprehensive Automobile Liability Insurance with a combined limit per occurrence for bodily injury and for property damage, of at least $5,000,000 with the Company as named insured and no deductible amount.

(e) Excess Liability Coverage

Excess Liability Insurance in the amount of $65,000,000 per occurrence (or an amount equal to $75,000,000 when combined with 2(c), above) with the Company as named insured and the Trustee included as additional insured and with a maximum deductible amount of $25,000.

(f) "All Risk" Property Damage Insurance

Insurance for loss, damage or destruction to the Project (including boiler and machinery) caused by "all risk" peril in an amount equal to the full replacement value of the Project (including, to the extent available on commercially reasonable terms, insurance for such loss caused by flood or earthquake), with the Company as named insured and a deductible amount of $25,000 or less. Such insurance shall also include vandalism, malicious mischief and collapse endorsements with limits of at least $50,000,000.

(g) Business Interruption Insurance

Business Interruption and Extra Expense Insurance covering expenses and losses due to business interruption caused by an insured peril in paragraph 2(f) above as well as design errors and omissions and faulty workmanship and materials, which result in physical damage due to an insured peril under paragraph 2(f) above. Such insurance shall provide coverage in an aggregate amount of at least the maximum amount of principal and interest payable with respect to the Bonds during any Fiscal Year, with a deductible of $100,000. The Company and the Authority shall be included as additional insureds as their interests may appear.

(h) Boiler and Machinery Insurance

Boiler and Machinery coverage on a comprehensive basis sufficient to replace boiler and machinery items, with the Company as named insured and with a deductible amount of $25,000 or less, which may be provided under the "All Risk" coverage described in paragraph 2(f), above.

(i) Environmental Impairment Liability

If available upon commercially reasonable terms, the Company must provide environmental impairment liability insurance with a limit of at least [$10,000,000] per occurrence for any release of toxics or hazardous waste or other hazardous

substance requiring monitoring, cleanup or corrective action under the Comprehensive Environmental Response Compensation and Liability Act.

Schedule 13
to
Service Agreement

REQUIRED PERIODIC MAINTENANCE

13.0 General

The Company will maintain the Project in good and safe condition at all times, including all repairs and replacements required for the Project to meet each Performance Standard and each condition of the Air Pollution Control operating permit on a continuous basis and to maintain manufacturer's warranties and Required Insurance coverage.

The Company will adhere to the required and recommended pressure vessel codes and power generation practices in regard to fabrication, maintenance, operation and safety. The Company will maintain the Project Site in good repair and in a neat and orderly condition arresting deterioration, correcting emerging hazards and sustaining the internal and external aesthetic quality of the Project.

Prescribed programs for routine daily maintenance, preventive maintenance and scheduled major refurbishment will be developed. Definitive instruction and procedures will be in accord with that in the warranties of each of the equipment suppliers and those written or verbally recorded, by their start-up and test engineers.

Prescribed lubrication, inspection, and maintenance schedules will be developed and their use monitored through check-off lists, inventory control and supervisory inspection.

As they are developed, copies of all instructions, procedures, logs, checklists, and other items pertaining to periodic maintenance will be provided to the State Air Management Administration, the Authority Representative, the County Representative and the Consulting Engineer for review and comment.

13.1 Operating/Maintenance Program Overview

The Company shall develop an operator training program incorporating experience from other OMS facilities. It will also develop rapid O&M information retrieval systems and maintain an adequate inventory of repair parts and material, necessary to permit its staff to identify and remedy malfunctions as they are encountered.

The Company will recruit key plant staff personnel with hands-on familiarity with the internal assembly of the equipment components and their function. This staff will ultimately be involved in the assembly and preparation of the Comprehensive Operations and Maintenance Manual.

13.2 The elements of the operating and maintenance program which will be developed include, but shall not be limited to:

1. Detailed index of the documentation available to the operators.

2. Narrated and illustrated operating procedures for each sub-system.

3. Detailed procedures for start-up, normal operation, shutdown and dissolution routines.

4. Detailed procedures for operation during up-set scenarios.

5. Procedures for emergency shut-down and personnel evacuation.

6. Detailed maintenance procedures and schedules for each sub-system.

7. Procedures for maintaining daily operating data logs, daily activity reports, malfunction reports and remedial reports.

8. Reports of anticipated need and inventory of replacement equipment parts and materials.

9. Procedures and reports for fireside and waterside inspection of the boilers/furnaces during scheduled and unscheduled shutdown periods.

10. Procedures and scheduling of tube wall thickness testing using non-destructive ultrasonic techniques.

11. Card or computerized file of equipment listing all name plate information and shop drawing references.

12. Procedures for turbine inspection and condensor inspection when turbine is being inspected.

13.3 Maintenance Programs

The Company shall develop effective routine, preventive and scheduled maintenance programs to assure the reliability and availability of the Project.

13.3.1 Shift Maintenance

Shift Maintenance Routines shall include specific task inspections and prescribed lubrication schedules. Procedure check-off charts will be used for assuring compliance. These charts will also be used as a "first alert" of pending problem areas detected during these routine inspections.

13.3.2 Preventive Maintenance

Preventive Maintenance ("PM") Programs shall consist of routine inspection and remedial programs. The PM inspections shall be designed to identify pending problems to be remedied promptly, thereby avoiding equipment failure and shall include procedures for monitoring the satisfactory and prompt execution of the remedial actions.

The following procedures and record systems will be established:

- PM procedures card or computerized file for each item of equipment.
- PM schedule for each item of equipment.
- PM history for each item of equipment.
- PM corrective maintenance record or computerized file with space for initials and date.

13.3.3 Annual Inspection

Annual Inspection and Maintenance Routines shall consist of inspection required by this Agreement, Applicable Law and the insurance carriers.

13.4 Repair Parts Inventory

The initial inventory set forth in the specifications will be maintained in accordance with the reasonable recommendations of the equipment manufacturers. The scope of this inventory can be altered based on experience but subject to Authority review and approval. The Company shall maintain an adequate supply of tubes, piping, welding rod, valves, valve trim, seals, gaskets, fasteners, adhesive, wire, and other standard inventory items. The inventory will be logged, monitored and tracked to assure rapid response to need and cost-effective procurement.

13.5 Manuals

Comprehensive Operating and Maintenance Manuals will be prepared for each specific class and size of equipment system installed. Each manual shall include the following information about the equipment system if applicable:

A. System schematic diagrams showing all piping systems, type and size of all valves indicated, and valve controls.

B. Final wiring and control diagrams.

C. A control sequence describing start-up, normal operation, emergency, troubleshooting and shutdown procedures.

D. Plant control diagrams showing normal range and alarm values of each pressure, temperature, flow rate, electric current, voltage, liquid or solid level, opacity, gas concentration, rapper cycle, and other parameters including equipment performance curves for turbine/generator, critical pumps, etc. Diagrams will be keyed to indicate location of direct and automatic read-outs.

E. Operating and maintenance instructions developed with each manufacturer for each item of equipment, including preventive maintenance, corrective maintenance, and lubrication schedules and instructions. Performance curves, certified by manufacturers, for all turbines, pumps and fans.

F. Sequenced malfunction diagnostic procedures and remedial measures for all sub-systems and machinery.

G. Equipment bulletins, catalog cuts and descriptive data for the specific class and size of equipment installed.

H. Plant and personnel safeguard instructions during operating and maintenance modes.

I. Parts lists and recommended spare parts inventory in illustrated parts manuals.

J. Water Chemistry tests, procedures and equipment.

K. Metal thickness tests, procedures and equipment.

13.6 Housekeeping Manual

A Housekeeping Manual will be prepared for the buildings and grounds. This manual shall include the following information:

A. Procedures for routine daily cleaning of interior of buildings, such as floors, office areas, rest rooms, locker rooms and elevator.

B. A program for the upkeep of painted surfaces on the interior of buildings.

C. A program that will establish a routine to ensure daily cleanliness of such areas as the maintenance area, the tipping floor, the ash area, the scale area and the crane pulpit.

D. A program that will establish a routine for cleaning containers.

E. Procedures for routine periodic cleaning of roadways and parking lots and a program for controlling litter at these areas.

F. Procedure and schedule for seasonal landscape maintenance of the grounds.

G. A program that will establish a routine for timely snow removal.

H. Delineation and description of those services performed by contract and those performed by plant personnel.

Schedule 14
to
Service Agreement

DESCRIPTION OF OFF-SITE RESPONSIBILITIES

14.1 ASH HAUL ROAD

See the Facility Site Agreement in Schedule 20 for the description of the improvement.

14.2 RAIL UNDERPASS AND OVERPASS ROAD

See the Facility Site Agreement in Schedule 20 for the description of the improvements.

The "Overpass Road" as described in the Facility Site Agreement is shown on the Facility Site Drawing as the Proposed Relocated Access Road. The alignment of the Rail Underpass and Overpass Road are dependent on the final design of the rail line and PEPCO proposed Station H site improvements which must be coordinated with PEPCO.

14.3 MODIFICATIONS TO CONTROLLED STORAGE FACILITY AND EQUALIZATION PONDS

See the Facility Site Agreement in Schedule 20 for the description of the improvements.

The Company will construct a Replacement Equalization Pond at the location shown on the Facility Site Drawing. Stormwater will be conveyed from the Controlled Storage Facility to the Replacement Equalization Pond, all as more particularly described in Exhibit E to the Facility Site Agreement.

In accordance with Schedule 20, as soon as the Replacement Equalization Pond goes into service, PEPCO shall clean out the Existing Equalization Pond.

14.4 RAIL LINES - FACILITY AND PEPCO IMPROVEMENTS

See the Facility Site Agreement in Schedule 20 for the description of the improvements.

The improvements shall include grade crossings at existing roadways.

14.5 ACCESS ROAD THROUGH COMPOSTING FACILITY

The Facility access roadway will be tied to the existing composting facility access road. This road is the "off-site access road." The off-site access road will be constructed starting from a point on the existing road within the composting facility as shown on the Facility Site Drawing and be constructed through a portion of the composting facility, and tie into the Facility access road at the Facility site boundary. The route of the off-site road access is such that it merges into the existing composting facility road as shown on the Facility Site Drawing.

Except for the construction tie-in with the off-site access road, no improvements to the existing road through the composting facility property are included.

The Company shall furnish and install all off-site pavements as required for construction of the off-site access road. Pavements shall be constructed of required thickness of concrete or asphalt to final lines and grades. Pavement sections shall be crowned or sloped to provide positive stormwater or washdown drainage. Base, sub-base and stabilized sub-base as required shall be included in the work.

The off-site access road shall be designed and constructed of materials and in a manner substantially similar to that of the existing Montgomery County Leaf Compost Road and in accordance with Montgomery County Department of Transportation "Standard Business District Road - Standard No. 51" for the paving and "Standard Open Section Primary Road - Standard No. 47A" for the roadway width; and "Chapter 4 - Alignment - Geometrics" of the Maryland Department of Transportation Highway (MDOT) Development Manual, using a 40 mile per hour design speed.

Pavement design and construction shall be in accordance with the Company's geotechnical consultant's recommendations and MDOT requirements, whichever is more stringent.

The Company shall maintain the off-site access road (as defined as the portion constructed specifically for the Facility).

14.6 WATER INTAKE/DISCHARGE STRUCTURE

The source of process water for the Facility is the PEPCO Discharge Canal. The Company must construct and maintain an Intake/Discharge Structure to enable water from the PEPCO Discharge Canal to be transported to the Facility and wastewater to be discharged from the Facility in accordance with the Facility Site Agreement.

The Water Intake/Discharge Structure shall consist of both above grade and below grade structures as reasonably required for Water Intake/Discharge structures, including but not limited to the retaining wall, settling basin, pumps, filters, noise reduction equipment, monitoring equipment and other ancillary equipment and structures.

The components of these intake/discharge structures shall be of a heavy duty, long life design like that typically used on utility power plants and compatible with the existing structure of the Discharge Canal. The design and quality control program for these structures shall be reviewed and approved by PEPCO prior to the start of construction.

These structures also shall be designed in accordance with Schedule 1A so that they can be constructed and put into service without the interruption of water flow in the Discharge Canal. Their design shall also include stop logs or other provisions to allow for maintenance without cutting off the flow of water in the Discharge Canal.

These structures also shall be designed in accordance with good engineering practices to minimize noise at the Dickerson Site boundary adjacent to the Chesapeake and Ohio Canal. In particular, the noise emanating from these structures shall not cause a significant contribution to the permissible combined noise levels at the Dickerson Site boundary with the Chesapeake and Ohio Canal.

The Easement for the Water Intake/Discharge structure will consist of a parcel of land adjacent to the eastern side of the Discharge Canal at the point where the Utility easement intersects with the Discharge Canal, as shown on the Facility Site Drawing, (See Attachment 3 to the Facility Agreement - Schedule 20) and the Metes and Bounds description provided by Attachment 7 to the Facility Site Agreement (Schedule 20).

14.7 WATER INTAKE/DISCHARGE UTILITY LINE

The Company shall provide equipment and services required to provide and maintain subsurface forced and gravity water/waste water lines (the Utility Line) between the Facility and the PEPCO Discharge Canal including pumps, low metering, instrumentation, testing controls, and accessories for the water/waste water lines in accordance with the Facility Site Agreement - Schedule 20 and Schedule 1A.

All pavement patching, seed and mulching and/or repairs to return grade to existing conditions, will be provided by the Company.

14.8 DISCHARGE CANAL MONITORING FACILITY

See Exhibit G to the Facility Site Agreement in Schedule 20 for a description of the improvement.

14.9 INTERCONNECTION FACILITIES (ELECTRIC)

PEPCO will design, construct, install, maintain, and own the Interconnection Facilities defined in the Electricity Sales Agreement (See Schedule 20). These Interconnection Facilities will include but are not limited to a single 69 KV electric transmission line that will run from the dead end structure at the Facility's switchyard to the dead end structure at PEPCO's Station D or Station H substation; additional equipment and modifications required within PEPCO's Station D or Station H substation; protective devices; metering; and telecommunications.

The transmission line scope shall include all associated costs including fiber optic links and exclusive right-of-way easement.

14.10 RAIL LINES - TRANSFER STATION

The Transfer Station Off-Site rail lines as described in Section 9.2 of Schedule 1B to this Agreement.

Schedule 15
to
Service Agreement

WASTE SCREENING AND PERSONNEL TRAINING PROTOCOL

The Authority and the Company agree to institute a waste screening and personnel training protocol in order to minimize the possibility of Unacceptable Waste (including Nonhazardous, Nonprocessible and Hazardous Waste) being inadvertently delivered to the Transfer Station or delivered to or processed at the Facility.

As part of such protocol, the Authority and the Company agree to take responsibility in the following areas:

(1) Haulers

(a) Education. The Authority and the Company agree to work together in educating Designated Haulers as to what constitutes Unacceptable Waste, particularly Hazardous Waste. The Company must prepare and present an educational program on plant policies and procedures, which will include a review of the Facility's guidelines and sanctions for violations to all Designated Haulers. This program must be videotaped and available to all new Designated Haulers. The Company agrees to create and the County agrees to post clearly visible signs at the scalehouse which provide illustrative lists of items which constitute Unacceptable Waste, particularly Hazardous Waste, and a warning of the penalties associated with such deliveries.

(2) Residents and Commercial Establishments

(a) Education. Materials, such as flyers, will be periodically distributed by the County to commercial establishments and residents throughout the County describing current County policies. These materials will include any information reasonably required by the County or the Authority, with input from the Company as requested.

(b) Enforcement. The County agrees to enforce all applicable laws, rules and regulations through fines and/or other penalties such as prosecutions or revocation of hauling licenses.

(3) Screening at the Transfer Station and at the Facility

(a) Education of Company Employees. The Company shall make sure that all of its employees which are involved in the flow of waste through both the Transfer Station and Facility are trained in identifying Nonprocessible Waste, particularly Hazardous Waste, and the required action upon identification. In no event may any waste be processed at the Facility if it is identified as or suspected to be or contain Hazardous Waste.

(b) Spot-Checking at the Transfer Station. Company employees will conduct spot-checks of vehicles delivering waste to the Transfer Station. In addition, Designated Haulers will be targeted for periodic checks if they are known to service industrial or commercial areas, if their service areas are unknown, or if they have a history of violations. During each spot-check, the contents of the truck shall be emptied and spread over available tip floor space and a visual inspection of the contents shall be made. The Company will conduct between 18 and 30 spot-checks per week on a weekly average basis during each Fiscal Year. If requested by the Authority or the County, the Company shall negotiate, in good faith, a reasonable additional cost for, and shall carry out, additional spot checks.

(c) Pit Checking at the Facility. Company employees must oversee the unloading of trucks into the pit on an ad hoc basis in order to watch for Nonprocessible Waste, such that over the course of each week approximately 25% of all incoming trucks will be watched as they unload.

(d) Procedures Upon Identifying Hazardous or Nonprocessible Waste.

(i) Segregations. Once such waste is spotted, the Company shall take such steps as may be reasonably necessary to isolate or segregate Nonprocessible Waste from the Processible Waste.

(ii) Origination. The Company will use best efforts to identify the origin of such waste.

(iii) Notification. The Company shall notify the Authority of discovery of Hazardous Waste.

(iv) Removal. Hazardous Waste shall be removed from the Facility Site and disposed of pursuant to the Service Agreement.

(v) Cooperation. Both the Company and the Authority shall notify and cooperate with all governmental agencies having jurisdiction under Applicable Law.

A record of each spot-check including date, time, and vehicle-identifying information shall be entered into a log to be maintained by the Company and made available for inspection by the Authority or County upon requests. Each log will be maintained on file by the Company for a period of at least two years after the end of the Fiscal Year to which the log is applicable.

(4) Evolution of Program. The Authority and the Company agree to continue this program throughout the term of the Service Agreement and broaden it pursuant to the applicable provisions of the Service Agreement if necessary in order to achieve the goal of eliminating the delivery of and processing of Nonprocessible Waste and, particularly, Hazardous Waste at the Facility. In addition, this program shall work in conjunction with the recycling program and any household Hazardous Waste collection programs instituted by the County.

Schedule 16
to
Service Agreement

DEFINITIONS

"Acceptable Waste" means:

(a) household garbage, trash, rubbish, offal and refuse of the kinds normally generated by residential housing units and non-industrial commercial establishments located in the County, including, without limitation,

(i) large household items such as beds, mattresses, sofas, bicycles, baby carriages, automobile parts, and roofing materials of the types and in proportionate amounts that are generally collected by the County and private haulers from residential housing units located in the County; and

(ii) trees, branches, leaves, twigs, grass and plant cuttings; and

(iii) automobile or small vehicle tires; and

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

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

"Acceptance Certificate" means a certificate of the Company stating that the events and conditions described in subsections (1) through (5) of the definition of Acceptance Date have been performed or achieved, as the case may be, by the Company.

"Acceptance Date" 1/ means, subject to the next sentence hereof, the latest date on which (1) the Project is substantially and materially complete and has been fully designed, constructed and equipped in accordance with the Specifications (as the Specifications may have been modified pursuant to the terms of this Agreement) except as provided in the Punch List described in Section 3.10, good engineering practices, and final Detailed Plans, (2) all of the Project's systems and

1/ Definition deleted and restated pursuant to Change Order #53.

operating equipment have satisfied all material hydrostatic, pneumatic and "shakedown" field tests pursuant to Schedule 1, (3) all Performance Tests have been conducted and completed in accordance with Schedule 6, and (4) all permits, licenses and approvals (whether temporary, interim or permanent) that are necessary for full-scale operation of the Project and the fulfillment of obligations of the Company under this Agreement have been obtained or caused to be obtained by the Company, have been issued to the Authority or the Company, as the case may be, and are in full force and effect as of the date the Company proposes as the Acceptance Date and (5) the Company has performed the container seal demonstration in accordance with the test procedures described in Schedule 30 attached hereto and made a part hereof. When (a) the results of the most recent Performance Tests demonstrate that (i) the full Performance Standards as set forth in Part I of Schedule 5 have been achieved, or (ii) after the Scheduled Acceptance Date, the Minimum Performance Standards as set forth in Part I of Schedule 5 have been achieved in accordance with Section 3.7 and (b) the Authority and the County have received the Acceptance Certificate, then the Acceptance Date shall be established as of the later to occur of (i) August 7, 1995 or (ii) the date of the last to occur of items (1) through (5) above; notwithstanding the fact that any one or more of the Containers are temporarily sealed on the proposed Acceptance Date; provided, however, that the Company's delivery of an Acceptance Certificate shall in no way preclude the Authority from utilizing the dispute resolution procedures set forth in Section 14.15 if the Authority Representative or the County Representative asserts that the representations in such certificate are not accurate or complete.

The Company and the Authority have agreed in letters dated October 10, 1995 and October 27, 1995 copies of which are attached hereto as Schedule 31 (the "Letter Agreements") that the Acceptance Date, determined in accordance with the above definition, is August 7, 1995.

"Additional Capital Investment" has the meaning given in Section 9.5(b).

"Affiliate" means, with respect to any Person, any other Person who controls, is controlled by, or is under common control with such Person.

"Agreement" means this Agreement between the Authority and the Company (including the Schedules to this Agreement).

"Annual Facility Operating Level" has the meaning given in Section 8.3. 2/

"Applicable Law" means any law, regulation, requirement or order of any federal, state or local agency, Court or other governmental body (including, without limitation, the Montgomery County ten year solid waste plan and the permits, licenses and governmental approvals described in Section 2.6), applicable from time to time to the acquisition, design, construction, equipping, start-up, testing, start-up, financing, ownership, possession or operation of the Project or the performance of any obligations under this Agreement or any other agreement entered into in connection therewith.

"Approved Pass Through Costs" has the meaning given in Article V of this Agreement.

"Approved Subcontractor" means any Affiliate and any other Person who is (1) included as an Approved Subcontractor in a written notice or correspondence from the Authority Representative to the Company Representative, (2) approved in writing by the Authority Representative for the performance of all or a specified portion of the obligations of the Company under this Agreement or (3) deemed to be an Approved Subcontractor for such work pursuant to Section 2.2 or Section 4.10.

"Ash Reduction Target" has the meaning set forth in Section 4.23. 3/

"Ash Systems" has the meaning set forth in Section 4.23. 4/

"Authority" means Northeast Maryland Waste Disposal Authority, and its successors and permitted assigns.

"Authority Change" means a Change ordered by the Authority pursuant to Section 3.2(a) or 8.1(c).

"Authority Containers" shall mean the AO Containers and the AH Containers (as defined in Section 7.17 of Schedule 1B), collectively. 5/

2/ Definition added pursuant to First Amendment.

3/ Definition added pursuant to Change Order #115.

4/ Definition added pursuant to Change Order #115.

5/ Definition added pursuant to Change Order #62.

"Authority Railcars" shall mean the flatbed railcars supplied by or on behalf of the Authority to transport Authority Containers back and forth from the Facility railyard to the Designated Landfill. 6/

"Authority Representative" means the authorized representative of the Authority designated in accordance with Section 14.1.

"Authority Trailers" shall mean the open top trailers and associated tarps and tie downs supplied by or on behalf of the Authority and used to transport waste from the Transfer Station to the Designated Landfill. 7/

"Bond Documents" means the Trust Indenture and all other documents executed in connection with the issuance of the Bonds.

"Bonds" means the Series 1990 Bonds, any additional bonds issued in accordance with the Trust Indenture and any other obligations issued by the Authority for borrowed money relating to the Project.

"Brunswick Agreement" shall mean the Service Agreement dated June 19, 1997 by and between Montgomery County, Maryland and Brunswick Waste Management Facility, Inc. 8/

"Business Day" means any day other than Saturday, Sunday or a day on which either state or national banks in Maryland are not open for normal banking business.

"Bypassed Waste" means Processible Waste that is accepted by the Company but is not Processed at the Facility.

"Change" means any restoration, modification, addition or alteration to the Project.

"CH Containers" means the CH type rail containers with hatches that have been delivered to a Project Site. 9/

"Commencement Date" means the earliest date on which all conditions precedent set forth on Schedule 23 have been satisfied or waived in writing.

6/ Definition added pursuant to Change Order #62.

7/ Definition added pursuant to Change Order #62.

8/ Definition added pursuant to Change Order #62.

9/ Definition added pursuant to Change Order #53.

"Company" means Covanta Montgomery, Inc. and its permitted successors and assigns. 10/

"Company Contribution" has the meaning given in Section 5.2(d). 11/

"Company Representative" means the authorized representative of the Company designated in accordance with Section 14.1.

"Company Termination Date" means the date on which this Agreement terminates.

"Confidential Information" means proprietary information of the Company related to solid waste disposal and resource recovery given to the Authority or the County or the Consulting Engineer by the Company in connection with this Agreement that (1) the County or the Authority (as the case may be) is not required to disclose under Applicable Law, (2) is not in the public domain, (3) is in tangible form, (4) is identified as confidential by the word "confidential" conspicuously marked on the upper right hand corner of each page thereof, and (5) is annotated to reference the provisions of Applicable Law that authorize nondisclosure of such material and information to the public.

"Construction Commitments" means any one or more of the following sources of funds:

(a) cash or any moneys either on deposit in any of the funds and accounts established under the Bond Documents and available in, or for transfer to, funds or accounts for which payment is authorized to be made for such costs (together with reasonably estimated investment earnings thereon); or

(b) letters of credit, construction or other guarantees from the Authority, the County or any other Person having a rating of A or better by Moody's Investor's Service, or Standard and Poor's Corporation, appropriation by the County, or any other enforceable obligation of the County or the Authority to provide sufficient funds in a timely fashion; provided that the Authority must provide an opinion of Bond Counsel or other counsel reasonably satisfactory to the Company regarding the enforceability of this obligation.

"Construction Index" means an amount equal to the greater of 1.0 or the sum of (i) .30 multiplied by a fraction, the numerator of which is the ENR Wage Index for "Skilled Labor" for Baltimore published on the date closest to the

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10/ Definition restated pursuant to Change Order #78.

11/ Definition added pursuant to First Amendment.

Commencement Date and the denominator of which is the ENR Wage Index for "Skilled Labor" for Baltimore published on the date closest to October 15, 1990; (ii) .50 multiplied by a fraction, the numerator of which is the "CE Plant Cost Index - Equipment, Machinery, Supports," as published in Chemical Engineering, published on the date closest to the Commencement Date and the denominator of which is the "CE Plant Cost Index - Equipment, Machinery, Supports," as published in Chemical Engineering published on the date closest to October 15, 1990 and (iii) .20 multiplied by a fraction the numerator of which is the Consumer Price Index published on the date closest to the Commencement Date and the denominator of which is the Consumer Price Index published on the date closest to October 15, 1990.

"Construction Obligations" means (i) the Company's obligations pursuant to Article II and III that are required to be performed prior to the Acceptance Date other than Sections 2.13(b), (c), (d), (e) and (f) and maintenance obligations pursuant to Section 2.5, and (ii) the Company's obligations pursuant to Sections 3.9 and 3.10.

"Construction Period" means the period beginning on the Commencement Date and ending on the Acceptance Date.

"Construction Period Service Fee" has the meaning set forth in Section 2.13.

"Consumer Price Index" means the Consumer Price Index for the Washington, D.C., Standard Metropolitan Statistical Area, All-Items for All Urban Consumers, 1982-1984 Base, published by the United States Department of Labor, or, if such Index is no longer published or its method of computation is substantially modified, a substitute Index published by the United States government or by a reputable publisher of financial or economic statistics that will fairly and reasonably reflect the same or substantially the same information as the discontinued or modified Index.

"Consulting Engineer" means R.W. Beck and Associates or a successor engineer or firm of engineers that the Authority retains to perform engineering services related to the Project.

"Containers" means the CH Containers and the CS Containers, collectively. 12/

"Container Sealing System" means, with respect to the CH Containers, the sealing system tested by the Company in accordance with the container acceptance criteria described in Schedule 30 and, with

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12/ Definition added pursuant to Change Order #53.

respect to the CS Containers, the sealing system selected by the Company. 13/

"County" means Montgomery County, Maryland, and its successors and permitted assigns.

"County Code Red Day Protocol" means the protocol described in the Authority's letter of July 2, 1996 to the Company and the Company's letter dated June 27, 1997 to the Authority and the County, both concerning that subject. 14/

"County Representative" means the Person designated by the County in accordance with Section 14.1.

"CS Containers" means the CS type (waste only) rail containers without hatches that have been delivered to a Project Site. 15/

"CSX" means CSX Transportation, Inc. and its successors and permitted assigns.

"CSX Overtime Protocol" means a protocol between the Company and the Authority regarding rail schedules and responsibility for the payment of overtime charges under the Railroad Transportation Agreement.

"Debt Service" means an amount equal to (i) the amount of the principal of and premium, if any, and interest on the Bonds or any other financing by or on behalf of the Authority to finance costs related to the Project plus (ii) fees and expenses (including expenses of counsel to the Authority) of the Authority, the Trustee, and any remarketing agent, letter of credit bank or other credit facility provider, and tender agent, if any, for the Bonds and administrative fees and expenses of the Authority under the Bond Documents or any other financing documents relating to the Bonds.

"Default Termination Damages" has the meaning set forth in Section 11.7.

"Delay Costs" means direct costs incurred by the Company that are caused by delay arising from Uncontrollable Circumstances or an Authority Change or as provided in Section 2.4 of this Agreement, but only to the extent the Company

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13/ Definition added pursuant to Change Order #53.

14/ Definition added pursuant to Third Amendment.

15/ Definition added pursuant to Change Order #53.

bears and meets the burden of proving that these costs were caused solely and directly by an Uncontrollable Circumstance or Authority age or delay in review as provided in Section 2.4 and the Company has used all reasonable efforts to mitigate these costs. These costs do not include indirect costs of the Company such as lost profits or lost business opportunities related to the delay.

"Designated Hauler" means any Person other than the Company or its Affiliates and subcontractors (i) who is directed by the County or the Authority or Personnel operating the weighing facilities at the Transfer Station to deliver waste to the Company at the Transfer Station, or (ii) who is designated as such by the Authority or the County.

"Designated Landfill" means (i) one or more landfills or **other disposal or recycling** facilities designated by the Authority and made available to the Company for disposal of Acceptable Waste and Residue and (ii) any other landfill or **disposal or recycling** facilities available to the Company for disposal of Acceptable Waste and Residue that are provided by the Company in accordance with Section 6.6(e) of this Agreement. 16/

"Detailed Plans" means site plans (including landscape plan, grading and drainage; architectural elevations; u/g utilities general arrangements (RRF & Transfer Station); rail siding general arrangements (RRF & Transfer Station); 69/13.8kv single line diagram; Transfer Station 480V load center single line diagram; 4160V one line diagram (RRF); 480V one line diagram (RRF); MMC one line diagrams (RRF); DC and UPS one line diagram (RRF); three line diagram: main transformer and synchronization, mass and energy balance, and water balance diagram; P&I Diagram: legend, superheater and economizer, steam supply system, turbine generator steam, boiler blowdown and stoker, combustion air, flue gas system, fly ash handling system, residue handling system, condensate system, boiler feedwater, make-up water, waste water, demineralized water and boiler water chemical feed, fire protection system, instrument and service air, cooling tower, air heater, bypass condenser, water treatment, acid/caustic/neutralization; equipment specifications for major equipment described in a letter agreement between the Authority Representative and the Company Representative (excluding Martin supplied parts).

"Disposal Fee" means the amount payable by the County to the Authority pursuant to the Waste Disposal Agreement.

"Diverted Waste" means waste that the Authority delivers or tenders for delivery to the Company under this Agreement but which is not accepted by the Company.

16/ Boldfaced text added pursuant to First Amendment.

"'DOT Type' Nonprocessible Waste" shall have the meaning given such term in Section II.A.(iii) of Schedule 18. 17/

"Electricity Sales Agreement" means the agreement between the Authority and PEPCO dated October 2, 1989 concerning the sale of electricity produced at the Facility.

"Energy Sales Agreement" means **the Purchase and Sale Agreement between the Authority and Mirant Energy Americas Marketing LP dated December 17, 2003 and any other agreements for the sale of steam, hot water, electricity and any other energy produced at the Facility.** 18/

"Event of Default" means an Event of Default as defined in Article XI.

"Excess Residue" means any amount of Residue in excess of .298 tons of Residue (on a wet basis excluding Recovered Materials) per ton of waste Processed; provided, however that the Company may, at its sole option and expense, demonstrate that Residue in excess of .298 tons of Residue during a Fiscal Year is not Excess Residue by demonstrating satisfaction of the Residue Quality Guarantee as set forth in Schedule 5 during the successful performance of a capacity test in accordance with Schedule 6 (except that the full Residue Quality Guarantee must be met and no MCR test is required) within 60 days after the last day of the Fiscal Year, provided that this period may be extended upon mutual agreement by the Company Representative, the County Representative and the Authority Representative.

"Extension Period" means the period beginning on the Scheduled Acceptance Date and ending on the day before the first anniversary of the Scheduled Acceptance Date, as such period may be extended as reasonably necessary to account for delays due to Uncontrollable Circumstances or any Authority Change.

"Extraordinary Maintenance Bond" has the meaning set forth in Section 5.9. 19/

"Extraordinary Maintenance Letter of Credit" has the meaning set forth in Section 5.9. 20/

17/ Definition added pursuant to Change Order #62.

18/ Definition amended pursuant to Third Amendment.

19/ Definition added pursuant to Change Order #115.

"Facility" means the refuse-to-energy, solid waste disposal facility designed to meet the Performance Standards, with a designed installed processing capacity of 558,450 tons of Processible Waste per year based on an 85% availability and a higher heating value of 5,500 BTU/pound of Processible Waste, including steam-generating equipment feeding the turbine generator, air pollution control equipment, and the Operation and Maintenance Manual, all as described in the Specifications and the Detailed Plans. The Facility includes (1) the facilities and equipment off the Facility Site for which the Company is responsible under Schedule 14 until those facilities and equipment are constructed in accordance with the Project Agreements and are no longer owned by the Company or the Authority, (2) the rail and transportation equipment and vehicles necessary to transport waste and Residue to and from the Facility other than the rail engine and track provided by CSX under the Rail Transportation Agreement and (3) any Changes to the Facility made in accordance with this Agreement.

"Facility Site" means the real property located in Dickerson, Maryland, on which the refuse-to-energy waste disposal facility is to be located, including the Facility Site Easements, together with any lay down and staging areas temporarily made available to the Company, all as described in the Facility Site Agreement and Exhibit C to Schedule 1 and any additional real property rights located in Dickerson, Maryland that are acquired to enable the Company to perform its obligations under this Agreement.

"Facility Site Agreement" means, collectively, (1) the agreement between the Authority and PEPCO dated as of October 5, 1989 concerning the sale of the Facility Site and the granting of certain easements and rights to the Authority, (2) any lease or other agreement between the Authority and the County transferring title to the Facility Site to the County, and (3) any agreement between the Authority and the County concerning use of the Facility Site, or any part thereof, by the Authority.

"Facility Site Easements" means those easements appurtenant to the Facility Site and described in the Facility Site Agreement.

"Final Acceptance Date" has the meaning set forth in Section 3.10.

"Final Acceptance Retainage" has the meaning set forth in Section 3.3.

"First Renewal Term" has the meaning set forth in Section 12.2. 21/

20/ Definition added pursuant to Change Order #115.

21/ Definition added pursuant to Change Order #115.

"Fiscal Year" means the year commencing on July 1 of any calendar year and ending on June 30 of the succeeding calendar year; provided, however, that (1) the initial Fiscal Year will commence on the Commencement Date, (2) the last Fiscal Year will end on the Company Termination Date, (3) on the day before the Acceptance Date the then current Fiscal Year will end and the Acceptance Date will be the first day of a new Fiscal Year, and (4) if there is an Extension Period, on the day before the first day of the Extension Period the then current Fiscal Year will end and the first day of the Extension Period will be the first day of a Fiscal Year that continues for the lesser of a full 12 month calendar year or the term of the Extension Period. Any computation made on the basis of a Fiscal Year will be adjusted on a pro rata basis to take into account any Fiscal Year of less than the actual number of days in the full 12 month calendar year to which such Fiscal Year relates.

"Fixed Construction Price" has the meaning set forth in Section 3.1.

"Fixed Construction Price Adjustment" means an adjustment to the Fixed Construction Price made in accordance with Section 3.2.

"GAAP" means those principles of accounting set forth in pronouncements to the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, or which have other substantial and nationally recognized authoritative support and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended.

"Guaranteed Kilowatt Production" means the level of electricity production (on a net kilowatt per ton basis) set forth in Part II of Schedule 5 hereto corresponding to the higher heating value of waste processed at the Facility, determined in accordance with the Continuous Monitoring Model set forth in Schedule 10 hereto.

"Guaranteed Maximum Utility Utilization" has the meaning set forth in Schedule 29.

"Guaranteed Throughput Capacity" means 558,450 tons of Processible Waste at the design higher heating value of 5,500 BTU/per pound per Fiscal Year, adjusted for higher heating value variations as provided in Schedule 10 and as further adjusted pursuant to Sections 3.7(c)(i) and 9.6 and Section 5.4.1 of Schedule 5. The Guaranteed Throughput Capacity will be prorated for that portion of the Fiscal Year in which the Acceptance Date occurs and that portion of the Fiscal Year in which the Company Termination Date occurs.

"Hazardous Waste" means:

(a) any material or substance the treatment, storage or disposal of which, because of the composition or characteristics of the material or substance, is unlawful to treat, store or dispose of at the Project and is considered hazardous material under Applicable Law, including, without limitation, materials that are:

(i) regulated as a toxic or hazardous waste as defined under either Subtitle C of the Solid Waste Disposal Act, 42 U.S.C. §§ 6921- 6939a, or Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. § 2605(e), as replaced, amended, expanded or supplemented, and any rules or regulations promulgated thereunder, or under the Environment Article of the Annotated Code of Maryland, Title 7, Section 7-101 et seq., as replaced, amended, expanded or supplemented, and any rules or regulations promulgated thereunder, or

(ii) low level nuclear materials, special nuclear materials or nuclear by-product materials, all within the meaning of the Atomic Energy Act of 1954, as replaced, amended, expanded or supplemented, and any rules, regulations or policies promulgated thereunder; and

(b) any other materials which any governmental agency or unit having appropriate jurisdiction shall lawfully determine from time to time to be ineligible for disposal through facilities similar to the Project because of the harmful, toxic or dangerous composition or characteristics of the material or substance.

"Hazardous Waste Costs" means the actual costs of the removal, transportation and disposal of Hazardous Waste and all other costs and liabilities associated with or arising from the delivery, removal, transportation, disposal or Processing of such Hazardous Waste; provided, however, that Hazardous Waste Costs do not include:

(a) any costs or liabilities incurred due to the Company's negligence, willful misconduct or failure to adhere to Applicable Law or the Hazardous Waste Protocol in connection with any material it knows or should know to be Hazardous Waste; and

(b) any costs or liabilities paid by any third party or insurance policy.

Hazardous Waste Costs also include the cost of any repairs, replacements or alterations to the Project or the Project Sites necessitated by the presence or inadvertent handling or Processing of such Hazardous Waste at the Project and all liabilities, damages, claims, demands, expenses, suits or actions including reasonable appeals, fines, penalties and attorney's fees in connection with any civil or administrative proceeding arising from the presence of such Hazardous Waste at the Project Sites or the processing, removal or disposal of such Hazardous Waste including, without limitation, any suit for personal injury to, or death of, any

person or persons, or loss or damage to property resulting from the presence, removal, disposal or inadvertent Processing of such Hazardous Waste.

"Holiday" means Christmas Day and any other day that the Authority and the Company designate in writing as a Holiday.

"Independent Engineer" means the firm of engineers (i) designated by mutual agreement of the Company and the Authority, or (ii) if the parties cannot agree, any one of the firms of engineers set forth in a letter agreement between the Authority Representative and the Company Representative designated by a court pursuant to the provisions of Section 3-211(b) of Subtitle 2 of the Courts and Judicial Procedure Article of the Annotated Code of Maryland.

"Inflation Adjustor" has the meaning given in Schedule 9.

"Insurance Consultant" means an independent consultant or firm of consultants with a favorable national reputation that is designated by the Authority.

"Labor Action" means a strike, lockout or other similar work shutdown or stoppage by workers.

"Landfill Agreement" means the agreement between the Authority and the County dated as of October 15, 1990 (and any agreement assigning or otherwise making available to the Company any of the Authority's rights thereunder), providing, among other things, for the disposal of Acceptable Waste and Residue.

"Late Payment Rate" means an amount equal to the Trustee's prime rate of interest, as adjusted from time to time, plus two percent.

"Materials Index" means the Engineering News Record 20 City Average Index for Materials Cost, or if such Index is no longer published or its method of computation is substantially modified, a substitute Index published by a reputable publisher of financial or economic statistics that will fairly and reasonably reflect the same or substantially the same information as the discontinued or modified Index.

"Maturity Date" means the earlier of (i) the final maturity date of the Bonds or (ii) the date on which all of the Bonds are defeased in accordance with the terms thereof.

"MCR" as used in Schedule 5 shall have the meaning given such term in Schedule 5. 22/

22/ Definition added pursuant to Third Amendment.

"MFD Protocol" means the Minorities, Females and Disabled (MFD) Outreach Protocol between the Authority and the Company relating to the Construction and operation of the Project.

"Minimum Performance Standards" means the minimum standards for performance capabilities of the Project as set forth in Part I of Schedule 5.

"Noncapacity Months" means the Calendar months during a Fiscal Year in which the Authority is not entitled to capacity payments for electricity generated at the Facility as provided in the Electricity Sales Agreement.

"Nonperforming Party" means a party to this Agreement who fails to perform any obligation or comply with any requirement of such party under this Agreement.

"Nonprocessible Waste" has the meaning given in Schedule 11.

"Notice of Termination" means a written notice requiring the termination of this Agreement due to an Event of Default pursuant to Article XI hereof that specifies the factual basis for such termination and the date on which this Agreement will terminate pursuant to Article XI hereof.

"Operating Charge Inflation Adjustor" means the Inflation Adjustor as described in Schedule 9 provided that the Base Year commences on June 30, 1989 and therefore for the purposes of this definition the date June 30, 1990 in Schedule 9 will be deleted and the date June 30, 1989 is substituted therefor.

"Operation and Maintenance Manual" means all plans, specifications, manuals, schedules, drawings and other documents (including, without limitation, copies of all warranties relating to equipments and facilities required to be delivered under Section 2.3 used at or installed in the Project) that are necessary or customarily maintained for the ownership, operation and maintenance of the Project.

"Overs" means the reject material from the County's yard trim screening operation at the Dickerson Yard Trim Composting Facility that is not Unacceptable Waste or Nonprocessible Waste. 23/

"Payment Bond" means the labor and material payment bond relating to the Construction of the Project in substantially the form set forth in Schedule 8.

"PEPCO" means Potomac Electric Power Company and its successors and assigns.

23/ Definition added pursuant to Third Amendment.

"Performance Standards" means the Standards for performance capabilities of the Project set forth in Schedule 5.

"Performance Tests" means the start-up procedures and the activities and procedures set forth in Schedule 6 to be carried out to test the ability of the Project to meet the Performance Standards.

"Permissible Bypassed Waste" means Bypassed Waste that the Company is not required to Process under this Agreement.

"Permissible Diverted Waste" means Diverted Waste that the Company is not required to accept under this Agreement.

"Permissible Turbine Downtime" means any period in which the turbine at the Facility is not functioning and which the Authority Representative has received at least 10 days' prior written notice informing it of the scheduled downtime. In no event will Permissible Turbine Downtime include any turbine downtime in excess of (i) 21 days during any consecutive 5-year period occurring during years 1 through 10, inclusive, following the Acceptance Date, (ii) 28 days during any consecutive 5-year period occurring during years 11 through 20, inclusive, following the Acceptance Date and (iii) 21 days during a consecutive 3-year period occurring during the renewal periods described in Section 12.2.

"Permitted Liens" shall mean (i) liens securing claims of contractors, subcontractors, suppliers of goods, materials, equipment or services, or laborers or other like liens arising in the ordinary course of business that are secured by the Payment Bond, or are paid, discharged or stayed (including discharge by filing a bond pursuant to Applicable Law) within sixty (60) days of the due date thereof, or which are being contested in good faith by appropriate proceedings, so long as such proceedings would be permitted by the last paragraph of this definition of Permitted Liens; (ii) liens arising in connection with workers' compensation, unemployment insurance, old age pensions and social security benefits and liens securing appeal and release bonds, provided that adequate provision for the payment of all such obligations has been made on the books of the Company and funds or assets are available to the Company to pay and discharge such liens; (iii) deposits made in the ordinary course of business to secure the performance of tenders, statutory obligations, bids, leases, or government contracts and performance bonds, fee and expense arrangements with trustees and fiscal agents and similar obligations; or (iv) attachment and judgment liens, so long as the same shall have been duly stayed or discharged prior to the earlier of the commencement of proceedings for the enforcement thereof or thirty (30) days after such lien attached, so long as the Company Representative furnishes to the Authority Representative a certificate providing that the judgment or attachment will not interfere with or impair in any material respect the utility, operation, use or value of the Project or any portion thereof and upon the request of the Authority Representative, the County

Representative or the Trustee, the conclusions set forth in this Certificate are Confirmed by the Consulting Engineer or competent legal counsel.

A contest referred to in this definition shall be permitted only if such contest stays the execution or enforcement of the lien, charge or encumbrance being Contested and does not (i) materially adversely affect the ability of the Company or the Authority to perform any of its obligations under the Project Agreements, (ii) involve the risk of any sale, forfeiture or loss of the Project or any portion thereof, or (iii) involve the risk of imposition of any penalties or liabilities, whether civil or similar, upon the County or the Authority or any material penalties or liabilities upon the Company or the Authority.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company or unincorporated organization, or any government unit or agency or political subdivision.

"Primary Project Agreements" means (i) the Facility Site Agreement, the Rail Transportation Agreement, the Electricity Sales Agreement and this Agreement and the Sidetrack Agreements, and (ii) all amendments, modifications or supplements to these agreements together with all other new agreements that are necessary for the Authority to fulfill its obligations under the Waste Disposal Agreement and are designated as Primary Project Agreements by the Authority Representative.

"Process" means to burn waste utilizing the Facility's furnaces in accordance with Applicable Law.

"Processible Waste" means all Acceptable Waste other than Nonprocessible Waste.

"Processing Capacity Reduction" means a Condition affecting the Project or the Company that prevents the Company from accepting and Processing all Processible Waste and disposing of all Nonprocessible Waste in accordance with the requirements of this Agreement that it is required to accept at the Transfer Station from time to time under this Agreement.

"Project" means, collectively, the Transfer Station, the Transfer Station Improvements, the Facility, and any Changes to the Transfer Station and the Facility made in accordance with this Agreement.

"Project Agreements" means (i) the Primary Project Agreements, the Bond Documents, the Landfill Agreement and the Waste Disposal Agreement, (ii) all amendments, modifications or supplements to the agreements listed in clause (i) together with all other agreements, amendments and supplements thereto necessary for the Authority to fulfill its obligations under the Waste Disposal Agreement.

"Project Guarantor" means Ogden Corporation.

"Project Revenues" means (A) all payments (i) to the Authority under or in respect of the Project Agreements, (ii) to the Trustee on behalf of the Authority under or in respect of the Project Agreements, (iii) to the Company on behalf of the Authority pursuant to the Project Agreements and (B) all other receipts of the Authority attributable to the Project; provided, however that (1) payments to the Authority or the Trustee on behalf of the Authority in respect of the Bonds, (2) payments of the Authority Fee as defined in the Waste Disposal Agreement and (3) amounts payable to the Company before the Scheduled Acceptance Date in respect of electricity revenues under the Electricity Sales Agreement, are not included in this definition of Project Revenues.

"Project Sites" means the Transfer Station Site and the Facility Site, together.

"Project Specific Legislation" means the passage by the County of any ordinance, local law or similar enactment having the force of law that (i) affects only the Facility, the Transfer Station, the Project, the Company or the operations of the Company at the Project, and (ii) is not directly necessary to effectuate an important public purpose.

"**PUF" refers to the Transfer Station Public Unloading Facililty Waste Disposal Drop-Off Area, and is defined as the areas where citizens unload waste into walking floor trailer bays, together with associated, asphalt, roads, and utilities.** 24/

"Qualified Residue" means Residue other than Excess Residue.

"RACM" shall mean regulated asbestos contaminated waste. 25/

"Rail Transportation Agreement" means the Railroad Transportation Agreement between the Authority and CSX dated as of October 1, 1989.

"Receiving Hours" means from **7:00 a.m**. until 5:00 p.m. Monday through Saturday (except Holidays) or such other hours as may be established in writing from time to time by the Authority Representative, the Company Representative and the County Representative. 26/

24/ Definition added pursuant to Change Order #99.

25/ Definition added pursuant to Change Order #62.

26/ Boldfaced text modified pursuant to Third Amendment.

"Recovered Materials" means any salvageable items recovered from the material that remains after waste has been Processed.

"Recycling" means (i) source reduction or (ii) recycling or composting of source separated materials; provided, however, that Recycling shall not include (x) full waste stream composting or processing, (y) incineration of waste, or (z) processing of waste into refuse derived fuel. 27/

"Reduced Facility Operating Level" has the meaning given in Section 8.3(a) 28/

"Reduced Operating Level Credit" has the meaning given in Section 5.1. 29/

"Required Insurance" means the types and amounts of insurance set forth in Schedule 12.

"Reserved Rights" means the rights described in Schedule 27.

"Residue" means the material (including, but not limited to, fly ash, bottom ash and Siftings) that remains after waste has been Processed and any Recovered Materials have been removed.

"Residue Disposal Cost" has the meaning set forth in Section 4.23 and Section 5.1, Service Fee Adjustments, subsection (vii). 30/

"Restoration Date" means the earliest date after the of a Transfer Station Shutdown or Processing Capacity on which the Company by the exercise of reasonable can cause the Transfer Station or the Facility, as the case may be, to accept, transport and Process or otherwise of Acceptable Waste in accordance with this Agreement.

"Retainage Fund" means a separate retainage fund under the Trust Indenture.

27/ Definition added pursuant to First Amendment.

28/ Definition added pursuant to First Amendment.

29/ Definition added pursuant to First Amendment.

30/ Definition added pursuant to Change Order #115.

"Schedule of Payments" means the Schedule establishing the payment amount for designated Construction activities that the Company must use as a basis for its requisitions to be entitled to payments from the proceeds of the Series 1990 Bonds as set forth in Schedule 4.

"Scheduled Acceptance Date" means the date that is **1,011** days after the Commencement Date subject to extension only pursuant to Sections 2.4(b), 3.2 and 8.1(c), 9.1, 9.5 and Schedule 6. 31/

"Security" means, collectively, the Extraordinary Maintenance Bond and the Extraordinary Maintenance Letter of Credit. 32/

"Series 1990 Bonds" means the original issue of bonds issued by the Authority to finance the Costs of the Project under the Trust Indenture.

"Service Fee" means the annual fee payable in monthly installments for the performance by the Company of its obligations under this Agreement as more Particularly described in Article V.

"Sidetrack Agreements" means the agreements between the Authority, CSX and, if applicable, other parties regarding the use of rail spurs from the Project Sites to CSX rail facilities.

"Site 2 Landfill" means the landfill site to be located in Dickerson, Maryland and owned by the County. 33/

"Specifications" means the technical specifications relating to the Project set forth in Schedule 1.

"Subcontractor Default" means the material failure of any Approved Subcontractor that is not an Affiliate of the Company or other subcontractor or supplier (except an Affiliate of the Company) selected with reasonable care to furnish labor, services, material or equipment on or about the dates required in the subcontract with such Subcontractor.

"Surge 'DOT Type' Nonprocessible Waste" shall have the meaning given such term in Section II.A.(iii) of Schedule 18. 34/

31/ Boldfaced text amended pursuant to First Amendment.

32/ Definition added pursuant to Change Order #115.

33/ Definition added pursuant to First Amendment.

34/ Definition added pursuant to Change Order #62.

"Tariff" means the latest version of the MDCGSPP tariff (the tariff for Maryland Co-Generation Small Power Producers applicable to PEPCO), or the successor tariff that applies to the sale of power from the Facility, and that is approved by the Maryland Public Service Commission. 35/

"Termination Settlement Amount" means an amount calculated in accordance with the formula set forth in Schedule 22.

The term "ton" means a "short ton" of two thousand (2,000) pounds.

"Total Net Savings" has the meaning given in Section 3.1(g). 36/

"Transfer Station" means the transfer station facilities located in Derwood, Montgomery County, Maryland that are to be operated by the Company under this Agreement as more particularly described in Schedule 1, together with any substitute or alternate facilities for the acceptance of waste that are designated by the Authority in accordance with this Agreement.

"Transfer Station Improvements" means the improvements to the Transfer Station and the Transfer Station Site described in Schedule 1 to be designed and constructed by the Company pursuant to this Agreement.

"Transfer Station Shutdown" means a condition affecting the Project that prevents the Company from accepting and disposing of, by means other than Processing, all Acceptable Waste that it is required to accept from time to time under this Agreement.

"Transfer Station Site" means the site located on Shady Grove Road in Montgomery County, Maryland, on which the Transfer Station is located together with certain rail transportation property rights, as more particularly described in Schedule 1.

"Transportation System Completion Date" means the last date on which (i) all CH Containers have been delivered to a Project Site modified in accordance with the Container Sealing System; (ii) at least one hundred forty-one (141) of the CH Containers delivered to a Project Site are operable; and (iii) if more than ten percent (10%) of CS Containers leak on August 7, 1995, then the date on which (A) all CS Containers have been delivered to a Project Site modified in accordance with the Container

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35/ Definition added pursuant to Second Amendment.

36/ Definition added pursuant to First Amendment.

Sealing System and (B) at least sixty-four (64) of the CS Containers delivered to a Project Site are repaired or modified, as applicable and operable. The Company and the Authority have agreed in the Letter Agreements that the Transportation System Completion Date, determined in accordance with this definition, is August 23, 1995. 37/

"Trust Indenture" means the trust indenture between the Authority and the trustee appointed thereunder, as Trustee and any other trust indenture, bond resolution or comparable instrument under which Bonds are issued in connection with the financing or refinancing of all or part of the Project or any additions, restorations or modifications to the Project.

"Trustee" means the trustee under the Trust Indenture.

"Unacceptable Waste" means (a) Hazardous Waste and (b) the items set forth in Schedule 11.

"Uncontrollable Circumstance" means an event or Condition listed in this definition, whether affecting the Project, the Authority, the County or the Company, that has, or may reasonably be expected to have, a material adverse effect on any of the Project Agreements or on the Project or the Project Sites or the acquisition, design, construction, equipping, start-up, testing, operation, ownership or possession of the Project, or delivery of waste to the Project, if such event or condition is beyond the reasonable Control, and not the result of willful or negligent action or a lack of due diligence, of the Nonperforming Party relying thereon as justification for not Performing any obligation or complying with any Condition required of such party hereunder, for delaying such performance or Compliance or for an adjustment to the Fixed Construction Price, the Service Fee, the Construction Period Service Fee, or the Delay Period Service Fee. The following events or Conditions, and no others, shall constitute Uncontrollable Circumstances if they meet the requirements of the preceding Sentence:

(a) an act of God (but not including reasonably anticipated weather conditions for the geographic area of the Project), hurricane, flood, landslide, earthquake or similar occurrence, fire, explosion or other Casualty, an act of the public enemy, war, blockade, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, or sabotage committed at a location other than at the Project Sites by a Person other than an employee or agent of, or visitor invited by, the Company or its Affiliates, or the Company's subcontractors of any tier;

(b) the order or judgment or other administrative determination of any federal, state or local court, administrative agency, governmental officer or

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37/ Definition added pursuant to Change Order #53.

other governmental body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Nonperforming Party and the Nonperforming Party does not control the administrative agency or governmental officer or body, provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of such Nonperforming Party;

(c) the adoption, promulgation, issuance, material modification or change in administrative or judicial application after the date of this Agreement, of any federal, state, County or local law, regulation, rule, requirement, plan or ordinance; a law, regulation, rule, requirement, plan or ordinance is deemed to be duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, when it is in provisional, interim or final form and effective or to become effective without any further action by any federal, state, County or local governmental body, administrative agency, governmental official or other governmental body, having jurisdiction;

(d) the failure to issue, termination, suspension, denial or failure of renewal of, or unreasonable delay in connection with the foregoing with respect to any permit, license, consent or approval (including, without limitation, the permits, approvals and consents described in Section 2.6 of this Agreement) necessary for the performance of the Nonperforming Party's obligations under this Agreement or, after the Commencement Date, the imposition of any new condition in or other change to such a permit, license, consent or approval, provided that the Nonperforming Party has given the other party sufficient notice of the application for and proceedings relating to the permit, license, consent or approval to afford the other party an opportunity to participate fully in those proceedings;

(e) the failure of the jurisdiction in which the Project is situated or the appropriate federal or state agencies or public utilities having operational jurisdiction in the area of location of the Project to Provide and maintain and assure the maintenance of all utilities services (excluding sewerage and water lines) to the Project for operation of the Project, Provided they are essential to the Project;

(f) the failure of PEPCO to provide electric power to the Facility by the Commencement Date or the failure of PEPCO to complete its obligations with respect to the construction of the interconnection facilities described in the Electricity Sales Agreement within 450 days after the Commencement Date;

(g) (1) the failure by CSX to perform its obligations under the CSX Agreement, or (2) the failure by PEPCO to perform its obligations under the Electricity Sales Agreement or the Facility Site Agreement or unreasonable delay by PEPCO in giving any approval the Company is required to obtain pursuant to the Electricity Sales Agreement or the imposition of any new obligation as a condition of such approval, (3) the failure by any other energy purchaser to perform

its obligations under an Energy Sales Agreement to which it is a party whether or not such failure or performance is excused as a force majeure event or an Uncontrollable Circumstance or otherwise under the Rail Transportation, Electricity Sales Agreement, the Facility Site Agreement or the Energy Sales Agreement, as the case may be (including, without limitation, any failure of CSX to perform which is excused under Sections 3.10 or 9.1 of the Rail Transportation Agreement or any failure of PEPCO to perform which is excused by Sections 4.7 or 4.8 of the Electricity Sales Agreement) or (4) the discovery of archaeological materials, artifacts, burial grounds or habitats of endangered species at the Facility Site to the extent provided in Section 2.11(b);

(h) Subcontractor Default provided that such default is caused by an event described in paragraphs (a) through (k) of this definition of Uncontrollable Circumstances;

(i) unavailability (for other than economic reasons) of a facility or site for the disposal of Hazardous Waste that is delivered to the Company by or on behalf of the Authority under this Agreement;

(j) the condemnation by a federal or state authority (or sale in lieu of condemnation), or the taking, seizure, involuntary conversion or requisition of title to or use of any material portion of the Project or the Project Sites;

(k) the enactment of Project Specific Legislation, failure of the Authority or the County to perform their obligations as provided in Section 2.15 or the failure of the Authority or the County to perform their respective obligations under this Agreement or the Primary Project Agreements.

(l) the discovery of (1) archaeological materials, artifacts, burial grounds or habitats of endangered species, or (2) Hazardous Substances at the Transfer Station Site or on the Facility Site Easements unless these substances were delivered to the Transfer Station Site or on the Facility Site Easements by the Company or its Affiliates, subcontractors, agents or vendors or unless these substances were delivered to the Transfer Station Site or on the Facility Site Easements as a result of the negligence, willful misconduct or failure of the Company to perform its obligations under this Agreement. "Hazardous Substances" means "hazardous substances" as defined pursuant to the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. 9601 et seq.), "hazardous substances" or "controlled hazardous substances" as defined pursuant to the Maryland Hazardous Substances Spill Response Law (§ 7-201 et seq. of the Health-Environmental Article of the Annotated Code of Maryland), as amended, or "regulated substances" within the meaning of Subtitle I of the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i).

(m) the revocation by the Authority of all or any part of the assignment to the Company of the rights and obligations of the Authority and the County as provided in Section 6.2(c);

(n) unavailability of at least 1,000,000 gallons of water per day for consumptive use from the water discharge canal as provided in the Facility Site Agreement.

(o) the contamination of the Facility Site from leachate from the controlled storage facility located on property owned by PEPCO and situated adjacent to the Facility Site.

(p) the unavailability of water having at least the quality described in Table 1A-2 of Schedule 1.

(q) the exercise by the Washington Metropolitan Area Transit Authority ("WMATA") of its easements, rights of way and other interests under a Deed of Conveyance dated June 12, 1989 located adjacent to the Transfer Station in a manner which has an adverse effect on the Company's use of the land described above, and any unreasonable delay by WMATA in reviewing plans and specifications pursuant to such Deed, or the imposition of any requirements by WMATA in connection with or as a result of such review.

(r) the enactment, promulgation or issuance after June 1, 1990 of a requirement or condition of Applicable Law (including, without limitation, permit conditions and requirements) which imposes a requirement that is more stringent or in addition to the most stringent conditions of those described in Tables 5.1 and 5.2 to Schedule 5 or Table 19.1 or 19.2 of Schedule 19; provided, however, in no event shall the enactment, promulgation or issuance of a requirement or condition of Applicable Law constitute an Uncontrollable Circumstance if such requirement or condition was applicable to the obligations of the Company to design, construct, operate and maintain the Project as provided in this Agreement and the other Primary Project Agreements, pursuant to a requirement or condition of applicable law in effect prior to June 1, 1990.

(s) failure to construct the gas line to the Facility Site boundary in the vicinity of the main processing unit of the Facility on or before the 450th day following the Commencement Date.

(t) **failure of the Authority to provide sufficient Authority Containers, Authority Trailers and/or Authority Railcars to remove waste and Residue from the Transfer Station and the Facility.**

The parties agree that the Uncontrollable Circumstances described in clause (t) will not be an Uncontrollable Circumstance for

which the Company is required to share costs under Section 9.8 of this Agreement. 38/

Except as otherwise provided in clause (h) above, Subcontractor Default or a Labor Action are not Uncontrollable Circumstances.

The term "reasonable control" includes investigation or planning that is required by sound management or industry practices. No change in any Applicable Law imposing or increasing any tax, fee, assessment or charge shall constitute an Uncontrollable Circumstance. Neither the Authority nor the County shall be liable for the loss of any tax benefits relating to the Project for any reason whatsoever, if any.

"Unit Revenue" means the dollar value of a single unit of electricity, expressed as $/kWh, $/MWh, $/kW or $/MW as the case may be. 39/

"Waste Disposal Agreement" means the waste disposal agreement dated as of November 16, 1990 between the County and the Authority that obligates the Authority, among other things, to accept and dispose of waste delivered to the Authority by, or on behalf of, the County.

"Waste Screening Protocol" means the plans and procedures set forth in Schedule 15.

"Wrongfully Bypassed Waste" means Bypassed Waste that the Company is required to Process under this Agreement that is not Processed at the Facility.

"Wrongfully Diverted Nonprocessible Waste" means wrongfully Diverted Waste that is Nonprocessible Waste.

"Wrongfully Diverted Processible Waste" means Wrongfully Diverted Waste that is, or is deemed to be, Processible Waste.

"Wrongfully Diverted Waste" means Diverted Waste that the Company is required to accept under this Agreement that is not accepted by the Company.

"Wrongfully Unprocessed Diverted Waste" means Wrongfully Diverted Waste that is Processible as determined pursuant to Section 4.2; provided that the

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38/ Subsection (t) added pursuant to Change Order #26 and amended pursuant to Change Order #62.

39/ Definition added pursuant to Second Amendment.

amount of Wrongfully Unprocessed Diverted Waste for any Fiscal Year when added to the number of tons of Waste Processed during such Fiscal Year and the number of tons of Wrongfully Bypassed Waste for such Fiscal Year must not exceed the Guaranteed Throughput Capacity.

Schedule 17
to
Service Agreement

COMPANY RULES AND REGULATIONS
REGARDING TRANSFER STATION USE

1. Only refuse collection vehicles owned or operated by the Authority, the County and Designated Haulers are permitted to regularly bring and discharge waste at the Transfer Station. Each truck operator or passenger must identify him or herself and the person that employs him or her to Project personnel on request.

2. Obey all posted traffic control signs and devices.

3. Obey the instructions of the Transfer Station operations personnel, the Tipping Floor Manager and other Project representatives.

4. Have vehicle identification clearly visible on the vehicle for outside viewing.

5. No parking on the Transfer Station Site except in designated areas. Absolutely no parking in roadways. Do not obstruct traffic on the Transfer Station Site, or the tipping floor.

6. Clear waste which remains in vehicles after normal unloading procedures only in designated areas of the tipping floor. No external cleaning of vehicles or vehicle maintenance may be performed on the Transfer Station Site.

7. No alcoholic beverages or drugs are permitted on the Transfer Station Site. No vehicle may be operated on the Transfer Station Site by a person who is intoxicated or under the influence of alcohol or drugs.

8. No firearms, explosives or other weapons are permitted on the Transfer Station Site.

9. Smoking and all open flames (matches, lighters, etc.) are prohibited on the Transfer Station Site.

10. Burning or smoldering waste is not allowed on the Transfer Station Site.

Schedule 18
to
Service Agreement 1/

LANDFILL DISPOSAL FEES, DESCRIPTION OF WASTE TRANSPORT OPERATIONS, MAINTENANCE RESPONSIBILITIES OF WASTE TRANSPORT EQUIPMENT & RAILYARDS, AND APPROVED PASSTHROUGH COSTS

I. Landfill Disposal Fees

The Landfill Disposal Fees to the Company at the Designated Landfill is $00.00 per ton for Qualified Residue, Excess Residue, Non-Processible Waste, Processible Waste that is not processed at the Facility due to Uncontrollable Circumstances, Bypassed Waste and Wrongfully Bypassed Waste.

II. Description of Waste Loading and Transport Operations

A. Transfer Station

(i) Processible Waste

The Company shall load Processible Waste using the three (3) compactors into 40' long intermodal Containers. The Company shall weigh the Containers in accordance with Section 4.5 of the Service Agreement and shuttle the Containers to the Transfer Station railyard where the gantry cranes lift the Containers off the truck chassis and onto the railcars for transport by rail to the Facility.

(ii) Nonprocessible Waste and Bypassed Waste

The Company shall load the Nonprocessible Waste segregated out from waste unloaded at the Transfer Station and Bypassed Waste into the Authority Trailers by using the compactors or the existing load-out bay on the south side of the Transfer Station pit. The Company shall weigh the Authority Trailers in accordance with Section 4.5 of the Service Agreement and place the bill of lading in an appropriate receptacle on the Authority Trailer.

1/ Entire Schedule deleted and restated pursuant to Change Order #76.

The Company shall then tarp, where needed, the Authority Trailer and then move the Authority Trailer to a designated staging area. The staging area must be mutually agreed to between the Company, the County and the Authority. The Authority will transport the Authority Trailer to the Designated Landfill, empty it, and return it to the staging area. The Company will then connect the Authority Trailer to its truck and position the Authority Trailer at a compactor or the load-out bay for reloading.

B. Facility

(i) Processible Waste

The Company shall use the gantry cranes or intermodal container handler to lift the Containers off the railcars and onto the truck chassis. The trucks shuttle the Containers into the tipping building, tip and empty the Containers utilizing the tipping chassis and then return to the railyard.

(ii) Residue

The Company will position Authority Containers (AH Containers type) onto a truck Chassis using an intermodal container handler. The Company will position the AH Container at one of the residue building load-out bays. The Company operator will first remove the hatch and then instruct the Company truck driver to position the AH Container opening under the Residue load-out chute and then load the AH Container to the desired weight.

The Company will move the AH Container once to maximize the weight of Residue into the AH Container. Loading of the AH Container will be considered complete when the maximum legal weight is reached or the Residue pile reaches near the top of the AH Container.

Once loading of the container is complete the AH Container shall be weighed in accordance with Section 4.5 of the Service Agreement. The Company will complete a weigh ticket and place it in the appropriate receptacle

provided on the AH Container. The Company will then move the truck forward to enable the hatch to be repositioned onto the AH Container.

The Company will transport the loaded and empty intermodal AH Containers round trip between the residue building and the Facility rail spur transfer point.

The Company will utilize an intermodal container handler to transfer the Authority Containers between the Chassis and Authority Railcars.

The Authority, through the County's out-of-county disposal contract, must make provisions to supply an adequate number of rail cars and containers to meet the disposal needs of the Facility. The Company will load and unload containers from the ash train and place them on Chassis. The Company will load out Residue at an agreed rate coordinated with the County's out-of-county disposal contractor. The rate will assure that a consistent number of rail cars and containers leave the site, five or six days a week, in order to balance the rail system and unloading operations. The Company will load AH Containers back onto the Authority Railcars after they are loaded with the Residue and transported via Chassis to the rail spur location.

(iii) Nonprocessible Waste, Bypassed Waste and Ferrous Rejects

The Company shall load any Nonprocessible, Bypassed Waste and Ferrous Rejects identified at the Facility into the AO Containers. The Company will weigh the AO Containers in accordance with Section 4.5 of the Service Agreement. The Company will fill out a weigh tickets and place it in the appropriate receptacle.

The Company will transport the loaded and empty AO Containers between their loading location and the Facility rail spur transfer point.

The Company will utilize an intermodal container handler to transfer the AO Containers between the Chassis and Authority Railcars.

(iv) Train Interfaces

The Schematic Diagram sheet 3 of 3 dated 1/16/95 shows the Facility railyard.

The following depicts the normal sequence of operations that is planned. Circumstances may cause other sequences to be used.

There will be two (2) trains making movements at the Facility railyard each day.

The "trash train" depicts the unit dedicated train made up of double stacked railcars which runs between the Transfer Station and Facility with filled or empty Containers.

The "ash train" depicts the train made up of Authority Railcars which runs between CSX's service yard in Brunswick, Maryland and the Facility with empty or filled Authority Containers.

Normally the "ash train" will come first in the morning. The "ash train" will bring empty Authority Railcars loaded with empty Authority Containers from Brunswick, Maryland and position them either on Track B or C and will then remove and return to Brunswick, Maryland with the Authority Railcars loaded with filled Authority Containers. The "ash train" is expected to position the Authority Railcars and leave the Facility railyard by 9:00 am each day.

The "trash train" will arrive after the "ash train" leaves. It will place railcars loaded with filled Processible Waste Containers onto either 1) tracks A and B or 2) tracks C and D. The "trash train" then will assemble the railcars loaded with empty Containers positioned on the opposite side of the railyard from the prior movement (either Tracks C and D or Tracks A and B) and return these railcars back to the Transfer Station. The "trash train" normally is expected to leave the Facility before 12:00 Noon.

The Company will prepare a bill of lading for the Railcars loaded with Authority Containers. This bill of lading will state the Authority Railcar number, Authority Container number and the type and weight of material loaded into each Authority Container along with the tare weight of

the Authority Container and will be provided to CSX, the Authority and a designee of the Authority (Allied). This will be completed for each rail shipment that occurs.

III. Maintenance Responsibilities of Authority Provided Equipment and Railyards

The maintenance responsibilities for the following Authority Provided Equipment & Railyards shall be as follows:

A. Authority Provided Equipment

(See Section 7.17 of Schedule 1B)

i) The Company shall be responsible for the insurance, maintenance and fuel needed to operate the following equipment. The County or its contractor shall be responsible for the registration and licensing of the following equipment:

- 1 - Intermodal Container Handler (MiJack/Reygo Wagner Model #CH-35 ton capacity)

- 2 - Tractor with Hydraulic Fifth Wheel and Wet Kit

- 1 - Tractor with Hydraulic Fifth Wheel

- 3 - Chassis (one w/unloading mechanism)

For all of the above equipment the Authority will supply a replacement if:

1) There is mutual agreement of the need for a replacement;

2) The replacement is consistent with expected useful life as provided by the manufacturer; and

3) The replacement is consistent with Company practice with other equipment on site.

The Authority is supplying this equipment for the exclusive use of the Company at the Facility or Transfer Station.

(ii) The County or its contractor shall be responsible for insurance, maintenance, registration, licensing replacement and everything else necessary for the safe, dependable use of the following equipment in accordance with all Applicable Law:

- Authority Containers

- Authority Railcars

- Authority Trailers at Transfer Station

The County or its contractor shall also supply replacement tarps and tiedowns as needed for the Authority Trailers, the Authority Containers (AO Containers) and the dump trucks and/or dump trailers.

B. Facility Railyard and Track

Throughout the remainder of the term of the Service Agreement, the Authority shall maintain the portion of the "modified" Facility railyard pavement and trackage (modified in accordance with Section 7.18 of Schedule 1B) so that it is in the same condition as the remaining Facility railyard, so long as the Residue, Ferrous Rejects, Nonprocessible Waste and Bypasses Waste are transported from the Facility in accordance with Sections 4.6 (a) and (b) of the Service Agreement.

IV. Pass Through Costs

A. The Authority shall reimburse the Company for 19% of the rail track maintenance costs incurred by the Company on the Facility or PEPCO trackage. The Company will invoice the Authority annually for these costs which shall be substantiated by invoices. The Company will invoice only for purchased parts, lubricants, materials, subcontractor costs and other appropriate charges.

B. The Authority will reimburse the Company for the reasonable and substantiated direct costs incurred by the Company that result from the Authority Railcars being positioned according to the Brunswick Agreement at the Facility Railyard after 9:30 a.m. as described in Section IIB(iv) of Schedule 18. Such costs include but are not limited to the salary and fringe benefits (which shall not include bonuses, profit sharing, home office overhead and administrative expenses of the Company) of Company personnel. The Company shall mitigate the direct costs incurred by the Company as a result of Authority Railcars being positioned after 9:30 am. The bill of lading must be distributed to CSX and other designated parties in a timely manner, preferably, immediately after loading is completed.

Schedule 19
to
Service Agreement

AIR EMISSION PROTOCOL

1. The Company must design, engineer, construct, equip, maintain and operate the air emission control equipment and facilities described in this Schedule 19 or hereafter installed at the Facility as a result of a Change to the Project and perform its obligations under this Agreement in accordance with Applicable Laws, including (without limitation) all conditions and requirements of governmental approvals and permits applicable to the construction and operation of the Project.

2. In addition to the requirements of Applicable Law, the Company must design, construct, equip, maintain and operate the Facility so that the average level of each air emission constituent from the Facility during the previous 12-month period does not exceed the corresponding level for the air emission constituent set forth in Table 19.1 (the "Annual Average Emission Guarantee") as determined in accordance with the monitoring procedures described in the notes of Table 19.1. Article 2 - CEM gases of Table 19.1 will also be continuously monitored by the conditions of Table 19.2.

The Company will (1) repair, maintain and replace the Facility's pollution control equipment in accordance with sound engineering practices so that the equipment consistently performs efficiently and properly, and (2) exercise all commercially reasonable efforts to operate the Facility so as to achieve the baseline Most Exposed Individual (MEI) emission levels for the Carcinogenic Toxic Air Pollutants (CTAPs) listed in Stage 1 of the Maryland Department of Natural Resources (DNR) Risk Assessment Study of Potomac Electric Power Company's Dickerson Station Site. To the extent any obligation of the Company under clause (1) or (2) above requires the Company to satisfy emission limits more stringent than those set forth in Table 19.1 of this Schedule 19, the requirement to meet such obligation must be an Authority Change pursuant to Section 8.1(c) of the Service Agreement.

3. The Company must immediately notify the Authority Representative and the County Representative in writing if the results of the monitoring program indicate that average annual level of an air emission constituent from the Facility exceeds the Annual Average Emission Guarantee for the constituent. Within 10 Business Days of delivery of such notice, the Company will deliver a written statement describing the cause of the excessive emissions (if known) and a proposed corrective plan to determine the cause of the excessive emissions and, if practicable, to reduce the excessive emission level to the Annual Average Emission Guarantee. Within ten (10) Business Days following the receipt of the Company's statement described in the preceding paragraph, the Authority Representative and the County Representative will meet with the Company to discuss possible causes of the failure to satisfy the Annual Average Emission Guarantee and the Company's proposed

corrective plan. The Company must discuss and answer inquiries concerning the proposed corrective plan with the Authority Representative and the County Representative and consider reasonable changes to the proposed corrective plan requested by the Authority Representative and the County Representative. The County, the Authority and the Company must agree upon a corrective plan that describes (i) a method for identifying the cause of the excessive emissions, necessary changes to the Company's method of operating or maintaining the Facility, equipment to be provided or replaced at the Facility or a method for reducing or eliminating identified components of waste delivered to the Project (as the case may be), (ii) a timetable for implementation of the actions described in the Corrective Plan, and (iii) a description of the costs and the party(s) responsible for the payment of the costs of implementing the Corrective Plan. Disputes regarding the Corrective Plan must be resolved pursuant to Section 14.15 of the Service Agreement, if the Company Representative, County Representative and Authority Representative do not agree upon a Corrective Plan within 30 Business Days after the delivery of the Company's statement.

4. If an Annual Average Emission Guarantee is exceeded due to the Company's failure to design, construct, operate or maintain the Facility (including, without limitation, the Air Pollution Equipment) in accordance with the requirements of this Agreement, the Company must take all action required by the Corrective Plan at the Company's sole cost and expense.

5. If an Annual Average Emission Guarantee is exceeded due to the delivery of Unacceptable Waste, waste that the Company has previously proposed be included in the definition of Unacceptable Waste, other waste if delivered in certain quantities, or an Uncontrollable Circumstance, then the Company must cooperate with the Authority and the County in the verification of the components of the waste causing the excessive emission and the development of a program to reduce these components to levels that will reduce the excessive emissions to the Annual Average Emission Guarantees. Any change to the Project or the Company's operations or responsibilities at the Project Sites as a result of the implementation of the program described in this paragraph, or any failure by either the County or the Authority to comply with its obligations under such a program or a Corrective Plan, will constitute a Change to the Project in accordance with Section 8.1 of the Agreement.

6. If the Company fails to perform its obligations as described in this Schedule 19 (including, without limitation; the failure to provide notice and proposed Corrective Plan as described in paragraph 3), the failure to assist in the development of the Corrective Plan as described in paragraph 3, the failure to take the action described in the Corrective Plan or the failure to make a Change to the Project or the Company's operations at the Project Site as described in paragraph 5, the Company must pay to the Authority liquidated damages ("Emission Liquidated Damages") in an amount equal to the following for each calendar day the Company fails to perform such obligations as described in this Schedule 19:

Day (Inclusive)	Per-Day Liquidated Damage Amount
1-7	$ 2,500
7-14	5,000
14-21	7,500
21 and thereafter	$ 10,000

This amount will be held in an account by the Authority. All amounts paid by the Company pursuant to Paragraph 6 (but not including interest earned on such amounts while on deposit with the Authority) must be returned to the Company within thirty (30) days following the performance by the Company of all of the obligations for which such amounts were withheld.

7. If the Company fully implements a corrective plan adopted pursuant to Section 3 and the corrective plan as implemented fails to reduce emissions of the affected constituent to the levels required by this Schedule 19, then (i) the Company will immediately notify the Authority Representative and the County Representative and proceed in accordance with Section 3 to develop a further corrective plan, and (ii) no amounts will be payable pursuant to Section 6 of this Schedule 19 due to the failure of the corrective plan to reduce emissions.

8. Notwithstanding Section 3 of this Schedule 19 if (i) the violation of a Schedule 19 air emissions limit constitutes a violation of a condition contained in any permit required for the operation of the Facility, and (ii) the Maryland Department of the Environment, the United States Environmental Protection Agency or other agency having appropriate jurisdiction (each, an "Enforcing Agency") issues a notice of violation and is otherwise actively enforcing correction of such permit violation, the Company shall not be obligated to implement a corrective plan with the Authority or the County unless and until the Enforcing Agency waives compliance with such permit condition or otherwise abandons its enforcement effort.

9. Unless violation of a Schedule 19 air emissions limit (i) constitutes a violation of a condition contained in any permit required for the operation of the Facility, or (ii) constitutes a violation of standards set forth in Schedule 5, the procedures and remedies set forth in this Schedule 19 are the exclusive remedies for an exceedance of the air emissions limits set forth in this Schedule 19; provided, however, that if the Company fails to follow the procedure or pay the amounts set forth in this Schedule 19 following a violation of any air emissions limit set forth in this Schedule 19, the Authority may pursue any remedies it may have under this Agreement with respect to such failure.

10. Schedule 54, Section 1.3(G), sets forth the provisions applicable to the NOx Reduction Shortfall Fee payable by the Company for a failure to meet the NOx Emissions Performance Guarantee. 1/

Table 19.1 2/

ANNUAL AVERAGE EMISSION GUARANTEE(1)

	Constituent	Eng. Unit (2), (3)	Emission Factor	Test Method (4)	Test Scope (Qty. & Duration) (5)
1.	Particulate Matter	gr/dscf (3)	0.010	5	3 @ 2 hours
	TSP (6)	gr/dscf(2)	0.012	5	3 @ 2 hours
2.	CEM Gases (8)				
	Sulfur Dioxide	ppmdv (2)	30	6C	3 @ 1 hour
		%	85		
	Nitrogen Oxides (as NO_2)	ppmdv (2)	90 3/	7E	See Note 12 4/
	Carbon Mono. (9)	ppmdv (2)	00	0	1 HR
		ppmdv (2)	100	10	4 HR
		ppmdv (2)	0		24 HR
	Hydrogen Chloride	ppmdv (2)	25	26	3 @ 1 hour
		%	95		
3.	Non-CEM Gases				
	Non-Methane Hydrocarbons	mg/dscm (3)	10	18/25A	3 @ 1 hour
	Fluorides (Total)	mg/dscm (3)	7.1	13B	3 @ 1 hour
4.	Heavy Metals (10)				
	Arsenic	ug/dscm (2)	29	29	3 @ 1 hour
	Beryllium	ug/dscm (3)	0.82	29	3 @ 2 hours
	Cadmium	mg/dscm (2)	0.040	29	3 @ 2 hours
	Chromium	ug/dscm (2)	524	29	3 @ 2 hours
	Mercury	mg/dscm (2)	0.080	29	3 @ 2 hours
		or %	85		

1 / Added pursuant to Change Order #106.

2 / Table 19.1 and accompanying Notes restated pursuant to Third Amendment.

3/ Amended pursuant to Change Order #106.

4/ Amended pursuant to Change Order #106.

		mg/dscm [3]	**3.4**	**29**	**3 @ 2 hours**
	Lead	**mg/dscm** [2]	**0.44**	**29**	**3 @ 2 hours**
		mg/dscm [3]	**2.5**	**29**	**3 @ 2 hours**
	Nickel	**ug/dscm** [2]	**500**	**29**	**3 @ 2 hours**
5.	**Organics**				
	Dioxins/Furans [9], [11]				
	Total	**ng/dscm** [2]	**30**	**23**	**3 @ 4 hours**
	TEQ	**ng/dscm** [2]	**1.0**		
	Polynuclear Aromatic				
	Hydrocarbons (PAH) [9]	**ug/dscm** [2]	**15**	**10**	**3 @ 3 hours**
	Ammonia 5/	**ppmdv**[2]	**15**	**CTM-027**	**3 @ 1 hour**

5/ Added pursuant to Change Order #106.

(1) Determination of compliance with the annual average emission guarantees will be by the engineering units of concentration as noted in Notes (2) and (3) below. Compliance with the guaranteed emission factors will be determined by the annual stack test which includes triplicate testing of each combustion unit.

(2) Engineering Units are as follows:

gr/dscf : grains per dry standard (68°F) cubic foot corrected to 7% O_2

ppmdv : parts per million dry volume basis (68°F) corrected to 7% O_2

mg/dscm : milli grams per dry standard (68°F) cubic meter corrected to 7% O_2

ug/dscm : micro grams per dry standard (68°F) cubic meter corrected to 7% O_2

ng/dscm : nano grams per dry standard (68°F) cubic meter corrected to 7% O_2

(3) Engineering Units are as follows:

gr/dscf : grains per dry standard (68°F) cubic foot corrected to 12% CO_2

mg/dscm : milli grams per dry standard (68°F) cubic meter corrected to 12% CO_2

ug/dscm : micro grams per dry standard (68°F) cubic meter corrected to 12% CO_2

(4) All test methods are per Environmental Protection Agency definition in accordance with 40 CFR Appendix A and SW-846 except for opacity, which is per COMAR monitoring requirements. The sampling period for each test run shall be per EPA requirements. Noted sample periods are approximate.

(5) The indicated test scope is for each of the three units. The results shall be reported as the average for each unit of the tests performed.

(6) Total Suspended Particulate (TSP) is defined as the front-half of an EPA Method 5 which includes filter and nozzle probe wash.

(7) Footnote 7 not used in revised Table 19.1.

(8) The annual average performance will be determined by the average value of the test requirements of Notes (1), (2), (3) and (5) above. The CEM system's computer software will be configured to report SO2,

NOx and CO stack concentrations as daily averages. Daily SO2 emissions will be reported as stack concentrations and system reduction as an efficiency (%).

(9) Emission factor is representative of normal facility operation and is exclusive of start-up, shutdown and malfunction periods. Malfunction periods are defined by 40 CFR 60.8 and will include facility conditions that are unusual and not representative of normal operations such as pluggage of the charging hopper, loss of seal water in the ash quencher, or other events that cause an emission exceedance and are acceptable to the AMA.

(10) Graphite furnace atomic absorption shall be used for determination of constituents' presence except for mercury analysis, which shall be determined by cold vapor atomic absorption.

(11) The detectable tetra through octa dioxin and furan isomers are presented as EPA toxic equivalence with EPA isomer specific toxicities in effect on June 27, 1989.

(12) Annual Average as calculated by NOx reduction Shortfall, as calculated by Attachment B to Schedule 54. 6/

6/ Note 12 added pursuant to Change Order #106.

MONITORING PROGRAM

Long-term monitoring will be provided to document the nature of air emissions and wastewater effluent from the facility. Monitoring will consist of the following, as more specifically described below: 1) Air Emissions; and 2) Wastewater Quantity and Quality.

i) Air Emissions

A dedicated continuous emission monitoring (CEM) system will be provided for each combustion train with each CEM system consisting of the following gaseous analyzers:

Economizer : O_2, SO_2, HC1
Stack : CO, O_2, SO_2, HC1, NO_x, CO_2

One opacity monitor will also be provided with each combustion train.

A dedicated analyzer will be provided for the monitoring of each gas at each sample location. Time-sharing of any analyzer between different combustion systems will not be necessary. The flue gas sample and transport system for each sample point will consist of a sample probe and line. The sample line will consist of four tubes (one flue gas; one instrument air; one calibration gas; one spare) and electrical heat tracing.

A special sample probe and line for HC1 analysis is required. The HC1 system will include a sample line with four tubes (one flue gas; one instrument air; one calibration gas; one spare) and electrical heat tracing that will maintain the flue gas sample at a minimum 375°F (including the sample pump). The preferred analytical method is gas filter correlation spectroscopy.

All gaseous analyzers will be mounted within either a facility office or a free-standing building. Any design will include sufficient heating and cooling for instrument protection.

The analyzer manufacturers which shall be considered for the supply of gaseous and opacity analyzers are as follows:

SO_2	:	1) Western Research; 2) Beckman Instruments
O_2	:	1) Servomex, Inc.; 2) Ametek
CO	:	1) Siemens; 2) Automated Control Systems; 3) Thermo Electron
HC1	:	1) Bodenseewerke; 2) Compur; 3) Braun and Lubbe
Opacity	:	1) Enviroplàn; 2) Land; 3) Thormo Electron
CO_2	:	1) Automated Control System; 2) Siemens
NO_x	:	1) Thermo Electron; 2) Beckman Instruments

This list may be modified only upon a request by the Company and approval by the Authority.

One data acquisition system (DAS) will be used for monitoring the output from the three CEM systems and will be used for report development. The common DAS will include a computer console with printer and keyboard with software required for State, Federal and Table 19.2 report requirements. A modem to enable data transfer to Authority and County only via telephone lines will be part of the DAS. **The Company shall install appropriate computer software to enable the Company's real time continuous emission monitoring (CEM) data to be available for the County to put on their webpage. The Company shall review and approve the initial format and parameters prepared by the County, along with the narrative that describes the data before it goes live on the internet. The Company will also provide and install an appropriate firewall program to protect its network system.**

The Company will also perform future software modification and maintenance costs to enable the CEM data to be available on the County website. A specific description will be developed for each task(s) that the County and/or Authority may request, or that the Company determines to be needed. Where the costs of such tasks are to be passed on to the Authority, the description(s) will include sufficient detail to that the parties agree on the performance and estimated costs prior to performing the tasks(s). Once the agreed task is completed, the Company will invoice the Authority as an Approved Pass Through Cost. 7/

The CEM system will meet the criteria of Appendices B and F of 40 CFR 60. Due to the absence of HC1 performance standards in either State or Federal

7/ Boldfaced text modified pursuant to Change Order #83.

regulations for CEM certification, the HC1 analyzer and sample trail will be provided as previously described, however, certification is not assured.

The CEM system will be subjected to an initial certification test program per Appendix B and the quarterly audit schedule required per Appendix F of 40 CFR 60. The initial certification test program will occur either during or after the Environmental Performance Test period.

The long-term air emission factor performance standards which will be demonstrated by the CEM system are presented in the following Table 19.2.

Mandatory Reporting of Greenhouse Gases

(a) The U.S. Environmental Protection Agency ("USEPA") has promulgated its Greenhouse Gas ("GHG") reporting rule at 40 CFR 98 (the "Rule"). The Rule constitutes an event under paragraph (b) of the definition of Uncontrollable Circumstance in the Service Agreement.

(b) The Rule requires that a certificate of representation must be submitted to USEPA for the purpose of authorizing a "designated representative" at least 60 days prior to the first report submission. The Company's Facility Manager shall be designated as the representative.

(c) Monitoring Plan – The Company must develop and maintain a Greenhouse Gas Monitoring Plan (the "Plan"). [Note: draft is completed.]

(d) Required Instrumentation – The Company shall ensure that all instruments required to comply with the Rule are procured, installed, and operational, including certification if required, within the timelines required by the Rule. Certain instruments required by the Rule were previously required for other purposes under the Agreement and are not subject to the cost recovery provisions in paragraph (d) below. The required instruments are: a) for each unit, one California Analytical Instruments Model ZRE1 CO2 monitor and related hardware and materials to install and operate same; and b) board/valve for biogenic sampling on one unit. The Company shall provide documentation of the reasonable costs that it incurs in implementing the Rule.

(e) Cost Recovery – Pursuant to Sections 9.5 (Capital changes) and 9.6 (Operating Cost Increases) of the Service Agreement the Company may pass through the costs incurred to implement the requirements of the Rule. Section 9.5 costs

may include: procurement, shipping, installation, and certification (RATA testing) of instrumentation described in (c) above; materials for sampling lines; and preparation of the Monitoring Plan. Section 9.6 costs may include: replacement cost of monitors at the end of their life; repairs and maintenance costs; incremental calibration gases; biogenic sampling bags; biogenic sample lab analysis; incremental annual RATA testing; report preparation and filing. The Company will provide documentation of the reasonable direct costs that it incurs. Section 9.8(a) of the Service Agreement requires the Company to reduce by 50% the amount that it would otherwise pass through to the Authority. Such costs (net of the reduction) shall be recovered by the Company by submittal on the monthly Service Fee invoice. 8/

ii) Wastewater Quantity and Quality 9/

The frequency of testing and the characteristics of all effluents from the Facility shall be monitored in accordance with the NPDES permit number MD0065447 and corresponding State Discharge Permit 96-DP-2844 or succeeding permits with the same testing requirements. Regardless of the above, the Company will be responsible for paying for increased testing costs that are a result of changes in the testing requirements made by the regulating authority due to permit violations caused by the Company which led to enforcement actions taken by the regulating authority.

8/ Boldfaced text added pursuant to Change Order #112.

9/ Subsection ii) amended pursuant to Change Order #65.

Table 19.2

LONG-TERM CEM PERFORMANCE STANDARDS 10/

Constituent	Performance Criteria	Time Weighted Average
A. Base Bid		
1. Sulfur Dioxide	**A removal efficiency of at least 85 percent or an SO_2 concentration in the stack gas not to exceed 30 ppmdv corrected to 7% O_2.**	**3-hour block**
2. Hydrogen Chloride (l)	**A removal efficiency of at least 95 percent or an HC1 concentration in the stack gas not to exceed 25 ppmdv corrected to 7% O_2.**	**1-hour block**
3. Carbon Monoxide (2)	**a) 50 ppmdv @ 7% O_2** **b) 100 ppm @ 7% O_2** **c) 200 ppmdv @ 7% O_2 (5)**	**a) 24-hour block** **b) 4-hour block** **c) 1-hour block**
4. Opacity (2)	**Not to exceed 10 percent as a six-minute average**	
5. Temperature	**Furnace Roof mounted thermocouples will be monitored to determine compliance with furnace temperature and residence time requirements. The correlation between roof**	**4-hour block**

10/ Table 19.2 and accompanying Notes restated pursuant to Third Amendment.

	mounted thermocouples and furnace traverse will be used to determine compliance.	

Table 19.2
(page 2 of 2)

Constituent	**Performance Criteria**	**Time Weighted Average**
	Thermocouples at Fabric Filter inlet will be monitored to determine that the maximum inlet temperature must not exceed by more then 17 degrees Celsius the temperature during the most recent dioxin/furan test.	**4-hour block**
B. SNCR		
1. Nitrogen Oxides	**180 ppmdv @ 7% O_2**	**24-hour block**

Notes:

(1) At this time neither State nor Federal regulations provide or have provided conditions for the certification of HCl analyzers and sampling systems. Therefore, HCl sampling and analysis system will be provided to meet the specifications described in Paragraph 1 of this Schedule. HCl compliance will be based on the annual stack test.

(2) Criteria do not apply to start-up, shutdown and upset conditions.

Based on average test data from operating Ogden Martin waste-to-energy facilities, the parties expect that the Facility, on a long-term basis, will achieve the following emission levels which are hereby adopted as operating goals (the "Operating Goals"):

TARGET EMISSIONS

Pollutant	Actual Annual Average Emissions from the Facility
Metals	
Arsenic	0.0049 TPY
Beryllium	0.0005 TPY
Cadmium	0.0091 TPY
Chromium 6	0.0099 TPY
Nickel	0.0435 TPY
Organics	
Dioxins/Furans	0.078 ng per ncm
PCBs	0.54 mig per ncm
Carcinogenic PAHs (BaP)	0.202 mig per ncm

If emissions levels experienced at the Facility significantly exceed those set forth above as demonstrated by continuous emission monitoring, periodic testing or otherwise, the Company Representative, the County Representative and the Authority Representative will promptly meet to discuss the cause of the emission levels and appropriate means to promptly reduce them to the emission levels adopted as Operating Goals.

The Company agrees to discuss Facility air emissions upon the reasonable request of the County Representative. The Company acknowledges the right of the County or the Authority to inspect and test Facility pollution control equipment as provided in the Service Agreement and the obligation of the Company to operate and maintain the Facility, including the pollution control equipment components thereof, as provided in the Service Agreement. The Authority and the County acknowledge their obligations with respect to Unacceptable Waste and the

rejection rights of the Company associated therewith, all as provided in the Service Agreement.

Notes: TPY: Tons per year
ng per ncm: nanograms per normal cubic meter
mig per ncm: micrograms per normal cubic meter

Schedule 20
to
Service Agreement

GUARANTY AGREEMENT

A copy of the Guaranty Agreement is included in the Transcript of Closing Documents relating to the Bonds at Tab No. 25.

Schedule 21
to
Service Agreement

FACILITY SITE AGREEMENT, ELECTRICITY SALES AGREEMENT AND RAILROAD TRANSPORTATION AGREEMENT

The following documents are included in the Transcript of Closing Documents relating to the Bonds, as indicated below:

Exhibit	Tab Reference in Transcript of Closing Documents
Facility Site Agreement	55
Electricity Sales Agreement	33
Railroad Transportation Agreement	43

TERMINATION FOR CONVENIENCE PROCEDURES AND COSTS

(A) If the Authority exercises its right to terminate this Agreement pursuant to Sections 11.5 and 11.6 of this Agreement, the Termination Settlement Amount will be an amount equal to the sum of the following:

1. The value of work (in accordance with Schedule 4 but disregarding the cumulative not to exceed amounts set forth therein) performed up to and including the date upon which the Notice of Termination became effective for which the Company has not previously been paid.

2. All reasonable and necessary costs and liabilities incurred by the Company or its Affiliates associated with settling and paying termination claims under terminated subcontracts, material or supply orders, leases, and other agreements entered into by the Company with respect to its performance under this Agreement, plus unrecoverable deposits, insurance premiums, licenses payments, costs of demobilization and the reasonable direct costs of the Company in performing its obligations under Section (B) of this Schedule 22.

3. All reasonable and necessary storage, transportation, and other costs incurred by the Company or its Affiliates reasonably necessary for the preservation, protection, or disposition of the termination inventory.

4. All reasonable and necessary costs incurred by the Company for any accounting, clerical or other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data.

5. All reasonable and necessary costs incurred by the Company or its Affiliates in terminating the operation of the Project, including any severance pay and other reasonable and necessary costs incurred in terminating employees.

6. Any payments or other charges paid by the Company under the Electricity Sales Agreement, the Rail Transportation Agreement and any other Project Agreements because of the termination.

7. The outstanding principal amount of loans or advances made pursuant to Section 9.5.

In addition, the Authority will:

1. Release all of its rights to or interest in the Retainage to the Company; provided, however, that upon receipt of a Notice of Termination, the Company must submit a requisition to the Trustee for any amounts remaining in the Retainage Fund in accordance with Schedule 4.

2. Release all of its rights to or interest in the O&M Reserve Fund to the Company or release of the Qualified O&M Letter of Credit as applicable; provided, however, that upon receipt of a Notice of Termination, the Company must submit a requisition to the Trustee for any amounts remaining in the O&M Reserve Fund in accordance with Schedule 4.

3. Take such steps within its control as are necessary for termination of the Company's obligations, if any, under the Electricity Sales Agreement, the Rail Transportation Agreement and any other Project Agreements which have been assigned to the Company, or otherwise exonerate the Company from compliance with such agreements after the Company Termination Date.

(B) After receipt of a Notice of Termination, and except as otherwise directed by the Authority, the Company must:

1. cooperate with and assist the Authority in the continued operation of the Project during the completion of Company termination procedures;

2. stop work under this Agreement on the date and to the extent specified in the Notice of Termination;

3. place no further orders or subcontracts for materials, services or facilities;

4. terminate all orders and subcontracts;

5. assign to the Authority, in the manner, at the times, and to the extent directed by it, all of the right, title and interest of the Company under the orders and subcontracts so terminated, in which case the Authority shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

6. settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authority, to the extent the Authority may require, which approval or ratification must be final for all the purposes of this clause and provide the Authority with releases or waivers of liens with respect to terminated orders and subcontracts;

7. transfer title and deliver to the Authority, in the manner, at the times, and to the extent, if any, directed by it, of (A) the fabricated or unfabricated parts, work in process, completed work, supplies, equipment and other material produced as a part of, or acquired in connection with the performance of, the work terminated by the Notice of Termination, and (B) the completed or partially completed plans, drawings, information, and other property then existing which, if this Agreement had been continued or completed, would have been required to be furnished to the Authority or the County;

8. use its best efforts to sell for the benefit of the Authority, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Authority, any property of the types referred to in (vi) above; provided, however, that the Company (A) will not be required to extend credit to any purchaser, and (B) may acquire any property under the conditions prescribed by and at a price or prices approved by the Authority; and provided further that the proceeds of any such transfer or disposition must be paid to the Authority;

9. take such action as may be necessary, or as the Authority may direct, for the protection and preservation of the property related to this Agreement which is in the possession of the Company and in which the Authority or the County has or may acquire an interest.

Except for normal spoilage, and except to the extent that the Authority has expressly assumed the risk of loss or the loss results from an Uncontrollable Circumstance, there will be excluded from the amounts payable to the Company as provided above, the fair value of property which is destroyed, lost, stolen, or damages so as to become undeliverable to the Authority, or to a buyer pursuant to paragraph (b)(vii).

In arriving at the amount due to the Company under this Schedule, there will be deducted the agreed price for, or the proceeds of sale of, any materials, supplies, or other things acquired by the Company or sold, pursuant to the provisions of this clause, and not otherwise recovered by or credited to the Authority.

The Authority is not liable or obligated to pay to the Company any amount in respect of lost profits, consequential or indirect damages as a result of the Authority's exercise of its right to terminate this Agreement for convenience in accordance with Section 11.6 of this Agreement.

The Company must -- from the effective date of termination until the expiration of three years after final settlement under this Agreement -- preserve and make available to the Authority at all reasonable times at the office of the Company, but without direct charge to the Authority, all its books, records, documents and other evidence bearing on the costs and expenses of the Company under this Agreements and relating to the work terminated hereunder to the extent necessary to verify amounts payable hereunder.

Schedule 23
to
Service Agreement

CONDITIONS PRECEDENT

A. Conditions Precedent to the Obligations and Liabilities of the Authority

Except as provided in Section 12.3, the obligations and liabilities of the Authority under this Agreement are subject to the satisfaction or waiver by the Authority of each of the conditions precedent set forth in this Section A on or prior to the Commencement Date.

(1) The Waste Disposal Agreement, the Landfill Agreement and the Project Site Lease have been executed by the County and the Authority and are in full force and effect as of the Commencement Date. The representations of the County set forth in Section 12.2 of the Waste Disposal Agreement are true and correct in all material respects as of the Commencement Date as if made on and as of such date. The County has enacted all legislation and approved all matters that may be enacted or approved on or before the Commencement Date that are necessary for the construction and operation of the Project. The Authority has received opinions of the County Attorney and other counsel to the County, dated as of the Commencement Date, covering such matters as may be reasonably requested by the Authority.

(2) All applicable environmental and other governmental permits, licenses and authorizations that are (i) necessary for the design, construction, startup, conduct of Performance Tests and operation of the Project and (ii) required to be issued under applicable law before the Commencement Date have been obtained and all such permits and licenses as are required to be transferred or assigned to the Company for the Company to perform its obligations under this Agreement have been properly transferred or assigned to the Company.

(3) The Bonds have been issued, and the proceeds thereof (exclusive of proceeds deposited in a debt service reserve fund or a capitalized interest fund established under the Trust Indenture), together with the investment earnings on Bond proceeds are estimated to be sufficient to pay the costs of the Project as of the Commencement Date. The Trust Indenture, and all other Bond Documents are in form and substance satisfactory to the Authority and include provisions to the effect that: (i) the Authority will be responsible for complying with all requirements necessary to establish and maintain the tax-exempt status of Bonds that are initially issued as tax-exempt bonds, including, but not limited to, (A) those relating to arbitrage and the rebate of arbitrage earnings, and (B) the rule that not more than 5% of tax-exempt bond proceeds may be used to pay nonqualifying costs of the

Project; (ii) the Authority has the right to invest Bond proceeds to assure compliance with the arbitrage and rebate requirements; (iii) all Bond proceeds will be invested at closing in a portfolio of government securities approved by the Authority that will mature in accordance with the construction draw schedule; and (iv) amounts in the debt service reserve fund established under the Trust Indenture and amounts held for capitalized interest will be applied, when available, to reduce the Service Fee payable by the Authority.

(4) The representations of the Company set forth in Section 13.2 of this Agreement are true and correct in all material respects as of the Commencement Date as if made on and as of such date; and the Company has delivered to the Authority a certificate of an authorized officer of the Company, dated as of the Commencement Date, to such effect.

(5) The Authority has received an opinion of counsel to the Company and opinions of counsel to the other parties to the agreements contemplated by this Agreement, each dated as of the Commencement Date, covering such matters as may be reasonably requested by the Authority.

(6) (i) The Electricity Sales Agreement is in full force and effect, (ii) PEPCO has consented to the assignment of the Electricity Sales Agreement to the Trustee as security for the Bonds, (iii) such assignment has been accomplished, (iv) all approvals, consents and waivers required of any governmental entity, PEPCO, the Authority or the Company prior to effectiveness of the Electricity Sales Agreement have been obtained, (v) no event of default exists under the Electricity Sales Agreement, (vi) the Authority has satisfied all of the conditions precedent to PEPCO's obligations and liabilities under the Electricity Sales Agreement that are required to be satisfied prior to the Commencement Date; and (vii) the Federal Energy Regulatory Commission has certified the Facility as a small power production facility and has exempted the Facility from regulation under certain sections of the Federal Power Act.

(7) The Railroad Transportation Agreement has been executed by CSX and the Authority and is in full force and effect as of the Commencement Date. CSX has consented to the assignment of the Railroad Transportation Agreement to the Trustee as security for the Bonds. The representations of CSX set forth in the CSX Agreement are true and correct in all material respects as of the Commencement Date. The Authority has received an opinion of counsel to CSX dated as of the Commencement Date covering such matters as may be reasonably required by the Authority.

(8) The Company has submitted to the Authority (i) the Payment Bond and (ii) certificates of insurance evidencing all insurance required by this Agreement relating to the construction of the Project.

(9) No action, suit, proceeding or official investigation has been threatened, announced or commenced by any Person (excluding any action, suit, proceeding or official investigation which, in the opinion of counsel acceptable to the Company and the Authority, is without merit) that challenges the validity of the Bonds, this Agreement or any of the agreements contemplated hereby or seeks to enjoin, assess civil or criminal penalties against, assess civil damages against or obtain any judgment, order or consent decree against the County or the Authority with respect to this Agreement, the Trust Indenture, the Bond Documents, the Bonds, or any other transaction contemplated hereby.

(10) After the date of execution of this Agreement (the "Contract Date") and on or before the Commencement Date, (i) no change in, addition to or deletion of any provision of any applicable federal, state or local law, or any applicable federal, state or local statute, regulation thereunder or interpretation thereof by any applicable regulatory authority, has been made, and (ii) no bill, ordinance or resolution has been introduced in (A) either house of the United States Congress, (B) the State legislature, or (C) the Montgomery County Council that would, if effective, make the execution, delivery or performance by the Authority of this Agreement or the execution, delivery or performance by the Company or the Authority of any of the agreements contemplated hereby to which either of them is a party, a violation of any law, statute or regulation, or materially increases the cost to the Authority of performing its obligations under this Agreement.

(11) The Authority has received all consents to this Agreement and the transactions contemplated hereby which it is required to obtain under Applicable Law or any agreement or contract to which it is a party.

(12) The Guarantor has executed and delivered to the Authority its unconditional guarantee of the Company's obligations under this Agreement, in a form reasonably acceptable to the Authority Representative and the Authority has received an opinion of counsel to the Guarantor, dated as of the Commencement Date, covering such matters as may be reasonably requested by the Authority. No event has occurred or has become known that would result in a reduction of the Guarantor's rating for long-term debt below an investment grade rating.

(13) (i) No action, suit or proceeding has been threatened, announced or commenced by any Person (excluding any action, suit or proceeding which, in the opinion of counsel acceptable to the Authority and the Company, is without merit) that challenges the right of the Authority and the Company to possession of the Project Site for the term of this Agreement; and (ii) no bill, ordinance or resolution has been introduced in (A) either house of the United States Congress, (B) the State legislature or (C) the Montgomery County Council, that would, if effective, terminate the Authority's right to use the Project Site for the construction and operation of the Project.

(14) No Uncontrollable Circumstance has occurred that is reasonably expected materially to increase the Service Fee, Fixed Construction Price or cost to the County or the Authority of performing its obligations under this Agreement or the Waste Disposal Agreement.

(15) All of the documents, instruments and agreements listed in this Schedule and all documents, instruments and agreements delivered on or before the Commencement Date in connection with the transactions contemplated by this Agreement are in form and substance reasonably satisfactory to the Authority (it being agreed by the Authority that any such document, instrument or agreement the form of which is set forth in a Schedule to this Agreement on the Contract Date that is executed and delivered in substantially such form), is in form and substance satisfactory to the Authority, and is valid, in full force and effect and enforceable against each party thereto other than the Authority on the Commencement Date; no such document, instrument or agreement is subject to the satisfaction of any outstanding condition precedent except those expressly to be satisfied only after the Commencement Date; no party (other than the Authority) to any thereof is in default thereunder; and the Authority has received evidence reasonably satisfactory to it of such facts.

(16) The Company must have obtained the agreement of Martin GmbH to continue provision of technology services to the Authority, the County or their designees. Such Agreement must be in the form of the Technology Supply Agreement attached hereto as Exhibit A.

(17) The Facility Site Agreement and the Project Site Lease have been assigned to the Company and to the Trustee as security for the Bonds.

(18) The Authority Representative, the County Representative and the Company Representative have approved the final Form of Schedule 12 to this Agreement, which is attached to this Agreement on the date hereof in its preliminary form.

(19) The Authority has received any letters of credit or other credit enhancement provided by or on behalf of the Company and required pursuant to Article VII. The parties intend that this credit enhancement will satisfy the requirements of Section 6.2 of the Authority's Request for Proposals for the Project.

(20) The Company has obtained Federal Energy Regulatory Commission certification of the Facility as a small power production facility and exemption from regulation under applicable sections of the Federal Power Act.

(21) The Authority Representative, the County Representative and the Company Representative agree on the costs of the approved credit enhancement described in clause 19 of this Section A of Schedule 23 and the amount of the related Construction Period Service Fee and Service Fee adjustments.

(22) The Primary Project Agreements (other than this Agreement) have been assigned validly by the Authority to the Company, and the terms of the assignment are acceptable to the Authority, the County, the Company and CSX or PEPCO, as the case may be, all approvals, consents and waivers of any third party required in connection with such assignment have been obtained. These assignments and approvals, consents and waivers are in full force and effect and PEPCO and CSX have respectively consented to the assignments that relate to the Agreements to which they are a party.

(23) The Bonds have been rated investment grade or better by the rating agency or rating agencies that initially rate the Series 1990 Bonds.

B. Conditions Precedent to the Obligations and Liabilities of the Company

Except as provided in Section 12.3, the obligations and liabilities of the Company under this Agreement are subject to the satisfaction or waiver by the Company of each of the conditions precedent set forth in this Section B on or prior to the Commencement Date.

(1) The Bonds have been issued, and the proceeds thereof (exclusive of amounts deposited in the debt service reserve fund or capitalized interest account created under the Trust Indenture), together with the investment earnings on Bond proceeds are sufficient to pay the estimated costs of the Project as of the Commencement Date. The proceeds of the taxable bonds are sufficient to pay the amounts of nonqualified costs as may be specified by the Authority. The Trust Indenture, and all other Bond Documents are in form and substance satisfactory to the Company and include provisions to the effect that: (i) the Authority will be responsible for complying with all requirements necessary to establish and maintain the tax-exempt status of Bonds that are initially issued as tax-exempt bonds, including, but not limited to, those relating to arbitrage and the rebate of arbitrage earnings, and (ii) the Authority has the right to invest Bond proceeds to assure compliance with the arbitrage and rebate requirements.

(2) (i) The Electricity Sales Agreement is in full force and effect, (ii) if required by the Authority, PEPCO has consented to the assignment of the Electricity Sales Agreement as security for the Bonds and, if required by the Authority, such assignment has been accomplished, (iii) all approvals, consents and waivers required of any governmental entity, PEPCO, the Authority or the Company prior to the effectiveness of the Electricity Sales Agreement have been obtained, and (iv) no event of default exists under the Electricity Sales Agreement.

(3) The Authority has authorized the Company to use and occupy the Project Sites to fulfill its obligations under this Agreement.

(4) The representations of the Authority in Section 13.1 of this Agreement are true and correct in all material respects as of the Commencement Date as if made on and as of such date, and the Authority has delivered to the Company a certificate of an authorized officer of the Authority, dated as of the Commencement Date, to such effect.

(5) The Company has received an opinion of counsel to the Authority, and such opinions of counsel for the other parties to the agreements contemplated by this Agreement, each dated as of the Commencement Date, covering such matters as the Company may reasonably request.

(6) No action, suit, proceeding or official investigation has been threatened, announced or commenced by any Person (excluding any action, suit, proceeding or official investigation which, in the opinion of counsel acceptable to the Company and the Authority, is without merit) that challenges the validity of the Bonds or this Agreement or any of the agreements contemplated hereby or seeks to enjoin, assess civil or criminal penalties against, assess civil damages against or obtain any judgment, order or consent decree against the Company or Ogden Corporation with respect to this Agreement or any of the transactions contemplated hereby or against the Authority, the County or the Company with respect to the Bonds, the Bond Documents or other financing necessary to pay the costs of the Project.

(7) The Company has received all consents to this Agreement and the transactions contemplated hereby which it is required to obtain under any Applicable Law or other agreement or contract to which it is a party.

(8) No action, suit, or proceeding has been threatened, announced or commenced by any Person (excluding any action, suit or proceeding which, in the opinion of counsel acceptable to the Company and the Authority, is without merit) that challenges the validity of the Bonds, this Agreement or any of the agreements contemplated hereby or the right of the Company to possession of the Project Sites for the term of this Agreement or seeks to enjoin, assess civil penalties against or obtain any judgement, order or consent decree against the Company or Ogden Corporation with respect to this Agreement, the Bonds or any other transaction contemplated hereby; and (ii) no bill has been introduced in either house of the United States Congress, the State Legislature or the Montgomery County Council that would, if effective, terminate the Facility Site Lease or the Company's right to occupy and use the Project Sites prior to the expiration of the term of this Agreement.

(9) The Trust Indenture, all other Bond Documents, any documents executed in connection with additional financings to pay costs of the Project and any other Project Agreements that have not been executed on the date of this Agreement have been executed by the parties thereto on or before the

Commencement Date are in form and substance reasonably satisfactory to the Company.

(10) All of the documents, instruments and agreements listed in this Schedule, and all documents, instruments and agreements delivered on or before the Commencement Date in connection with the transactions contemplated by this Agreement are in form and substance reasonably satisfactory to the Company (it being agreed by the Company that any such document, instrument or agreement the form of which is set forth in a Schedule to this Agreement on the Contract Date that is executed and delivered in substantially such form, is in form and substance satisfactory to the Company), and are valid, in full force and effect and enforceable against each party thereto other than the Company on the Commencement Date; no such document, instrument or agreement is subject to the satisfaction of any outstanding condition precedent except those expressly to be satisfied only after the Construction Date; no party (other than the Company) to any thereof is in default thereunder; and the Company has received evidence reasonably satisfactory to it of such facts.

(11) The Waste Disposal Agreement and the Landfill Agreement have been executed by the County and the Authority and are in full force and effect as of the Commencement Date. The representations of the County set forth in Section 12.2 of the Waste Disposal Agreement are true and correct in all material respects as of the Commencement Date as if made on and as of such date.

(12) All applicable environmental and other governmental permits, licenses and authorizations that are (i) necessary for the design, construction, start-up, conduct of Performance Test and operation of the Project and (ii) required to be issued under Applicable Law before the Commencement Date, have been obtained and all such permits and licenses as are required to be transferred or assigned to the Company for the Company to perform its obligations under this Agreement have been properly transferred or assigned to the Company.

(13) (i) The Rail Transportation Agreement has been executed by CSX and the Authority and is in full force and effect as of the Commencement Date, (ii) CSX has consented to the assignment of the Rail Transportation Agreement as security for the Bonds if required by the Trust Indenture, (iii) such assignment has been accomplished if required by the Trust Indenture, (iv) all approved, consents and waivers required of any governmental entity, CSX, the Authority or the Company prior to the effectiveness of the Rail Transportation Agreement and the assignment have been obtained and are in effect, and (v) no event of default exists under the Rail Transportation Agreement. The representations of CSX set forth in the Rail Transportation Agreement are true and correct in all material respects as of the Commencement Date. The Company has received an opinion of counsel to CSX dated as of the Commencement Date covering such matters as may be reasonably required by the Company.

(14) (i) The Facility Site Agreement is in full force and effect, (ii) PEPCO has transferred to the Authority or the County title to the Facility Site, (iii) all approvals, permits, licenses, consents and waivers required of any governmental entity, PEPCO, the Authority or the Company prior to effectiveness of the Facility Site Agreement, and (iv) no event of default exists under the Facility Site Agreement.

(15) (i) The Electricity Sales Agreement is in full force and effect, (ii) PEPCO has consented to the assignment of the Electricity Sales Agreement as security for the Bonds, if required by the Trust Indenture, (iii) such assignment has been accomplished, if required by the Trust Indenture, (iv) all approvals, consents and waivers required of any governmental entity, PEPCO, the Authority or the Company prior to the effectiveness of the Electricity Sales Agreement and its assignment to the Trustee or the Company have been obtained, and have not been amended or repealed, (v) no event of default exists under the Electricity Sales Agreement, (vi) Company has obtained Federal Energy Regulatory Commission certification of the Facility as a small power production facility and has exempted the Facility from regulation under certain sections of the Federal Power Act.

(16) The Guarantee Agreement has been executed by the Guarantor.

(17) The Facility Site Agreement and the Project Site Lease have been assigned to the Trustee as security for the Bonds.

(18) The Company Representative and the County Representative have executed a Notice of Delay Period Service Fee as provided in Section 2.13 which describes the amount and method of calculating the Delay Period Service Fee.

(19) The Primary Project Agreements (other than this Agreement) have been validly assigned by the Authority to the Company, and the terms of the assignments are acceptable to the Authority, the County, the Company and CSX or PEPCO, as the case may be, all approvals, consents and waivers of any third party required in connection with such assignments have been obtained. These assignments and approvals, consents and waivers are in full force and effect and PEPCO and CSX have respectively consented to the assignments that relate to the Agreements to which they are a party.

(20) Policies of title insurance for the Project issued by a reputable title insurance company in an amount acceptable to the Trustee have been delivered to the Trustee and (i) the policies do not disclose any easements, encumbrances or other matters with respect to the Project Sites (excluding, however, any easements, encumbrances or other matters known to the Company on February 8, 1990 or which were ascertainable by the Company through a visual inspection of the Project Sites) which would have an adverse effect on the ability of the Company to perform its obligations under this Agreement, and (ii) the metes

and bounds descriptions contained in such policies conform in all material respects to the metes and bounds descriptions of the Project Sites set forth in Schedule 1 to this Agreement.

(21) The County has enacted all legislation and has taken all other steps necessary to establish the County's solid waste disposal system (of which the Project is a component) and to provide for the collection of revenues necessary for the County to meet its obligations under the Waste Disposal Agreement. The County has enacted any amendments to its laws, its Solid Waste Plan and to its Water Supply and Sewerage Plan and has taken all other steps necessary to enable the Company and the Authority to perform their respective obligations, and to confer on the Authority and the Company their respective rights, under this Agreement and the other Primary Project Agreements.

(22) The Company has completed a study of the noise expected to emanate from mobile equipment and the Cooling Tower Helper at the Facility and either (i) the study demonstrates that the Company will be able to meet its obligations under the Facility Site Agreement and Applicable Law with respect to noise, or (ii) the Company and the Authority have agreed on a plan to comply with the noise reduction obligations in the Facility Site Agreement and Applicable Law and on the cost of such a plan.

(23) PEPCO has approved the design of the PEPCO Improvements described in the Facility Site Agreement to be constructed by the Company, and the Authority and the Company have agreed on the amount of increased cost to construct the PEPCO Improvements to satisfy any additional requirements which have to be satisfied to obtain such approval.

(24) Either (i) the Facility Site Agreement has been amended or PEPCO otherwise has agreed to fill in (or provide for filling in) the Existing Equalization Pond described in the Facility Site Agreement (and to pay the costs thereof, including the costs of removing any contaminated soil from the Existing Equalization Pond) within a reasonable time after the Company completes the construction of the replacement Equalization Pond, or (ii) the Company and the Authority have agreed on the amount of the increased costs to perform the work described in clause (i) to the Existing Equalization Pond. The Facility Site Agreement has been amended or PEPCO has otherwise agreed that (i) for purposes of Section 13 thereof, the term "public charges against the property" includes only payments in the nature of real property taxes and does not include any payments in respect of remediation of the Facility Site, (ii) the delivery of Processible Waste to the Facility, the Processing thereof by the Company, and the removal of Residue or Recovered Materials from the Facility in accordance with this Agreement are not violations of Section 19(a) or 19(c) of the Facility Site Agreement, and (iii) the location of cooling tower of the Facility will not violate Section 19(e) of the Facility Site Agreement.

(25) The Electricity Sales Agreement has been amended to provide that, or PEPCO otherwise has agreed that, (i) notwithstanding any provision of the Electricity Sales Agreement, the Company is excused from any obligation to deliver electrical capacity to PEPCO during Peak Operating Hours during periods of scheduled maintenance or Scheduled Outages at the Facility, such periods to consist of up to 10 days on each boiler each calendar year during the months of June through October and up to 21 days on each boiler during the other months of such calendar year, (ii) notwithstanding the conditions precedent set forth in Section 2.4 of the Electricity Sales Agreement to PEPCO's obligations to deliver electricity to and purchase electricity from the Facility, prior to the Acceptance Date, the "nationally recognized engineering firm" described in clause (a) of such Section must be selected by the Company, and the permits and approvals described in clause (c) and (g) must consist only of those permits and approvals necessary for the Company to perform lawfully its obligations under this Agreement prior to the Acceptance Date, and (iii) the Indemnity Liability Insurance described in Section 12.1(a) and the Excess Umbrella Liability Insurance described in Section 12.1(d) of the Electricity Sales Agreement are not commercially available and therefore are not required to be obtained and maintained. Any inconsistencies between the provisions of the Rate Schedule attached as Exhibit A to the Electricity Sales Agreement and the provisions of the Electricity Sales Agreement itself must have been resolved to the satisfaction of the Company and the Authority.

(26) The Company has received and reviewed (i) the County's rules and regulations governing landfills, including those attached as Schedule 18, (ii) any agreements between the County and any other party regarding the operation of the Transfer Station and the Designated Landfill, including any agreement governing vehicular traffic at the Transfer Station or the Designated Landfill, and (iii) any permits for the operation of the Transfer Station, or the Designated Landfill, and either (A) the materials described in clauses (i), (ii) and (iii) do not adversely affect the Company's ability to perform its obligations under this Agreement, or (B) the Company and the Authority have agreed to modify this Agreement to adjust the Company's obligations under this Agreement in light of such materials.

(27) The Rail Transportation Agreement has been amended or CSX has otherwise agreed (i) to increase the maximum pull weight per shipment restriction in the Rail Transportation Agreement to a limit which will permit the Company to perform its obligations under this Agreement, taking into account a design capacity of 2625 tons per day of waste for the refuse transportation system and (ii) that the "Testing Period" described in Section 3.1(a) of the Rail Transportation Agreement includes the period reasonably necessary to conduct rail tests required to perform its obligations under this agreement and ends on the Acceptance Date. The Sidetrack Agreement described in the Rail Transportation Agreement has been executed and the Company has received written confirmation from CSX that the technical requirements in the Rail Transportation Agreement

with respect to the side track layout (including, without limitation, the radius of curvature) can be modified to account for a 2250 ton per day refuse transportation system. The CSX Overtime Protocol has been executed by the Authority and the Company.

(28) The Facility Site Agreement has been amended or PEPCO otherwise has agreed (i) to relocate the Water Intake Discharge Easement described in Exhibit B to the Facility Site Agreement in such a manner as to avoid wetlands along the easement route otherwise described in the Facility Site Agreement, (ii) to revise the Rail Easements generally described in Paragraph B of Attachment 1 to Exhibit B to the Facility Site in a practicable manner and maintain a rail line for access by rail to the Facility, and (iii) to grant easements or other access to its property located adjacent to the Facility Site to the extent necessary to enable the Company to construct the improvements described in Exhibit C ("Ash Haul Road") and Exhibit D ("Underpass and Overpass Road") to the Facility Site Agreement.

(29) The County (i) has granted to PEPCO an easement or other access to the Facility Site sufficient to enable PEPCO to construct and maintain the Interconnection Facilities described in the Electricity Sales Agreement, and (ii) has granted to the Company the rights necessary to provide access to the Facility Site, as described generally in the Dewberry and Davis Drawing "Facility Site Drawing #HO-DR-ASL-C-1-11-0001, Revision OA, dated October, 1988, as revised March 1989."

(30) The Authority or the County has acquired title to, or an indefeasible right to use, the land (and the railroad improvements located thereon) located adjacent to the Transfer Station Site and generally described in paragraph (B) of Appendix C to Schedule 1A to this Agreement, and the Authority's or the County's title to, or indefeasible right to use, such land and improvements, and the Company's right to occupy and use the same, is sufficient to enable the Company to perform its obligations under this Agreement.

(31) The Authority Representative, the County Representative and the Company Representative have approved the final form of Schedule 12 to this Agreement.

(32) The Company has received an opinion of counsel to the County to the effect that the zoning classification of the Facility Site permits the use of the Facility Site by the Company to perform its obligations under this Agreement and the other Primary Project Agreements.

(33) PEPCO has acknowledged that the conditions set forth in Section 11.6 of the Electricity Sales Agreement have been satisfied.

(34) The letter agreement regarding firms eligible to serve as the Independent Engineer referred to in the definition of that term in Schedule 16 must have been executed.

(35) The Company has completed the Facility Site investigation described in Section 2.11(b) and (i) the study demonstrates that the archaeological materials, artifacts, burial grounds or habitats of endangered species are not located at, on or beneath the Facility Site, or (ii) the Company and the Authority have agreed on a plan to address the discovery of such materials and any amendment of this Agreement in connection therewith.

(36) The permit to construct has been issued and either (A) includes the following amendments or clarifications to the PSD approval requirements: (i) use of test method 25A (rather than 25) regarding volatile organic compounds, (ii) inclusion of an H2S04 test method and a beryllium test method reasonably acceptable to the Company which method does not require an Authority Change, (iii) an annual emissions limit for nitrogen oxides equivalent to, or less stringent than, that set forth for nitrogen oxides in the emission standards column of Table 1 of the PSD Approval, and (iv) an annual emissions limit for H2S04 equivalent to, or less stringent than, that set forth for H2S04 in the emission standards column of Table 1 of the PSD approval, or (B) if the permit to construct is not clarified as specified in (A) above, the Company, the Authority and the County have agreed on a Change to the Project necessary to allow the Company to guaranty compliance with the permit to construct.

APPENDIX A

COVENANT OF ASSURANCE

THIS COVENANT is made as of this _____ day of _____, 199_, by Martin GmbH fur Umwelt- und Energietechnik ("Martin") of Munich, Federal Republic of Germany, for the benefit of the Northeast Maryland Waste Disposal Authority (the "Authority").

WHEREAS, Ogden Martin Systems of Montgomery, Inc. (the "Company") has executed a Service Agreement dated _____, 199_ (the "Service Agreement"), with the Authority for refuse processing and disposal services in Montgomery County, Maryland, including, but not limited to, the design, construction and operation of a mass burn resource recovery facility (the "Facility") incorporating the Martin Technology, as defined below;

WHEREAS, Ogden Martin Systems, Inc., which owns all the issued and outstanding stock of the Company and Martin have executed a long-term "Cooperation Agreement" ("Cooperation Agreement") pertaining to the design, construction, and servicing of mass burn refuse combustion plants incorporating the Martin Technology, as defined below;

WHEREAS, the Cooperation Agreement provides that Martin will make available certain proprietary components of such combustion systems, including _____
_____
_____ (the "Martin Technology") to the Company.

WHEREAS, the Company has agreed that in the event the Service Agreement is terminated by the Authority for default by the Company or for the convenience of the Authority or in the event of termination of the Cooperation Agreement, the Authority shall have the right to contract with any other person or party to operate and maintain the Facility.

WHEREAS, it is in the interest of Martin that the Authority enter into the Service Agreement with the Company;

NOW, THEREFORE, in the event the Cooperation Agreement is terminated, or in the event the Authority terminates the Service Agreement because of a Company default or for the convenience of the Authority, to the extent necessary to construct, install, operate or maintain the Facility or any portion thereof, Martin will continue to make available the Martin Technology and the know-how necessary to install, construct, operate and maintain the Facility or any portion thereof, to the Authority on terms and conditions no less favorable than those prevailing to the Company prior to any termination described above.

This covenant shall continue in full force and effect during the term of the Service Agreement and, in the event that the Cooperation Agreement is terminated or the Service Agreement is terminated by the Authority for default of the Company or for the convenience of the Authority, shall continue in full force and effect until the later of (a) the date upon which no Bonds are outstanding, or (b) the date upon which the Service Agreement and any applicable renewal terms would have expired.

If the Service Agreement is terminated for default by the Company or for the convenience of the Authority, then the Authority may select a substitute vendor ("Substitute") to construct and/or operate the Facility. In addition, the Authority may sell the Facility. Any entity which purchases the Facility from the Authority shall be referred to as a "Purchaser".

Martin acknowledges that this covenant may be assigned (i) to the Trustee for the holders of the Bonds pursuant to the Trust Indenture, (ii) to the County, or (iii) to any Substitute or Purchaser, and hereby consents to such Assignments; provided that an assignment to any Substitute or Purchaser shall not be effective unless such Substitute or Purchaser enters into a mutually agreeable confidentiality agreement with Martin and agrees not to use any information or technology to which it has access under this Agreement for any purpose other than the design, construction and operation of the Facility.

IN WITNESS WHEREOF, _____ has executed this instrument the day and year first above written.

WITNESS: (Licensor)

_____

Schedule 24
to
Service Agreement

FORM OF CONFIDENTIALITY AGREEMENT

This Agreement is made as of this _____ day of _____, 19980, between Ogden Martin Systems of Montgomery, Inc., a Maryland corporation ("OMS"), with offices at 40 Lane Road, Fairfield, New Jersey 07007-2615 and _____ ("Client Consultant"), with offices at _____.

Northwest Maryland Waste Disposal Authority (the "OMS Client") has engaged the services of Client Consultant for various tasks relative to its municipal solid waste and resource recovery activities. This Agreement applies only to the services Client Consultant is providing to the OMS Client as the OMS Client's agent for the purpose of ensuring that the interests of the OMS Client are served during the engineering, design, construction and performance testing of the solid waste disposal/resource recovery facility (the "Project") which OMS is constructing in Montgomery County, Maryland pursuant to a certain agreement dated _____, 1990 as may be amended from time to time (the "Agreement") between OMS and the OMS Client. OMS must disclose to Client Consultant certain Confidential Information (defined below), in order for Client Consultant to perform the foregoing service for the OMS Client in connection with the Project.

In recognition and consideration of the above, the Client Consultant agrees to be strictly bound by the terms and conditions set forth below.

1. Confidential Information shall mean proprietary, business or other similar information now or hereafter owned by or otherwise in the possession of or belonging to OMS, or any of its affiliates, including without limitation, patented and unpatented inventions, business and trade secrets, know-how, techniques, data, reports, drawings, specifications, as-built drawings, blueprints, flow sheets, designs, samples, records, notes, correspondence, conclusions, interpretations, comments, analyses, results and engineering, construction, operations and other information whatsoever whether oral or written (in draft or final form), related to solid or other waste disposal and resource recovery. All written information which OMS considers to be Confidential Information shall be so marked by OMS before OMS provides such information to the Client Consultant.

2. (a) Client Consultant shall mark all written Confidential Information as such and keep it in a secure location within Client Consultant's office. Client Consultant shall not without the prior written consent of OMS duplicate or use Confidential Information for any purpose other than performance of the Services or disclose in any manner whatsoever, Confidential Information (whether, without limitation, the Confidential Information relates to any method, process, product, equipment or apparatus embodied or used in the design and/or construction of OMS project) to any of its employees or any third party except as provided in this section. Client Consultant shall disclose Confidential Information only to those employees, subcontractors and other agents of Client Consultant who are directly involved in performing the Services and shall advise each such person that he or she is bound by the terms and conditions of this Agreement and that violation of this Agreement shall constitute a material breach of this Agreement. OMS may require that Client Consultant's employees, subcontractors and other agents furnish OMS with a statement that they have read this Agreement, agree to be bound by its terms and acknowledge that any violation of this Agreement is a material breach of this Agreement.

(b) The foregoing shall not apply to knowledge or information which: (i) at the time of disclosure to Client Consultant is already in the public domain or public knowledge; (ii) after disclosure to Client Consultant becomes part of the public domain or public knowledge by publication or otherwise, except by breach of this Agreement by Client Consultant; (iii) Client Consultant can establish by competent proof already was in its possession at the time of disclosure by OMS and was not acquired, directly or indirectly, from OMS; or (iv) Client Consultant lawfully receives from any third party, provided however, that such information was not obtained, directly or indirectly, from OMS.

3. Client Consultant shall notify OMS immediately upon receipt of any request to Client Consultant for Confidential Information by any third party. Client Consultant shall not be prohibited from disclosing Confidential Information to the extent disclosure is required by a validly issued subpoena, warrant or court paper if: (i) Client Consultant shall have complied with the foregoing sentence, and (ii) either (a) Client Consultant shall, at the sole cost of OMS, have refrained from making such disclosure to the fullest extent permitted by law, in order to afford OMS a period of time within which OMS may challenge such subpoena, warrant or court order in the appropriate forum, (b) disclosure is legally required in the written opinion of the general counsel of OMS or (c) OMS grants prior written permission to

Client Consultant to disclose such Confidential Information to the requesting party.

4. All Confidential Information, including all copies thereof, is the exclusive property of OMS when obtained or prepared by Client Consultant, whether delivered to OMS or not. No right or license is granted to Client Consultant or any third party respecting the use of Confidential Information by virtue of this Agreement. Client Consultant agrees to deliver the Confidential Information and all copies thereof to OMS upon request, provided, however, that the Client Consultant reserves the right to retain one record copy of documents prepared by it for the Project. Title thereto shall be in OMS at all times. Copies of documentary Confidential Information retained by Client Consultant, shall be retained in Client Consultant's files for a period of 10 years after completion of the Services and thereafter disposed of at OMS's direction.

5. Should Client Consultant or any employee or other agent of Client Consultant involved in performing the Services make any inventions or improvements in the equipment, methods or operation of the systems to which they are given access as a result, in whole or part, of involvement in performing the services, such inventions or improvements shall become the sole and exclusive property of OMS. Client Consultant agrees to notify OMS and to execute or cause to be executed any and all patent applications, assignments or other documents whatsoever required to vest and retain in OMS all right and title to, and interest in, any such inventions or improvements.

6. In the event of any breach of the terms of this Agreement, OMS shall be entitled to obtain from any court of competent jurisdiction injunctive relief as well as an equitable accounting for all profits or benefits arising out of such breach. Such relief shall be in addition to any other legal remedies to which OMS may be entitled.

7. The obligations of Client Consultant under this Agreement shall continue for a period of 10 years from completion of the Services.

OMS

By: _____
Title: _____

[CLIENT CONSULTANT]

By: _____
Title: _____

Schedule 25
to
Service Agreement

CERTAIN APPROVALS AND PERMITS*

Type of Permit	Administrator
I. Company Responsibility	
A. Air	
1. New Source Review Air Quality Permit. ("NSR") New Source impacting a Non-Attainment Area Approval ("NSINA"), New Source Performance Standard Source-Permit to Construct, and National Emission Standard for Hazardous Air Pollutant Source-Permit to Construct)	State of Maryland (Air Management Administration, Department of the Environment)
2. Temporary Operating Permit	State of Maryland (Air Management Administration, Department of the Environment)
3. Operating Permit	State of Maryland (Air Management Administration, Department of the Environment)

*The information in this Schedule 25 is preliminary and not intended to be a complete or definitive statement of the permits and approvals that will be required by Applicable Law.

Type of Permit	Administrator
B. Water	
1. Wetlands License/Wetlands	State of Maryland (Water Resources Administration Department of Natural Resources) United States Army Corps of Engineers
2. Water Quality Certificate	State of Maryland (Water Resources Administration, Department of Natural Resources)
3. Water Discharge Permit (NPDES)	State of Maryland (Water Resources Administration. Department of Natural Resources)
4. Waterway Construction	State of Maryland (Water Resources Administration Department of Natural Resources)
5. Septic Tank Permit	Montgomery County Health Department
6. Well Permit State Well Permit	Montgomery County Health Department Well Drilling Permit Montgomery County Health Department Water Supply System State of Maryland (Water Management Administration Department of the Environment)
7. Wastewater Treatment Plant	Washington Suburban Sanitary Commission (WSSC)
8. Water Appropriation Permit Consumptive Use**	State. of Maryland (Water Resources Administration Department of Natural Resources
9. Stormwater Management	Montgomery County Department of Environmental Protection

C. Solid Waste	
1. Refuse Disposal Permit	State of Maryland (Waste Management Administration Department of the Environment)
D. Noise	
1. Noise Control	State of Maryland Department of the Environment and Montgomery County Department of Environment Protection
E. Construction	
1. Grading and Sediment Control Approval	Montgomery County Department of Environmental Protection
2. Building	Montgomery County Department of Environmental Protection
3. Structural	Montgomery County Department of Environmental Protection
4. Safety	Montgomery County Department of Environmental Protection
5. Fire	Montgomery County Department of Environmental Protection
6. Vehicular Access and Entrance	Montgomery County Department of Environmental Protection
F. Fuel Storage	
1. Oil Operation Permit (if required)	State of Maryland (Department of Natural Resources, Water Resources Administration)
G. Aviation	
1. Stack height and markings	Federal Aviation Administration

** If Facility water consumption can exceed one million gallons per day, and a reservoir storage and low-flow augmentation plan for release from storage is required the County will obtain the necessary storage capacity.

Type of Permit	Administrator
H. Fire	
1. Fire protection Plan	State of Maryland (Fire Marshall)
I. Traffic	
1. Entrance Permits	State of Maryland (Highway Administration)
J. Utility Regulation	
1. Qualifying Facility Certification	Federal Energy Regulatory Commission
2. Federal Power Act Exemptive Order	Federal Energy Regulatory Commission
II. Authority Responsibility	
A. Air Quality	
1. Prevention of Significant Deterioration Permit	State of Maryland (Air Management Administration, Department of the Environment)

Schedule 26
to
Service Agreement

COUNTY AND AUTHORITY ACTIVITIES AT THE TRANSFER STATION

1. Operation

The County may inspect the mechanical condition of all transfer vehicles at any reasonable time during the term of the Service Agreement. In the event that any such vehicle does not comply with repair and safety standards established by the provisions of the Chapter 48 of the Montgomery Code of 1972, as amended, the County may suspend such vehicle from service and require that such vehicle comply with such repair and safety standards before being placed back in service.

2. Public Unloading Facility

The County may direct the Company to remove all receiving trailers from the Public Unloading Facility upon reasonable notice. The County may also direct the Company to clean out the receiving area of the Public Unloading Facility on a daily basis.

3. Use of Transfer Station 1

3.1 The County may occupy all offices, storage rooms, and the lunch room, located on the west end of the main transfer building. The County may also occupy the parking area associated with the County offices. The County will have the use of several sets of lockers located on the west side of the main transfer building.

3.2 The County will have access to the Transfer Station to conduct various County programs, including Household Hazardous Waste Clean-Up Day. Such use of the Transfer Station may consist of, but is not necessarily limited to, use of the roads, parking areas and the main transfer building. Any such use of the Transfer Station will be coordinated with the Company.

3.3 The County shall have use of a portion of the Transfer Station Site ("the Recycling Area") for storage of recyclable materials such as motor oil, white

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1 Boldfaced text added pursuant to Change Order #62. Section 3.0 is amended to read in full pursuant to Change Order 76

goods, automotive tires, textiles, mattresses (and boxsprings), automotive batteries and yard waste (brush, leaves and grass). The public shall access the Recycling Area by using the Rockville Pike (Route 355) entrance to the Transfer Station Site which leads to the Public Unloading Facility. The public will drive onto the County scales and stop and a county employee in the County scalehouse shall provide the instructions to the public to drive the Recycling Area.

At the Recycling Area, the County will instruct and assist the public to drop off their recyclable materials in the proper location. The County will then instruct the public on the route to take on the internal roads to exit the Transfer Station Site at the Rockville Pike exit.

The County shall conduct all of the marketing and transportation activities necessary to remove the recycled materials from the Recycling Area. The County shall coordinate the location and hours of operation of the Recycling Area with the Company.

3.4 The County shall use a portion of the Transfer Station Site to operate a tub grinder to chip branches and other yard waste into mulch ("Tub Grinder Area"). The County shall coordinate the location and hours of operation of the tub grinder with the Company.

3.5 The County shall have use of a portion of the Transfer Station Site for a Household Hazardous Waste collection and processing area ("Household Hazardous Waste Area"). The County shall coordinate the location and hours of operation of the Household Hazardous Waste Area with the Company.

3.6 The County shall use the roofed concrete pad area on the east side of the main Transfer Station building for a "DOT Type" Nonprocessible Waste unloading and reloading area ("DOT Type" Nonprocessible Waste Area). This "DOT Type" Nonprocessible Area shall be for the receipt of "DOT Type" Nonprocessible Waste. The Company shall reload this material into Authority trailers, dump trucks and/or dump trailers and stage it for transport to the Designated Landfill or other County approved site. The County shall coordinate the location and hours of operation of the "DOT Type" Nonprocessible Waste Area with the Company.

3.7 The County shall be responsible for housekeeping and maintenance of the areas that it occupies at the Transfer Station Site. These areas include the County Scalehouse, the Public Unloading Facility, the Recycling Area, the Tub Grinder Area, the Household Hazard Waste Area, and areas used in accordance with paragraph 3.2 above. For the County Office Area described in paragraph 3.1 above, the County will do the day-to-day housekeeping and the Company will maintain the area

(lighting, heating, cooling, ventilation, plumbing, mechanical, and structural).

3.8 While the County's out-of-county disposal contractor is required, under the Brunswick Agreement, to make reasonable efforts to keep the "DOT Type" Nonprocessible Waste receiving and loading area clean, the Company shall be responsible for sweeping and housekeeping at the "DOT Type" Nonprocessible Waste Area. The County, or its out-of-county disposal Contractor, shall be responsible for maintenance of the structure and concrete pad and pushwalls in this area unless these facilities are damaged by the Company, in which case the Company will repair any damage that it causes.

3.9 The Company is responsible for any excess handling and disposal costs and repair of any damaged equipment associated with oversize or otherwise unacceptable materials brought from the tipping floor to the "DOT Type" Nonprocessible Waste area. Examples of such materials are large stumps greater than 3 ft in diameter, reinforced concrete with excessive amounts of rebar protruding from the concrete, and, precast concrete sections larger than 2 ft x 2 ft x 1 ft. that may arrive in roll-off boxes. The Authority, through the County's contractor, has the option of rejecting any such oversize or unacceptable materials from the tipping floor. In such cases, the Company must make arrangements at its cost to break up the oversize material or perform whatever else is necessary to facilitate management of the materials.

3.10 (section is blank)[2]

3.11[3] The Authority shall have use of the roof of the Transfer Station building for the purpose of constructing and operating a solar array pursuant to the SPSA. The Authority shall provide a copy of the SPSA, all amendments thereto, and the Interconnection Agreement between the Solar Service Provider and the utility provider to the Company for its records. In addition, the Authority will have access, as needed, to the North Tipping Floor HVAC Room and the North Tipping Floor Meter Room, within the Transfer Station building in order to tie the output of the solar array into the Transfer Station electrical system meter for the "Administration Building" (PEPCO Account 2005). This may include but not be limited to the tie-in, conduit runs and metering or monitoring equipment required for the installation of the solar array. The Company shall take necessary steps to ensure that the Authority and its contractors

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[2] Section 3.10 was deleted pursuant to CO76.

[3] Section 3.11 was added pursuant to CO111

can enjoy the use of these rooms at all times, subject to reasonable notice by the Authority, and shall, to the extent practicable, prevent damage to the Authority's equipment.

The Authority will provide and shall be responsible for the maintenance of the solar array and related equipment, including usage metering, at the Transfer Station (collectively the "Solar Equipment"). Subject to reasonable notice by the Company, the Authority shall cause the timely removal to allow the Company to perform work on the roof, roof equipment or structure. The Authority may employ a third-party vendor to undertake its responsibilities for the Solar Equipment. Authority vendors shall follow the site rules and safety procedures of the Company which may be modified from time to time by the Company.

The Authority will be responsible for any damages at the Transfer Station or to the Solar Equipment, or any payments required to be made to the Solar Service Provider resulting from maintenance, placement or removal of such Solar Equipment or from maintenance of the Transfer Station. The Company shall not be responsible for damage caused to the Solar Equipment as a result of the Company's activities required under this Service Agreement, unless caused by its negligence and/or the failure to pursue all such activities with due care. The Company presumes that the standard location of the Solar Equipment will not negatively impact the structure, access or non-Solar Equipment presently in place, or later required, at the Facility.

Insurance – The Company shall not be liable for any insurance deductible relating to damages caused by, or to (except in the event of negligence by the Company, and then limited to a maximum of $25,000), the Solar Equipment or activities of the Authority and its vendors in connection with the installation, operation or maintenance of the Solar Equipment.

The SPSA entered into on July 9, 2009 provides for indemnification of the Company and additional insured status for the Company. The Authority agrees that it will not approve any modification of these, or any other provisions, without the Company's consent, the Company's consent will not be unreasonably withheld.

In the event that an unexpected event occurs for which the Company requires sole access to the Transfer Station roof, the North Tipping Floor HVAC Room or the North Tipping Floor Meter Room, the Company shall operate in good faith and will not create an unreasonable delay to the Authority or its contractors to resume access to the same. The Parties agree that time is of the essence during a repair and if the Company is

unreasonable and allows the delay to continue, after verbal notice by the Authority of such delay, the Authority may seek damages for the delay as outlined in the SPSA, if such damages are applicable.

The Company waives all claim to, title and rights to Renewable Energy Credits, Attributes, offsets or environmental benefits attributable to the electricity generated by the solar array at the Transfer Station.

Schedule 27
to
Service Agreement

RESERVED RIGHTS AND OBLIGATIONS

In connection with the assignment to the Company of the portion of the Authority's rights, benefits, obligations and duties under the Rail Transportation Agreement, the Facility Site Agreement and the Electricity Sales Agreement, pursuant to Section 6.2 of this Agreement, the Authority reserves unto itself the following rights benefits, obligations and duties:

I. ELECTRICITY SALES AGREEMENT.

(a) The right of the Authority to terminate the Electricity Sales Agreement for cause, convenience or otherwise.

(b) The right of the Authority to modify, or agree to any modification of all or any part of the Electricity Sales Agreement.

(c) The right of the Authority to receive any payment the Authority is entitled to receive under the Electricity Sales Agreement after the Acceptance Date except indemnity payments pursuant to Section 9.1 of the Electricity Sales Agreement.

(d) The right to establish the Rated Capacity of the Facility in accordance with this Agreement.

(e) The right to change service procedures pursuant to Section 2.1 of the Electricity Sales Agreement, subject to Section 8.1(b) of this Agreement.

(f) The right to participate as a member of the Operating Committee and to designate additional members of the Operating Committee pursuant to Section 4.10 of the Electricity Sales Agreement.

(g) The rights and obligations in connection with representations and warranties of the Authority pursuant to Section 4.13 of the Electricity Sales Agreement.

(h) The right to require PEPCO to build interconnection facilities pursuant to Section 5.2 of the Electricity Sales Agreement and designate the Authority's payment method for these facilities pursuant to Section 5.3 of the Electricity Sales Agreement.

(i) The right to renegotiate electricity rates with PEPCO pursuant to Section 7.2 and 10.3 of the Electricity Sales Agreement.

(j) The right to agree on liquidated penalties pursuant to Section 11.4 and 11.5 of the Electricity Sales Agreement which the Authority is required to pay or reimburse to the Company under this Agreement.

(k) The right to consent to an assignment under Section 13.7 and the right to consent to the release of PEPCO under Section 13.8.

(1) The right to extend the term of the Electricity Sales Agreement pursuant to Section 14.2.

(m) Such other matters that were initially assigned to the Company and are later reserved to the Authority as specified from time to time in a written notice delivered from the Authority Representative to the Company specifying the right, benefit, duty or obligation affected and the effective date of the complete or partial revocation of the assignment with respect thereto.

II. FACILITY SITE AGREEMENT.

(a) The right of the Authority to terminate the Facility Site Agreement for cause, convenience or otherwise.

(b) The right of the Authority to modify, or agree to any modification of all or any part of the Facility Site Agreement.

(c) The right of the Authority to receive any payment the Authority is entitled to receive under the Facility Site Agreement except indemnity payments pursuant to Section 25 of the Facility Site Agreement.

(d) The right to exercise or reject the renewal options of the Authority pursuant to Section 1 of the Facility Site Agreement.

(e) The performance of obligations and the exercise of rights in connection with the Risk Assessment Study and the issuance of the Joint and Mutual Determination pursuant to Sections 5 and 6 of the Facility Site Agreement to the extent the costs of the performance of such obligations are not being borne by the Company.

(f) The exercise of rights with respect to the type and location of noise control equipment and related contracts pursuant to Section 7(c) of the Facility Site Agreement.

(g) Approval of contracts and expenditures pursuant to the second paragraph of Section 8 of the Facility Site Agreement.

(h) The right to participate as a member of the Coordinating Committee and designate additional members of the Coordinating Committee pursuant to Section 9 of the Facility Site Agreement.

(i) The rights and obligations of the Authority with respect to purchase of the Facility Site by PEPCO as provided in Section 20 of the Facility Site Agreement and the determination and payment of amounts described in Section 20 of the Facility Site Agreement.

(j) The rights of the Authority to negotiate regarding additional easements pursuant to Section 16 of the Facility Site Agreement in any circumstances where the Authority is obligated to pay for such property rights.

(k) The right of the Authority to consent to assignments or other actions pursuant to Section 31 of the Facility Site Agreement.

(1) The rights and obligations of the Authority regarding negotiation of mutually agreeable payment schedules pursuant to Exhibit G of the Facility Site Agreement.

(m) The rights and obligations of the Authority relating to the repurchase of the Facility Site Agreement pursuant to Exhibit I of the Facility Site Agreement.

(n) All costs and obligations in connection with decommissioning the Facility pursuant to Section 2B of the Facility Site Agreement, unless the Authority has directed the Company to raze the Facility pursuant to Section 11.7 of this Agreement.

III. RAIL TRANSPORTATION AGREEMENT.

(a) The right of the Authority to terminate the Rail Transportation Agreement for cause, convenience or otherwise.

(b) The right of the Authority to modify, or agree to any modification of, all or any part of the Rail Transportation Agreement.

(c) The right of the Authority to receive any payment the Authority is entitled to receive under the Rail Transportation Agreement other than (i) payments in lieu of Energy Revenues prior to the Acceptance Date, (ii) payments with respect to CSX damages if CSX destroys or damages a rail car as provided in Section 2.3(c) of the Rail Transportation Agreement to the extent the Company pays

for the repair or replacement of the rail car, and (iii) indemnity payments pursuant to Section 9.15 of the Rail Transportation Agreement.

(d) The right to require a lease of rail cars pursuant to Section 2.3(c) of the Rail Transportation Agreement.

(e) Negotiation and execution of the storage track lease pursuant to Section 2.5(b) of the Rail Transportation Agreement.

(f) Negotiation and execution of an agreement regarding a locomotive as provided in Section 3.2(g) of the Rail Transportation Agreement if the Authority is required to pay for a locomotive lease under this Agreement.

(g) The rights and obligations of the Authority with respect to the representations and warranties of the Authority set forth in Article VIII of the Rail Transportation Agreement.

(h) The right to extend the term pursuant to Section 7.2 of the Rail Transportation Agreement.

(i) The right to assign or consent to an assignment by CSX pursuant to Section 9.3 of the Rail Transportation Agreement.

(j) The right to modify the Agreement pursuant to Section 9.20 of the Rail Transportation Agreement.

BACK-UP MATERIALS AND SUPPORTING INFORMATION

1. Civil/Structural Calculations:

    -- Pit design
    -- Chimney foundation
    -- Floor designs (Steel), elevated slabs
    -- Building Designs
        -- Horizontal and vertical bracing
        -- Girts and purlins
    -- Column designs
    -- Road Cross Sections
    -- Tank Foundations
    -- Siting Connections
    -- Roof Load Calculations

2. Heat and Mass Balances

3. Pipe line size calculations

4. Electrical calculations & data:

    -- Voltage drop and short circuit calculations
    -- Load studies
    -- Cable sizing
    -- Lighting and calculations
    -- Underground duct bank studies
    -- Transformer sizing
    -- Electrical equipment sizing

5. Equipment and System Sizing Calculations

    -- All combustion air, process air and flue gas fan calculations
    -- Boiler feed pump, condensate pump and circulating water pump calculations
    -- Instrument and service air compressor circulations
    -- Cooling tower sizing calculations
    -- HVAC equipment sizing calculations
    -- Storage tank sizing calculations
    -- Deaerating heater and storage tank sizing calculations
    -- Fire protection system equipment sizing calculations
    -- Water treatment system equipment sizing calculations

-- Pipe stress and pipe hanger calculations
  - Main stream system
  - First point extraction steam system

6. Code Conformance Documents

Schedule 29
to
Service Agreement

GUARANTEED MAXIMUM UTILITY CONSUMPTION

A. Facility

1. Operating Period

a.	Electricity Power (includes backup)		
	i.	Usage* (kWh/yr)	892,500
	ii.	Demand** (peak kW)/(no. months/yr)	8,925/6
b.	Water Consumption*** (gal/yr)		385,000,000
c.	Wastewater Discharge (gal/yr)		45,000,000

B. Transfer Station

a.	Electricity Power (includes backup)		
	i.	Usage* (kWh/yr)	1,600,000
	ii.	Demand** (peak kW)/(no. months/yr)	550/12
b.	Water Consumption*** (gal/yr)		1,265,000
c.	Wastewater Discharge (gal/yr)		1,265,000

* Electricity required to be purchased from outside sources excluding that required to be purchased during Permissible Turbine Downtime. This number will be increased by 721 kWh for each hour during the year that the cooling tower helper is required to operate during periods when power is being purchased from outside sources not to exceed 100 hours per year.

** The minimum demand during periods when the cooling tower helper is required to operate is 9,646kW. The Company will be responsible for the payment of electricity demand charges incurred for any month beyond six months during a year that electricity is required to be purchased from outside sources due to turbine-generator downtime.

*** Assumes five cycles of concentration in the cooling tower helper. Will be adjusted appropriately should the quality of water taken from the PEPCO discharge canal be worse than that indicated by Table 1A-2R of Schedule 1.

Schedule 30
to
Service Agreement

CONTAINER ACCEPTANCE CRITERIA

The following is a series of demonstrations that will be used to determine if the modifications to the CH containers are acceptable to be made to solve the leaking seal issue. Neither these short-term tests nor the installation of seals shall relieve the Company of its obligations under the Service Agreement with respect to the requirement to provide sealed containers.

Short-term simulation demonstrations:

- Fifty (50) door openings and closings
- Fifty (50) inflations and deflations of seals (if applicable)
- Twenty (20) compactor cycles 1/

Operational demonstrations:

- Ten (10) normal container cycles

The above demonstrations need to be conducted on a minimum of five (5) containers of the same seal design. At the end of the short-term simulations and operational tests, the containers will be tested for water-holding capability. Only normal cleaning of the seals and seal surfaces will be allowed.

Two (two) full container capacity cycles, including filling with waste and dumping; and eighteen (18) partial container cycles including disconnecting from the compactor, closing the door on the container, pulling forward approximately twenty (20) feet, backing up, opening the door on the container, and reconnecting to the compactor. The container will be dumped as required.

1/ Two (2) full container capacity cycles, including filling with waste and dumping, and eighteen (18) partial container capacity cycles including disconnecting from the compactor, closing the door on the container, pulling forward approximately twenty (20) feet, backing up, opening the door on the container and reconnecting to the compactor. The container will be dumped as required.

Schedule 31
to
Service Agreement

Letter Agreements

October 10, 1995

Ms. Robin D. Depot, Executive Director
Northeast Maryland Waste Disposal Authority
25 South Charles Street, Suits 2105
Baltimore, Maryland 21201-3330

Re: Amended and Restated Service Agreement, dated November 11, 1990 between Northeast Maryland Wants Disposal Authority (the "Authority') and Ogden Martin Systems of Montgomery, Inc. (the "Company") (as amended, the "Agreement")

Dear Ms. Depot:

The following represents our agreement with respect to the listed matters:

1. The Company will pay the Authority $30,000 to reimburse the Authority for the cost of a transmission line to the Facility for construction power.

2. With respect to the three additional TCLF tests that the Authority has decided to perform in this fiscal year, but which are not required by Applicable Laws, the Company will pay for or provide personnel for contacting and preparing the necessary ash samples. The Authority will pay for or reimburse the Company for transportation of the samples and lab testing and analysis.

3. The Company and the Authority agree that the aggregate value of the Punchlist, as of today's date, is $193,000.

4. With respect: to payment applications FCPA-20 and 21, and for future payment applications for the noise wall and the dolomitic lime addition system, submitted by the Company, which were performed on a cost plus basis under the Agreement, the Company agrees to delete costs for Tony Orlando, Brad Crispell and Bill Coats and that, for other personnel, the Authority will be billed only for salaries and fringe benefits, which shall not include bonuses or profit sharing. For payment application FCPA-20 and 21, fringe benefits will tot exceed 50 percent of salaries.

5. The parties shall enter into a change order to the Service Agreement to reflect the following additional compensation to the Company for the use of dolomitic lime at the facility:

   a. $4,275 (January 1989 dollars) per year for each period in which the dolomitic lime

addition system is in the standby mode.

b. $32, 500 (January 1989 dollars) per year for each period in which the dolomitic lime addition system is operated.

c. $14.79 (January 1989 dollars) for each ton of lime used at the Facility.

(in each case, prorated for the first year from September 15, 1995).

Provided, however, that at the end of the current fiscal year, the parties will negotiate in good faith appropriate modifications to the above amounts to reflect the Company's experience in connection with operation of the dolomitic lime addition system.

6. The bonus payable to the company, pursuant to Section 3.1(g) of the Agreement will be $5,250,000, assuming the Acceptance Date is established as provided in paragraph 7, below.

7. The Acceptance Date is established as of August 7, 1993 for the Facility and as of August 23, 1995 for the Transportation System, subject to our letter agreement of even data relating to the incident at the Lancaster Resource Recovery Facility.

8. The Authority agrees that it will not seek to recover from the Company any costs incurred in connection with obtaining the initial permits for the Facility.

If the County agrees with the foregoing, please execute the letter where indicated below whereupon it shall become a binding Agreement. Capitalized terms used herein that are defined in the Service Agreement, dated November 16, 1990 as amended, shall have the meanings given herein.

AGREED:

OGDEN MARTIN SYSTEMS OF MONTGOMERY, INC.

AGREED:

MONTGOMERY COUNTY, MD

AGREED:

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

October 27, 1995

Ogden Martin Systems of Montgomery, Inc.
40 Lane Road
Fairfield, NJ 07007-2615

Attn: Bruce W. Stone
Executive Vice President and Managing Director

Re: Amended and Restated Service Agreement dated November 11, 1990, between Northeast Maryland Waste Authority and Ogden Martin Systems of Montgomery, Inc. (as amended, the "Agreement")

Dear Gentlemen:

This will confirm that we have received the Independent Information referred to in my letter to you dated October 10, 1995, and we have been advised by R.W. Beck that they are not aware of any condition in which the Project, (1) is not substantially and materially complete, (2) has not been fully designed, constructed, and equipped in accordance with the Specifications (as the Specifications may have been modified pursuant to the terms of the Service Agreement) except as provided in the Punch List described in Section 3.10 of the Service Agreement, and (3) is not in compliance with Good Engineering Practices and Final Detailed Plans.

We note that in Bruce Stone's letter of October 2, 1995 from Odgen Projects, Inc. that Ogden's ability to provide insurance coverage for the post "Acceptance" period for the Montgomery County Resource Recovery Facility has not been changed by the Lancaster event nor has the pricing for this coverage been affected. Also in its letter agreement of October 10, 1995 with the Authority, Ogden has agreed to provide, at its cost, improvements to the Montgomery County Facility that result from their investigation of the Lancaster accident.

We therefore inform you that we accept the Company's conclusions set forth in the Performance Test Report and the Officer's Certificate pursuant to Section 3.5(13) of the Agreement, and we hereby agree that the Acceptance Date is established as of August 7, 1995, for the Facility and as of August 23, 1995, for the Transportation System for all purposes under the Agreement. Capitalized terms used herein that are defined in the Agreement shall have the meanings given therein.

Very truly yours,

NORTHEAST MARYLAND WASTE AUTHORITY

MONTGOMERY COUNTY, MARYLAND
OGDEN MARTIN SYSTEMS OF MONTGOMERY, INC.

Robert C. Merryman County Representative

Schedule 32
to
Service Agreement

ESCROW AGREEMENT

THIS AGREEMENT is made as of this 18th day of December, 1995, by and among Ogden Martin Systems of Montgomery, Inc. (hereinafter referred to as the "Company"), the Northeast Maryland Waste Disposal Authority (hereinafter referred to as the "Authority") and Signet Trust Company (hereinafter referred to as "Escrow Agent" or "Bank").

W I T N E S S E T H

WHEREAS, the Company and the Authority have entered into a Service Agreement dated as of November 16, 1990 (as amended and supplemented the "Service Agreement") pursuant to which the Company agreed to design, engineer, construct, start-up, test, operate and maintain a refuse-to-energy, solid waste disposal facility in Dickerson, Maryland and certain improvements to Montgomery County, Maryland's (the "County") solid waste transfer station located in Derwood, Maryland (the "Project"); and

WHEREAS, the Authority issued its Solid Waste Revenue Bonds (Montgomery County Resource Recovery Project) Series 1993A and its Taxable Solid Waste Revenue Bonds (Montgomery County Resource Recovery Project) Series 1993B (collectively, the "Bonds") in order to finance a portion of the costs of the acquisition and construction of the Project; and

WHEREAS, the Company has agreed to provide for the deposit of certain amounts to escrow accounts to be established and maintained hereunder to ensure the availability of funds to perform certain repairs to or replacements of certain portions of the Project after the date hereof, as necessary and as more particularly described herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

Section 1. Appointment of Escrow Agent. The Authority and the Company hereby mutually appoint and designate the Bank as the Escrow Agent for the purposes set forth herein, and the Bank accepts the agency created under this Agreement and agrees to perform the obligations imposed hereunder, including without limitation the obligations to receive the Escrow Deposits (as hereafter defined) and to hold and deliver the Escrow Deposits and the interest thereon as set forth herein.

Section 2. Creation of Escrow Accounts; Escrow Deposits.

2.1 Creation of Escrow Accounts. There are hereby created the following separate escrow accounts with the Escrow Agent: (1) an account entitled "Transportation System Completion Escrow Account" (hereinafter referred to as the "Transportation System Escrow Account"); (2) an account entitled "Paint Maintenance Escrow Account" (hereinafter referred to as the "Paint Escrow Account"); and (3) an account entitled "Residue Handling System Escrow Account" (hereinafter referred to as the "Residue Escrow Account"). The Transportation System Escrow Account, the Paint Escrow Account and the Residue Escrow Account are referred to herein collectively as the "Escrow Accounts". Each of the Escrow Accounts shall be established and maintained by the Escrow Agent separate and distinct from the funds and accounts established and maintained pursuant to the Indenture of Trust dated as of March 1, 1993 between the Authority and Signet Trust Company, as Trustee.

2.2 Escrow Deposits.

(a) Simultaneously with the execution of this Agreement, the Company is delivering to the Escrow Agent Four Million Five Hundred Thousand Dollars ($4,500,000.00), which amount shall be deposited by the Escrow Agent as follows:

(i) $3,500,000 shall be deposited in the Transportation System Escrow Account (the "Transportation System Escrow Deposit");

(ii) $750,000 shall be deposited in the Paint Escrow Account (the "Paint Escrow Deposit"); and

(iii) $250,000 shall be deposited in the Residue Escrow Account (the "Residue Escrow Deposit").

The Transportation System Escrow Deposit, the Paint Escrow Deposit and the Residue Escrow Deposit are referred to collectively herein as the "Escrow Deposits".

2.3 Receipt. The Escrow Agent hereby acknowledges receipt of and accepts the Escrow Deposits in escrow and agrees to hold and keep such Escrow Deposits in accordance with the terms and conditions hereof and for the uses and purposes stated herein.

2.4 Investment. The Escrow Agent shall invest and reinvest the Escrow Deposits in accordance with investment instructions delivered by the Company to the Escrow Agent from time to time; provided, however, that such investment instructions shall provide for the investment and reinvestment of the Escrow Deposits in securities that have been issued (i) in the case of long-term

investments, an investment grade rating and (ii) in the case of short-term investments, the highest rating category. In either case the above-described ratings shall be issued by Moody's Investor's Service, Inc., Standard & Poor's Ratings Group or Fitch Investors Service, Inc., which ratings shall be verified by the Company. Interest earned, profits realized and losses suffered by reason of any investment of the Escrow Deposits, respectively shall be credited or charged, as the case may be, to the account for which such investment shall have been made. The amount of any net earnings on the investment of the Escrow Deposits shall be paid to the Company within three (3) Business Days after receipt by the Trustee of the Company's request therefor; provided, however, that in no event shall the Escrow Agent be obligated to make such payments more often than once per calendar quarter.

Section 3. Procedures for Disbursements from the Transportation System Escrow Account. The Escrow Agent shall distribute and dispose of amounts on deposit in the Transportation System Escrow Account in accordance with the following procedures:

(a) The amount on deposit in the Transportation System Escrow Account, if any, shall be paid to the Company by the Escrow Agent within three (3) Business Days after receipt by the Escrow Agent of (i) the Container Seal Report and the Company's certification that the Container Sealing System has performed its intended function on all of the Containers and (ii) either (A) a certificate of the Authority accepting the representations of the Company set forth therein or (B) a certificate of the Company to the effect that the Authority has neither objected to nor accepted such Container Seal Report within five (5) Business Days of its receipt thereof.

(b) The amount described in a request for payment from the Company of amounts on deposit in the Transportation System Escrow Account to reimburse costs incurred by the Company to repair or replace Containers shall be paid to the Company by the Escrow Agent within three (3) Business Days after receipt by the Escrow Agent of (i) a request for payment from the Company and (ii) either (A) a certificate of the Authority agreeing to the payment of the amounts set forth in such request for payment or (B) a certificate of the Company to the effect that the Authority has neither objected to nor accepted such request for payment within ten (10) Business Days of its receipt thereof.

Section 4. Procedures for Disbursements from the Paint Escrow Account. The Escrow Agent shall distribute and dispose of amounts on deposit in the Paint Escrow Account in accordance with the following procedures:

(a) The amount described in a request for payment from the Company of amounts on deposit in the Paint Escrow Account shall be paid to the Company by the Escrow Agent within three (3) Business Days after receipt by the

Escrow Agent of (i) a request for payment from the Company and (ii) either (A) a certificate of the Authority agreeing to the payment of the amounts set forth in such request for payment or (B) a certificate of the Company to the effect that the Authority has neither objected to nor accepted such request for payment within ten (10) Business Days of its receipt thereof.

(b) The amount described in a request for payment from the Authority of amounts on deposit in the Paint Escrow Account shall be paid to the Authority by the Escrow Agent within three (3) Business Days after receipt by the Escrow Agent of (i) a request for payment from the Authority and (ii) a certificate of the Authority to the effect that at least sixty (60) days prior to such request, the Authority requested the Company to repaint portions of the Facility structural steel and the Company failed to do so.

(c) At any time after the termination of the Service Agreement, but before the date described in Section 4(d), the amount described in a request for payment from the Authority of amounts on deposit in the Paint Escrow Account shall be paid to the Authority by the Escrow Agent within three (3) Business Days after receipt by the Escrow Agent of (i) a request for payment from the Authority and (ii) either (A) a certificate of the Company agreeing to the payment of the amounts set forth in such request for payment or (B) a certificate of the Authority to the effect that the Company has neither objected to nor accepted such request for payment within thirty (30) days of its receipt thereof.

(d) Notwithstanding the foregoing provisions of this Section 4 and subject to Section 10.5, on August 10, 2000, the Escrow Agent shall pay all amounts on deposit in the Paint Escrow Account (if any amounts remain on such date) to the Company.

Section 5. Procedures for Disbursements from the Residue Escrow Account. The Escrow Agent shall distribute and dispose of amounts on deposit in the Residue Escrow Account in accordance with the following procedures:

(a) The amount described in a request for payment from the Company of amounts on deposit in the Residue Escrow Account shall be paid to the Company by the Escrow Agent within three (3) Business Days after receipt by the Escrow Agent of (i) such request for payment from the Company and (ii) either (A) a certificate of the Authority agreeing to the payment of the amounts set forth in such request for payment or (B) a certificate of the Company to the effect that the Authority has neither objected to nor accepted such request for payment within ten (10) Business Days of its receipt thereof.

.(b) At any time after the termination of the Service Agreement, but before the date described in Section 5(c), the amount described in a request for payment from the Authority of amounts on deposit in the Residue Escrow Account shall be paid to the Authority by the Escrow Agent within three (3) Business Days

after receipt by the Escrow Agent of (i) a request for payment from the Authority and (ii) either (A) a certificate of the Company agreeing to the payment of the amounts set forth in such request for payment or (B) a certificate of the Authority to the effect that the Company has neither objected to nor accepted such request for payment within thirty (30) days of its receipt thereof.

(c) Notwithstanding the foregoing provisions of this Section 5 and subject to Section 10.5, on August 10, 1996, the Escrow Agent shall pay all amounts on deposit in the Residue Escrow Account (if any amounts remain on such date) to the Company.

Section 6. Escrow Agent.

6.1 Fees. The Company shall pay the Escrow Agent fees in accordance with the letter agreement attached hereto as Exhibit A as compensation for the performance by the Escrow Agent of its services under this Agreement, and shall reimburse the Escrow Agent for all reasonable expenses, disbursements and advancements incurred or made by the Escrow Agent in performance of its duties hereunder.

6.2 Resignation. The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to the parties hereto, specifying the date the Escrow Agent proposes for such resignation to take effect. Upon such notice, a successor escrow agent shall be appointed with the mutual agreement of the Authority and the Company, and the service of such successor escrow agent shall be effective as of the date of resignation specified in such notice. Notwithstanding the designation of a proposed resignation date by the Escrow Agent, the Escrow Agent shall continue to serve until its successor accepts the escrow by written notice to the parties hereto and the Escrow Agent deposits the Escrow Accounts with such successor escrow agent.

6.3 Reliance. The Escrow Agent undertakes to perform only such duties as are specifically set forth herein and may conclusively rely, and shall be protected in acting or refraining from acting, on any written notice, instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. The Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without any liability upon the contents thereof.

6.4 No Liability. The Escrow Agent shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder. The Escrow Agent shall not be liable for any mistake of fact or error of judgment or for any facts or omissions of any kind unless caused by its own willful misconduct or negligence.

6.5 Indemnification of the Escrow Agent. The Company agrees to indemnify the Escrow Agent and hold it harmless against any and all liabilities (including reasonable attorneys' fees) incurred by it hereunder except in the case of liabilities incurred by the Escrow Agent resulting from its own willful misconduct or negligence.

6.6 Depository Only. The Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any cash or security deposited with it.

Section 7. Attorneys' Fees. Should the Authority or the Company employ an attorney for the purpose of enforcing or construing this Escrow Agreement, or any judgment based on this Escrow Agreement, in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, in each case the Authority or the Company, whichever is the prevailing party shall be entitled to receive from the Authority or the Company, whichever is the nonprevailing party reimbursement of all attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees, and the cost of any bonds, whether taxable or not, and such reimbursement shall be included in any judgment or final order issued in that proceeding. The provisions of this Section 7 shall apply only to actions between the Authority and the Company and shall not in any event apply to actions involving the Escrow Agent.

Section 8. Term and Termination. This Escrow Agreement shall be in effect from its date and unless sooner terminated by the written mutual consent of all the parties hereto, shall continue in effect until the date on which the Escrow Agent disburses the last of the amounts on deposit in the Escrow Accounts. No termination of this Agreement limits or otherwise affects the rights and obligations of any party that have accrued before the date of termination of this Escrow Agreement.

Section 9. Indemnification of the Authority. The Company agrees to protect, indemnify, and hold the Authority, the County and their respective officers, employees and agents (the "Indemnified Parties") harmless from and against any and all liabilities (including reasonable attorneys' fees) caused by the willful misconduct or negligent acts, errors or omissions of the Company, its agents, contractors or employees, in connection with or as a result of this Escrow Agreement or the performance by the Company of its obligations hereunder, except in the case of liabilities incurred by an Indemnified Party resulting from its own willful misconduct or negligent acts, errors or omissions.

Section 10. Miscellaneous.

10.1 Definitions. Capitalized terms used herein that are not defined herein shall have the meanings given such terms in the Service Agreement.

10.2 Notices. All notices and other communications required or permitted to be given under or by reason of this Escrow Agreement shall be in writing and shall be deemed to have been duly given on the date of personal delivery to, or on the date of facsimile transmission followed by confirmation of receipt by telephone, or on the date of receipt at the addresses set forth in this Section 10.2, or at such other address as may be specified in writing by the party to whom notice is to be given. If mailed by first class, postage prepaid, certified mail, return receipt requested, such written notices shall be deemed to have been received three Business Days after mailing. Notices, demands and communications will, unless another address is specified in writing, be sent to the person at the addresses indicated below:

If to the Authority:

Northeast Maryland Waste Disposal Authority
Tower II – Suite 402 100 S. Charles St.

Baltimore, Maryland 21201-2705
Attention: Executive Director
Facsimile: (410) 333-2721

With copies to:

Deputy Director
Montgomery County Department of Transportation
101 Monroe Street
Rockville, Maryland 20850
Facsimile: (301) 217-2118

Chief
Division of Solid Waste Services
101 Monroe Street
Rockville, Maryland 20850
Facsimile: (301) 217-2254

If to the Company:

Ogden Martin Systems of Montgomery, Inc.
c/o Ogden Martin Systems, Inc.
40 Lane Road
CN 2615
Fairfield, New Jersey 07007-2615
Attention: President
Facsimile: (201) 882-4148

If to the Escrow Agent:

Signet Trust Company
7 Saint Paul Street, Second Floor
Baltimore, Maryland 21202
Attention: Corporate Trust Department
Facsimile: (410) 752-8642

10.3 Benefit and Assignment. The rights and obligations of each party under this Escrow Agreement may not be assigned without the prior written consent of all other parties. Each party hereto shall be deemed to include any successor by merger or consolidation, and in such event said successor shall be substituted as a party hereto.

10.4 Entire Agreement; Amendment. This Escrow Agreement contains all the terms agreed upon by the parties with respect to the subject matter hereof. This Escrow Agreement may be amended only by a written instrument signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10.5 Disputes. All disputes between the Authority and the Company arising under or in connection with this Agreement shall be resolved in accordance with the dispute resolution procedures set forth in Section 14.15 of the Service Agreement. In the event of any dispute between the Authority and the Company, the Authority shall promptly give written notice of such dispute to the Escrow Agent. Such written notice shall specify the disputed claims or demands and the amount in dispute. Upon receipt of such written notice, the Escrow Agent shall thenceforth refuse to comply with any disputed claims or demands and in so refusing, shall make no delivery or other disposition of any property then held by it under this Escrow Agreement and in so doing the Escrow Agent shall continue to refrain from acting until (a) the receipt by the Escrow Agent of the final decision of the Independent Engineer rendered in accordance with Section 14.15 of the Service Agreement or a final order entered by a court of competent jurisdiction, as the case may be determining the disposition of the amount in dispute, or (b) the Escrow Agent shall have received written instructions signed by the Authority and the Company as to the disposition of the amount in dispute.

10.6 Headings. The headings of the sections and subsections of this Escrow Agreement are for ease of reference only and do not evidence the intentions of the parties.

10.7 Governing Law. This Escrow Agreement shall be governed by, and construed according to, the laws of the State of Maryland.

10.8 Counterparts. This Escrow Agreement may be signed upon any number of counterparts with the same effect as if the signatures on all counterparts are upon the same instrument.

IN WITNESS WHEREOF, as of the date first written above, the parties hereto have executed this Escrow Agreement.

ATTEST:
[SEAL]

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

By: _____
Name:
Title:

By: _____
Name:
Title:

OGDEN MARTIN SYSTEMS OF MONTGOMERY, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SIGNET TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

On behalf of Montgomery County, Maryland (the "County"), I hereby approve the execution of this Escrow Agreement by the Authority pursuant to Section 6.3 of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended and supplemented.

Date: _____

By: _____
Name:
Title:

Schedule 33
to
Service Agreement

CONTAINER SEAL REPORT

The Container Seal Report will include the following:

1. Performance summary of the sealing system(s).

(a) State the sealing system on the CH Containers has performed its intended function.

(b) State the sealing system on the CS Containers has performed its intended function.

(c) Describe any seal improvements made or to be made after the Acceptance Date.

(d) Discuss inspection and preventive maintenance programs and describe any modifications, if any, that will be implemented.

2. Operational History for each container beginning on the Transportation System Acceptance Date.

(a) Date placed in service.

(b) Number of loads of MSW and ash.

(c) Leaks discovered, cause and corrective action taken.

3. Maintenance History for each container beginning on the date placed in service.

(a) Preventive maintenance conducted.

(b) Corrective maintenance conducted.

Schedule 40
to
Service Agreement

OPERATING CHARGE

The Operating Charge ("OC") is a non-quantitative term used to describe the annual charge paid to the Company in any Fiscal Year to perform the operations required in the Service Agreement. OCn is a quantitative term used to identify the numerical values of discrete OC's that are calculated based on discrete estimated tons of Acceptable Waste to be processed by the Company (the "ETP"). The initial OC will always be OC_0. The final OC that is calculated at the end of each Fiscal Year according to Section 5.10 of the Service Agreement will always be the OCn with the highest n value for that Fiscal Year. The amount of the Service Fee paid monthly according to Section 5.2 that is attributed to the OC is the average monthly value of the remaining balance of the OC that is owed to the Company for that Fiscal Year based on the most recent OCn and the number of months remaining in that Fiscal Year.

Part I: OPERATING CHARGE; INITIAL CALCULATION 1/

The OC is to be calculated as provided below. The calculation of the OC is dependent on the ETP as derived from Section 8.3. The OC is calculated by determining within which range (A-E, below) the ETP falls and employing the corresponding formula. For each of the ranges (A-E), the formula is first stated in words and then provided as an algebraic formula.

The Inflation Adjuster ("IF") for the Fiscal Year is to be calculated in accordance with Schedule 9, rounded to four (4) decimal places and included in each of the calculations below:

A. If ETP is greater than or equal to 558,450, then OCn equals **$13,386,921.24** multiplied by IF and rounded to the nearest $**0.01.**

If ETP > 558,450, then
OCn = **$13,386,921.24** x IF

B. If ETP is greater than or equal to 474,500 tons, but less than 558,450 tons, then OCn equals **$13,386,921.24** multiplied by IF and rounded to the nearest

1/ Boldfaced text amended pursuant to Third Amendment.

$0.01 less the product of **$9.89** multiplied by IF and rounded to the nearest $0.01 times the difference of ETP subtracted from 558,450.

If ETP ≥ 474,500, but < 558,450, then
OCn = (**$13,386,921.24** x IF) - ((558,450 - ETP) x ($**9.89** x IF))

C. If ETP is greater than or equal to 438,000 tons but less than 474,500 tons, then OCn equals **$13,386,921.24** multiplied by IF and rounded to the nearest $0.01 less the sum of (1) the product of $**9.89** multiplied by IF and rounded to the nearest $0.01 times 83,950 and (2) the product of $6.83 multiplied by IF and rounded to the nearest $0.01 times the difference of ETP subtracted from 474,500.

If ETP ≥ 438,000 but < 474,500 then
OCn = (**$13,386,921.24** x IF) - (83,950 x (**$9.89** x IF)) - ((474,500 - ETP) x ($6.83 x IF))

D. If ETP is greater than or equal to 328,500 tons but less than 438,000 tons, then OCn equals **$13,386,921.24** multiplied by IF and rounded to the nearest $0.01 less the sum of (1) the product of **$9.89** multiplied by IF and rounded to the nearest $0.01 times 83,950 plus (2) the product of $6.83 multiplied by IF and rounded to the nearest $0.01 times 36,500 and (3) the product of $4.99 multiplied by IF and rounded to the nearest $0.01 times the difference of ETP subtracted from 438,000.

If ETP ≥ 328,500 but < 438,000 then
OCn = (**$13,386,921.24** x IF) - (83,950 x (**$9.89** x IF)) - (36,500 x ($6.83 x IF)) - ((438,000 - ETP) x ($4.99 x IF))

E. If ETP is less than 328,500 tons, then OCn equals **$11,760,955.74** multiplied by IF and rounded to the nearest $0.01.

If ETP < ≤ 328,500 then
OCn = **$11,760,955.74** x IF

If more than 558,450 tons of Acceptable Waste are processed by the Company, excess waste disposal fees are also payable to the Company as calculated in Paragraph (ii) under Approved Pass Through Costs in Section 5.1.

EXAMPLES:

Set forth below are examples of calculations to determine the OC based on foregoing provisions.

Example 1 - If the ETP is 480,000 tons and IF = 1.2605 then

OC = (**$13,386,921.24** x 1.2605) - ((558,450 - 480,000) x (**$9.89** x 1.2605))
= $16,874,214.22 - $977,984.77
= $15,896,229.45

Example 2 - If the ETP is 450,000 tons and IF = 1.2605 then

OC = (**$13,386,921.24** x 1.2605) - (83,950 x (**$9.89** x 1.2605)) - ((474,500 - 450,000) x ($6.83 x 1.2605))
= **$16,874,214.22 - $1,046,549.66** - $**210,925.77**
= 15,616,738.79

Example 3 - If the ETP is 394,500 tons and IF = 1.2605 then

OC = (**$13,386,921.24 x** 1.2605) - (83,950 x (**$9.89** x 1.2605)) - (36,500 x ($6.83 x 1.2605)) - ((438,000 - 394,500) x ($4.99 x 1.2605))
= $**16,874,214.22 - $1,046,549.66 – 314,236.35 – 273,610.43**
= 15,239,817.78

Part II: OPERATING CHARGE; RECALCULATION BASED ON REVISED ETP 2/

If the ETP is revised, the OC will be adjusted as set forth below:

The OC will be revised based on data through the Calculation Month and will be implemented commencing with the first Service Fee payment for services provided after the Calculation Month. The revised OC for the Fiscal Year will be calculated as set forth in Section I, above, using the revised ETP. The revised OC is defined as the OCn where n is the number of the revision. For Service Fee payments based on data after the Calculation Month through the remainder of the Fiscal Year, the OC amount in the Service Fee formula will be the monthly average of the differences between (A) OCn and (B) the aggregate amount paid the Company with respect to the OC for the Fiscal Year through the Calculation Month. Any dispute among the Company, the Authority or the County regarding the revised OC will be resolved in accordance with Section 14.15.

2/ Boldfaced text amended pursuant to Third Amendment.

EXAMPLE:

Set forth below is an example of calculations, based on the foregoing provisions, to determine a new OC and the monthly amount to be paid the Company with respect to the OC.

Assume the initial ETP was 450,000, the Calculation Month is January, and the ETP is first revised to 480,000 tons during a Fiscal Year with an Inflation Adjustor of 1.2605.

The OC_0 was **$15,616,738.79**(example 2 in Section I above) and the OC_1 is **$15,896,229.45** (example 1 in Section I above). With respect to the OC_0 through January, the Company would be paid:

$**9,109,764.29** (The OC_0, **$15,616,738.79** divided by 12, times 7)

For the remainder of the Fiscal Year (or until another revision) the Company would be paid:

$6,786,465.16 (The OC_1, **$15,896,229.45** minus **$9,109,764.29**)

The monthly amount to be paid the Company respective of the OC, starting with services performed in the first month after the Calculation Month (February in this example) is:

$1,357,293.03 (The remaining balance of OC_1, **$6,786,475.16,** divided by 5)

Part III**:** FISCAL YEAR **2004** PAYMENT 3/

The Fiscal Year **2004** Payment will be calculated as set forth below.

Since the ETP for FY 2004 will be greater than 558,450, the OCn will be prorated for the FY 2004 as follows:

OCn = $15,047,816.00 x IF for those days in FY2004 prior to the Effective Date of Amendment No. 3; and

OCn = $13,386,921.24 x IF for those days in FY2004 from the Effective Date of Amendment No. 3.

3/ Part III restated pursuant to Third Amendment.

Schedule 41
to
Service Agreement

[Entire Schedule 41 deleted pursuant to Third Amendment]

Schedule 42
to
Service Agreement
1/

LIQUIDATED DAMAGES AND MONTHLY LIQUIDATED DAMAGES

Annual Liquidated Damages

"Liquidated Damages" means an amount equal to the sum of (a) Annual Refusal Liquidated Damages, (b) Annual Electricity Liquidated Damages, and (c) Annual Designated Landfill Depletion Damages.

Where:

(a) "Annual Refusal Liquidated Damages" means an amount equal to the sum of (i) Annual Landfill Depletion Damages, plus (ii) Annual Alternative Disposal Transportation and Handling Damages, plus (iii) an amount equal to the sum of all damages, penalties, increased payments and out-of-pocket expenses incurred or paid by the Authority or the County (including, but not limited to, damages payable under the other Project Agreements) as a result of the Company's failure to accept Wrongfully Diverted Waste or the Company's failure to Process Wrongfully Bypassed Waste during such Fiscal Year;

Where:

(i) "Annual Landfill Depletion Damages" means an amount equal to the product of (1) $115, adjusted by the Inflation Adjustor, and (2) the number of tons of Wrongfully Unprocessed Diverted Waste during the Fiscal Year; and

(ii) "Annual Alternate Disposal Transportation and Handling Damages" means an amount equal to the product of (1) $16.75, adjusted by the Inflation Adjustor and (2) the number of tons of Wrongfully Diverted Waste during such Fiscal Year; and

(iii) "Annual Refusal Liquidated Damages" are payable by the Company if the Company fails to accept all Acceptable Waste it is required to accept at the Transfer Station during a Fiscal Year.

(b) "Annual Electricity Liquidated Damages" means 12.5% of the Company share of Electricity Revenues for the Fiscal Year.

1/ Schedule 42 restated pursuant to Third Amendment.

Annual Electricity Liquidated Damages shall be payable if the Company does not generate the lesser of (i) the number of Net Kilowatt hours per ton of waste Processed specified in the table which is part of Section 5.4.2 of Schedule 5 as adjusted pursuant to that section; or (ii) the number of Net Kilowatt hours per ton of waste Processed specified in the table which is part of Section 5.4.2 of Schedule 5, appropriately adjusted to reflect declines in electricity production due to Permissible Turbine Downtime and otherwise adjusted as provided in Section 5.4.2 of Schedule 5. 2/

(c) "Annual Designated Landfill Depletion Damages" means an amount equal to the sum of (i) the product of (1) $115.00, adjusted by the Inflation Adjustor, and (2) the number of tons of Wrongfully Bypassed Waste during the Fiscal Year; plus (ii) the product of (1) $80.00, adjusted by the Inflation Adjustor, and (2) the number of tons of Excess Residue during the Fiscal Year.

"Annual Designated Landfill Depletion Damages" are, except as provided in Section 6.6 (c), payable by the Company if (i) the Company disposes of Wrongfully Bypassed Waste at the Designated Landfill during the Fiscal Year, or (ii) the Company disposes of Excess Residue at the Designated Landfill during the Fiscal Year.

Monthly Liquidated Damages

"Monthly Liquidated Damages" means an amount equal to the sum of (a) Monthly Refusal Liquidated Damages; plus (b) Monthly Electricity Liquidated Damages; plus (c) Monthly Designated Landfill Depletion Damages;

Where:

(a) "Monthly Refusal Liquidated Damages" means an amount equal to the sum of (i) Monthly Landfill Depletion Damages, plus (ii) Monthly Alternate Disposal Transportation and Handling Damages, plus (iii) an amount equal to the sum of all damages, penalties, increased payments and out-of-pocket expenses incurred or paid by the Authority or the County (including, but not limited to, damages payable under the other Project Agreements) as a result of Wrongfully Diverted Waste during the calendar month for which the Service Fee is being calculated;

Where:

(i) "Monthly Landfill Depletion Damages" means an amount equal to the product of (1) $115, adjusted by the Inflation Adjustor, and (2) the number of

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2/ Subsection (b) restated pursuant to Change Order #115.

tons of Wrongfully Unprocessed Diverted Waste during the calendar month for which the Service Fee is being calculated, and

(ii) "Monthly Alternate Disposal Transportation and Handling Damages" means an amount equal to the product of (1) $16.75, adjusted by the Inflation Adjustor and (2) the number of tons of Wrongfully Diverted Waste during the calendar month for which the Service Fee is being calculated.

"Monthly Refusal Liquidated Damages" are payable by the Company if the Company fails to accept all Acceptable Waste it is required to accept at the Transfer Station during a month.

(b) "Monthly Electricity Liquidated Damages" means: 12.5% of the Company share of Electricity Revenues for the Month.

Monthly Electricity Liquidated Damages shall be payable if the Company does not generate the number of Net Kilowatt hours per ton of waste Processed specified in the table which is part of Section 5.4.2 of Schedule 5 as adjusted pursuant to that section.

Monthly Electricity Liquidated Damages, if any, will be calculated and included in the monthly Service Fee invoice for the month that Electricity Revenues are calculated and included as part of the monthly Service Fee invoice.

(c) "Monthly Designated Landfill Depletion Damages" means an amount equal to the sum of (i) the product of (1) $115.00, adjusted by the Inflation Adjustor and (2) the number of tons of Wrongfully Bypassed Waste during the month; plus (ii) the product of (1) $80.00, adjusted by the Inflation Adjustor, and (2) the number of tons of Excess Residue during the month.

"Monthly Designated Landfill Depletion Damages" are, except as provided in Section 6.6(c), payable by the Company if (1) the Company disposes of Wrongfully Bypassed Waste at the Designated Landfill during a month or (2) the Company disposes of Excess Residue during the month at the Designated Landfill.

Schedule 43
to
Service Agreement 1/

SECURITY LETTER OF CREDIT (LOC) AMOUNTS

Year	Date	Amount(1)
Year 1	Effective Date ("ED") to 1st Anniversary of ED	$35,000,000
Year 2	1st Anniversary of ED to 2nd Anniversary of ED	$25,000,000
Year 3	2nd Anniversary of ED to 3rd Anniversary of ED	$25,000,000
Year 4	3rd Anniversary of ED to 4th Anniversary of ED	$20,000,000
Year 5	4th Anniversary of ED to 5th Anniversary of ED	$15,000,000
Year 6	5th Anniversary of ED to 6th Anniversary of ED	$15,000,000
Year 7	6th Anniversary of ED to 7th Anniversary of ED	$15,000,000
Year 8	7th Anniversary of ED to 8th Anniversary of ED	$10,000,000
Year 9	8th Anniversary of ED to 9th Anniversary of ED	$10,000,000
Year 10	9th Anniversary of ED to 10th Anniversary of ED	$10,000,000
Year 11	10th Anniversary of ED to 11th Anniversary of ED	$10,000,000
Year 12	11th Anniversary of ED to 8/07/2015	$10,000,000

(1) The LOC face value amounts are fixed and do not escalate. Prior to Effective Date, April 2, 2004 the amount will be $50,000,000.

1/ Schedule 43 was added pursuant to Third Amendment.

Schedule 44

to

Service Agreement 1/

This Schedule 44 describes the additional equipment the Authority will add to the Project for use by the Company at the Facility or the Transfer Station and the associated operations, maintenance and replacement responsibilities.

Except where it is provided that the Company may use O&M Reserve Funds or be reimbursed as an Approved Pass Through Cost, the Company will be responsible for performing its obligations from its own funds.

1. Additional CAT D8 Dozer

The Authority purchased an additional CAT D8 High Track Dozer in 2003 in conjunction with the installation of Compactor #4 as part of the County's plan to improve operating flexibility at the Transfer Station during peak receiving days. The Authority is providing this dozer for exclusive use by the Company and it will be operated, maintained, repaired and replaced by the Company. Operations, maintenance and repair standards shall be consistent with current Transfer Station practices, Service Agreement Requirements and Original Equipment Manufacturer (OEM) recommendations. It is anticipated that the dozer will not need to be replaced until 2018 during the initial extension period of the Service Agreement. If the Service Agreement is not extended at the end of the initial term, the Company shall replace the dozer by the twentieth anniversary of the Acceptance Date. The Company may replace the dozer on its own or may request the Authority to purchase the dozer with the Company reimbursing the Authority for the cost of the dozer. The Authority will maintain ownership of the dozer in either case. The Company may use existing O&M Reserve Fund monies to replace the dozer to the extent such monies are available. The Extraordinary Maintenance Schedule will be modified to include a $400,000 (FY 2002 Dollars) item in year 2015 for the replacement of the dozer. If the Service Agreement is extended, this item will be moved to 2018. The Company shall have all rights to the re-sale or salvage value of the existing dozer at the time of replacement.

If the Company is relieved from its obligation to run the Transfer Station prior to 2015 or 2018, in case the Service Agreement is extended**,** the Company will pay, at the time they are relieved from its obligation, the Authority for the difference between the cost of a new replacement dozer tess the value of the dozer at the time of the change of operators. The Company will have access to the O&M Reserve Fund monies to pay such difference to the extent such monies are available.

Any insurance requirements shall be handled in accordance with the Service Agreement.

1/ Schedule added pursuant to Change Order #95.

2. Over-the-Road Truck Chassis

The Authority purchased thirteen (13) Cheetah 48^0, 40 ton over-the-road truck chassis in 2004 for contingency capacity to ensure adequate waste transport. The Authority shall be responsible for title, tags, registration, and insurance on these chassis. The Company shall be responsible to operate**,** maintain and repair these chassis as a result of the Company's use. Any maintenance and repairs required as a result of the Company's use standards shall be consistent with current Transfer Station practices, Service Agreement requirements, OEM recommendations, and DOT requirements.

The Authority shall provide one (1) week's notice to the Company when any chassis are needed for Authority use unless there is an emergency situation. The Authority shall be responsible for all maintenance and repairs required as a result of the Authority's use. The Company will complete repairs required as a result of the Authority's use at the request of the Authority and the cost of such repairs shall be submitted on the monthly Service Fee invoice as an Approved Pass Through Cost in accordance with Section 5.1(a)(xi) of the Service Agreement.

The Authority shall be responsible for the replacement of the thirteen (13) Overthe-Road Truck Chassis at its discretion. The Company will not be obligated to operate, maintain, or repair these chassis beyond their useful life.

3. Additional Rail Track at the RRF and Transfer Station

The Authority has committed to the installation of two (2) additional rail tracks at the RRF in 2005, tracks "F" and °G-, and has taken options on the extension of two tracks at the RRF and one track at the Transfer Station as part of their plan to build in contingency capacity to ensure adequate waste transport. The Authority shall be responsible for the installation of the additional tracks and ensure conformance with the Project's technical specifications. Throughout the remainder of the term of the Service Agreement, the Company shall operate the tracks and be responsible for the maintenance, repair and replacement of the additional tracks so that they are in the same condition as the remaining Facility and Transfer Station Rail Yards. Operation, maintenance and repair standards shall be consistent with current Company practices, Service Agreement requirements, OEM recommendations and FRA requirements. If the Authority uses the rail tracks for any purpose other than for transportation of waste, ash or yard waste as currently contemplated in the Service Agreement, the Authority shall be responsible for maintenance and repairs required as a result of the Authority's use. Any insurance requirements shall be handled in accordance with the Service Agreement.

4. Rail Car Mover

The Authority has committed to provide one (1) new Rail Car Mover outfitted with a remote control system for use at the RRF as part of their plan to build in contingency capacity to ensure adequate waste transport. The Rail Car Mover will be a Shuttlewagon or equivalent capable of moving twenty-one (21) rail cars loaded with empty containers. The Authority is supplying this equipment for the exclusive use by the Company and it will be operated by the Company. The Company shall also be responsible to complete daily inspections, preventative maintenance and routine maintenance activities as identified by the OEM in the Operations and Maintenance Manual. Schedule 45 identifies the anticipated preventative and routine maintenance activities required for the Rail Car Mover. Any other non-routine maintenance or repairs shall be completed by the Company or subcontractor and shall be submitted as an Approved Pass Through Cost in accordance with Section 5.1(a)(xi) of the Service Agreement. Any insurance requirements shall be handled in accordance with the Service Agreement.

The Authority shall be responsible for the replacement of the Rail Car Mover at its own discretion. The Company will not be obligated to operate, maintain, or repair the Rail Car Mover beyond its useful life.

5. Additional Rail Cars:

The Authority purchased five (5) additional Rail Cars in 2003, seven (7) additional Rail Cars in 2004 and has committed to purchase an additional fifteen (15) cars by 2008 as part of their plan to build in contingency capacity to ensure adequate waste transport. Throughout the remainder of the term of the Service Agreement, the Company shall be responsible to operate**,** maintain and repair the additional twenty-seven (27) Rail Cars (identified as Rail Cars 064 through 090) so that they are in the same condition as the remaining Rail Cars. Operation, maintenance and repair standards shall be consistent with current Company practices, Service Agreement requirements, OEM recommendations and FRA requirements. Any insurance requirements shall be handled in accordance with the Service Agreement.

The Authority shall be responsible for the replacement of the additional twenty-seven (27) Rail Cars at its own discretion. The Company will not be obligated to operate, maintain, or repair the additional Rail Cars beyond their useful life.

Schedule 45 To

Service Agreement 1/

COMPANY'S RESPONSIBILITY FOR MAINTENANCE OF RAIL CAR MOVER

The Company is responsible to supply all labor, tools, and supplies (oils, lubricants, filters, etc.) to perform preventative and routine maintenance procedures for the Authority owned Rail Car Mover that is operated by the Company. The following list of activities, which identifies the anticipated preventative and routine maintenance for a Central Power Products, inc. Shuttlewagon, will be amended to include all OEM recommended preventative and routine maintenance once the actual machine is available.

Rail Car Mover Preventative Maintenance Interval Schedule

Every 50 Service Hours

1. Clean/replace the cab fresh air filters.
2. Inspect tires for damage or wear.

Every 100 Service Hours

1. 50 Hour service.
2. Lubricate and grease as recommended by OEM. Fill fluids as needed.

Every 250 Service Hours

1. 100 Hour service.
2. Change the engine oil and filters.
3. Inspect/adjust/replace v-belts.
4. Check/clean battery.

Every 500 Service Hours

1. 250 Hour service.
2. Change the primary and secondary fuel filters.
3. Replace the hydraulic oil pressure and return filters.
4. Replace the transmission oil filter.

Every 1000 Service Hours

1. 500 Hour service.
2. Clean the engine air cleaner filter.
3. Change the engine coolant.
4. Change the transmission oil and filter.
5. Change the compressor ail filter.

1/ Schedule added pursuant to Change Order #95.

Every 1500 Service Hours
1. 500 Hour service.
2. Change the air dryer filters

Every 2000 Service Hours
1. 1000 Hour service.
2. Change the hydraulic oil
3. Change the compressor oil
4. Change the axel tube oil.

Every 3000 Service Hours
1. 1000 Hour service.
2. Change tires
3. Change batteries

Every 6000 Service Hours
1. 2000 Hour Service.
2. Change Compressor air filter
3. Change Air Dryer filters
4. Change axel lube oil
5. Change tires
6. Change batteries

The Company shall be responsible for conducting daily inspections and pre-trips before operating the Rail Car Mover such as checking fluid levels and inspecting tires for damage.

Schedule 46
to
Service Agreement

MONTGOMERY COUNTY RESOURCE RECOVERY PROJECT
EXTRAORDINARY MAINTENANCE SCHEDULE

SYSTEM EQUIPMENT	1,000's of Dollars (1) Allocated Each Calendar Year														
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Facility															
Stoker Step Replacement	150	150	150				150	150	150				150	150	$1,200
Boiler Tube Replacement				250	250	250				250	250	250			$1,500
Scaffold/UT Test/Replate Scrubber Walls	185	185	120							185	185	185			$1,045
Reline Clarifier		50	50							50	50				$200
APC Expansion Joint Replacement-1 Unit		50	50	50						50	50	50			$300
Replace Incline Belt			25									25			$50
Replace Screw Conveyor Flight			80	80	80							80	80	80	$480
Paint Stack				30										30	$60
Rebuild Diesel Fire Pump				25										25	$50
Rebuild Ash Dischargers						40	40	40							$120
Feed Table Replacement						80	80	80							$240
Repair Superheater Hopper & Exp Joints						50	50	50							$150
Turbine Overhaul							450							450	$900
F150 Pick-up Truck		30								30					$60
936 Loader								200							$200
Rails/Switches				100					100					100	$300
Paving				40					40					40	$120
Subtotal	$335	$465	$475	$575	$330	$420	$770	$520	$290	$565	$535	$590	$230	$875	$6,975
Transfer System															
F150 Pick-up Truck	30								30						$60
F250 Pick-up Truck					30								30		$60
Forklift	15						15							15	$45
Intermodal Containers		425 *	425 *	425 *	425 *	425 *						425 *	425 *	425 *	$3,400
Bobcat		35					35					35			$105
Rebuild 2 MiJack Engines - RRF		30					30					30			$90
Rebuild 2 MiJack Engines - TS				30					30					30	$90
936 Loader			200												$200
950 Loader					250										$250
Sideloader Engine Rebuild - RRF				30		30									$60
Sideloader Engine Rebuild - TS				20											$20
Paint Railcars				125										125	$250
Refurbish Compactors				200	200	200			200	200	200				$1,200
Rebuild Dozer									150						$150
Dozer													400 *		$400
Rails/switches			100					100						100	$300
Paving				60					60					60	$180
Sweeper										150 *					$150
Water Truck										150 *					$150
Subtotal	$45	$490	$725	$890	$905	$655	$80	$100	$470	$500	$200	$490	$855	$755	$7,160
TOTAL	$380	$955	$1,200	$1,465	$1,235	$1,075	$850	$620	$760	$1,065	$735	$1,080	$1,085	$1,630	$14,135

Notes: This listing of major equipment refurbishment and replacement does not excuse Covanta from replacing and maintaining all other equipment at the RRF and the Transfer Station - this includes Covanta's own equipment.

(1) All costs are based on FY 2002 costs and will be adjusted for inflation for future years based on the percentage change in the Inflation Adjustor. The value of the Inflation Adjustor for FY 2002 is 1.3210.

(2) All items marked * will be replaced on schedule.

(3) This schedule shows the estimated timing and costs for refurbishment/replacement of major equipment for the Project other than items identified by asterisk and mentioned in (2). The actual condition of the equipment will determine when it is to be replaced/refurbished. Annually prior to December 31st NEMWDA/Covanta will agree timing and replacement items for following calendar year.

(4) Year 2015 assumes a full year of operation.

Schedule 47

to
Service Agreement

COMPANY'S RESPONSIBILITY FOR MAINTENANCE OF COUNTY-OWNED LOADER

The Company is responsible to supply all labor, tools, and supplies (oils, lubricants, filters, etc.) to perform the following preventative maintenance procedures for the County-owned Caterpillar 95OG loader that is operated by the County or their designee for load-out of DOT Type Non-processible Waste.

950G Loader Preventative Maintenance Interval Schedule

Every 50 Service Hours or Weekly
1. Clean/replace the cab fresh air filters.
2. Drain water and sediment from fuel tank.
3. Inspect tires for damage or wear.
4. Pressure wash loader.

Every 100 Service Hours or Bi-Weekly
1. Lubricate attachment arms and cylinder linkage.
2. Lubricate the axle oscillation bearings.
3. Lubricate the steering cylinder bearings.

Every 250 Service Hours or Monthly
1. Clean battery.
2. Check the brake accumulators.
3. Test braking system.
4. Check the differential and final drive oil level.
5. Lubricate the drive shaft splines.
6. Change the engine oil and filters. 8 gal. + filter
7. Inspect/adjust/replace v-belts

Every 500 Service Hours or 3 Months.
1. Clean the engine crankcase breather.
2. Change the primary and secondary fuel filters.
3. Clean the fuel tank fill screen and cap.
4. Replace the hydraulic oil filter.
5. Replace the transmission oil filter.

Every 1000 Service Hours or 6 Months

1. Lubricate the articulation bearings.
2. Clean or replace the axle oil cooler magnetic filter.
3. Tighten/check the battery hold down.
4. Lubricate the drive shaft support bearings.
5. Lubricate the drive shaft u -joints.
6. Inspect the roll over protective structure.
7. Change the transmission oil.

Every 2000 Service Hours or 1 Year

1. Change the differential and final drive oils.
2. Clean/inspect/replace the engine governor oil supply screen.
3. Check the engine valve lash.
4. Check the engine fuel injection timing.
5. Change the hydraulic system oil.
6. Clean the hydraulic tank breaker relief valve.
7. Check the service brake wear indicator.
8. Lubricate the tile hood actuator.

Every 3000 Service Hours or 2 Years

1. Add coolant system extender as needed.
2. Replace the engine auxiliary air filter

Every 5000 Service Hours or 3 Years

1. Replace the seat belt.

Every 6000 Service Hours or 4 Years

1. Change out the coolant system fluid.
2. Change out the coolant system temperature regulator.

The County, or their designee, shall be responsible for conducting daily pre-trips before operating this loader such as checking fluid levels and inspecting tires for damage.

In exchange for providing the preventative maintenance for the loader as described above, the County will allow the Company to use the loader for loading out MSW in the tipping building for 125 hours each Fiscal Year. The Company must obtain approval from the County Transfer Station Manager or his designee to use the loader. The Company and the County shall both keep a log to track the hours that the Company uses the loader. The Company and County shall reconcile the number of hours each month.

Upon the request of the County, the Company shall also perform other necessary maintenance on the loader. All costs for performing such other maintenance shall be an Approved Pass Through Cost and the Company shall include such on their monthly invoice.

The Company confirms that the proposed 950G Loader Preventative Maintenance Interval Schedule covers, at a minimum, the manufacturer's recommended preventative maintenance.

[1]Schedule 48
to
Service Agreement

Transfer Station Public Unloading Facility
Waste Disposal Drop-Off Area (PUF)

Agreements and Responsibilities

1. The Company will provide sufficient staff at the PUF during all days and hours of operation of the PUF.
2. Hours of operation will be Monday - Friday 7:00 a.m. – 8:00 p.m., Saturday 7:00 a.m. – 5:00 p.m., and Sunday 9:00 a.m. – 5:00 p.m. Holiday coverage will be the same as the operation of the Transfer Station.
3. PUF services will be provided in accordance with the General Responsibilities listed below. Services do not include replacing any structures or equipment.

General Responsibilities

The Company must provide sufficient qualified staff at the PUF during all days and hours of operation of the PUF. The Company must treat customers using the PUF with respect and understanding. The Company must also direct and assist the public to designated areas for dropping off refuse and/or recyclables, as necessary. The Company must follow County-policy regarding customer service, where service is limited to homeowners driving passenger vehicles, multi-purpose vehicles, or any vehicles indicating the driver has a physical challenge, to pickup trucks bringing recyclables to the facility or pick-up trucks for which the County has approved to drop off refuse. The Company must clear the PUF of snow and ice during inclement weather. The Company is responsible for maintaining the oil/antifreeze recycling area, including clean-up of spills with absorbent materials, replacing funnels as needed to prevent tanks from overflowing and checking tanks on a daily basis to assure there is adequate storage capacity available. The Company must clean up the PUF drop-off area each day.

[1] Schedule 48 added pursuant to Change Order #99, shall be deleted and replaced pursuant to Change Order No. 114..

[1]Schedule 49
to
Service Agreement

Upper Lot
Recyclable Material Drop-Off Area
Agreements and Responsibilities

The Company shall operate and maintain the Upper Lot of the Transfer Station in accordance with the provisions listed below.

(a) The equipment in Table 49.1 below and its successors shall be provided by the County or Authority for the Company's use in operating the Upper Lot. The County shall also provide all of the various containers required for the collection and storage of Recyclable Material. This list can be modified via written mutual agreement between the Parties, as necessary.

TABLE 49.1

Equipment	Fixed Asset Identification Number(s)
1. Three (3) Roll-Off Trucks (Macks)	RD #202 (2001 Mack) RD#303 (2008 Mack) RD# (–To be added after July 1, 2011)
2. One (1) Tipping Floor Magnet	RD#321 (2009 John Deere Tipping Floor Magnet Crane)
3. One (1) Daewoo Crane in Upper Lot	RD#295 (2007 Daewoo Scrap Metal Crane)
4. One (1) Forklift	RD#294 (2007 Hyster Forklift)
5. Roll-Off boxes and recycle boxes	Box #s 101, 102, 103, 104, 105, 106, 107 (RD#309), 108 (RD#311), 109 (RD#312), plus two boxes at the MRF RD#s 314 and 315
6. 1 Ottawa Yard Truck	Truck 14 (RD# to be provided by the County
7. 1 950 H Loader (DOT Area)	RD# to be provided by the County

[1] Schedule 49 added pursuant to Change Order #114.

8. 1 966 F Loader (Scrap metal)	RD#100 (1994 model scheduled to be replaced in FY2012)

(b) Maintenance and replacement responsibilities for equipment listed in Table 49.1 is as follows:

1. The Company will perform routine and recommended inspections and preventive maintenance (routine lubrications, oil changes, filter changes, wiper blade changes, lamp changes, exterior washing and cleaning of interior, head lamps, and any necessary minor repairs.

2. Major maintenance such as loader tires, cutting edges, engine rebuilds, transmission rebuilds, differential rebuilds, provided by the Company will be passed through to the Authority at documented cost for materials plus labor.

3. Approval for major maintenance and for routine maintenance expenses greater than $1,000.00, based on estimates provided by the Company, must be obtained in writing from the Authority and the County, in advance of such expenses being incurred by the Company and approved by the County and Company's transfer station managers.

4. Fuel for the equipment in Table 49.1 will be provided by the County. The County will provide off-road diesel fuel at the Transfer Station fuel depot necessary for the services performed by the Company in this Schedule 49. On-road diesel fuel will be provided by the County via a fuel card that will allow over-the-road vehicles to fill up at the County Highway Services depots. The Company will provide equipment fuel consumption records to the County at the end of each month in a form approved in advance by the County. At a minimum, such forms shall document equipment hours of use and amount of diesel fuel used.

5. Insurance for the registered vehicles and equipment listed in Table 49.1 will be provided by the County or Authority. The insurance and indemnification provisions of Article 10 of the Service Agreement remain in full force and effect.

6. The County will provide insurance and registration for all County vehicles used by the Company. This does not affect the

Company's requirement to carry liability insurance for all its drivers and employees.

7. The Authority will provide insurance and registration for all Project owned vehicles used by the Company.

8. The Company will perform routine maintenance as needed, or as reasonably requested by the County within the scope of routine maintenance, on the Upper Lot site. Responsibilities include, but are not limited to, repairs to pavement, striping of roads, clean up of minor spills, repair and replacement of existing signage as needed. Not included are the hazmat compound or its associated facilities and equipment. The Company will not be responsible for the cost of major repairs at the site caused by the actions of individuals or contractors not employed by the Company.

9. The Parties do not know of any existing contamination of the Upper Lot site, after having conducted a reasonable review of the conditions of the site. In the event that there is any contamination at the Upper Lot site, the Company is not responsible for contamination of the site and in any case the Company shall not be responsible for impact of pre-existing conditions of contamination on daily activities, maintenance or approved area repairs, and the Authority will reimburse the Company for direct and substantiated costs incurred as a result of or in connection with such contamination. However, the Company will be responsible if their acts or actions aggravate any pre-existing onsite contamination. The Company is not responsible for clean-up and restoration activities associated with site contamination beyond reasonable control activities. The Company must use reasonable efforts in screening dropped off materials for hazardous waste, including directing customers to the appropriate drop-off area. Customers should be directed to the Household Hazardous Waste drop-off if the material is of questionable origin or source, or the customer does not know the contents of a container.

The Company will use reasonable visual screening methods on material entering the Upper Lot site. In the event that a customer delivers non-recyclable material which is non-hazardous waste pursuant to Federal and State law, (i) if the material is Acceptable waste, the Company will deliver the material to the Transfer Station; or (ii) if the material is not Acceptable Waste, the Company will contain the material and notify the County. The County and the Company will then assess the most cost effective option for

disposal whether through Company resources or County resources. If the County elects to have the Company dispose of the Unacceptable Waste, the County will cover the cost of disposal, provided that the Company would not have identified this material through reasonable visual screening.

10. Replacement of all equipment in Table 49.1 shall be at the County's discretion. Upon initial takeover, the Company will inspect such equipment with the Authority and the County to document its condition, and will have the opportunity to inspect any replacement equipment before it is placed in service. The Company is not obligated to operate, maintain, or repair this equipment beyond its useful life, unless such repair or replacement of equipment is the result of the Company's negligent act or the lack of the Company's maintenance on the equipment. The Company is not responsible for normal wear and tear to the equipment that can be determined to be reasonably expected uses of the equipment in performing this task. Any dispute related to normal wear and tear within the reasonably expected uses of the equipment must be resolved in accordance with Section 14.15 of the Service Agreement.

(c) The Company shall provide initial staffing for the Upper Lot as follows:

1. Starting July 1, 2011 the Company shall provide the following personnel.

One (1) Supervisor
Two (2) Drivers
Two (2) Equipment Operators
Four (4) Lot Attendants

Such staffing shall be subject to one-time 90-day and 180-day reviews by the Parties to jointly determine the adequacy of such staffing, as well as the impact on Section 5.1 (xxviii)(c).). For each additional Lot Attendant, the fees shall be increased pursuant to Section 5.1 (xxviii)(b). After 180 days, changes in programs for recycled materials shall be subject to negotiation between the Parties. An annual review of scope by the Parties may be conducted at the request of any of the Parties to determine the need for additional or reduced resources. The Company shall provide certified and qualified personnel to operate the equipment provided in this Schedule 49.

(d) General Responsibilities of the Company:

1. One time per week or as reasonably requested by the County, pick up litter along Shady Grove Road from Route 355 to Muncaster Mill Road.

2. Haul Roll-Off loads of residual waste generated at the County's Material Recovery Facility, (located adjacent to the Transfer Station Site) to the Transfer Station Tipping Floor ten (10) hours per day, Monday through Thursday.

3. The Company shall perform the following off-site hauling:

a. Haul municipal solid waste and Recyclable Material with two designated separate roll-off trucks from the Poolesville Beauty Spot to the Transfer Station every Saturday & Sunday as necessary from noon to 5:00 p.m.
b. Haul mulch from the Transfer Station to Halmos Park in Poolesville or other locations defined in this Agreement. Hauling of mulch will be designated by the County up to twice monthly and up to 24 times per year as needed.

4. Maintain all safety requirements, flow of customer and vendor traffic in the Upper Lot area and allow for maintenance and non-obstructed access of the roadways, storage areas and parking areas. Company will coordinate traffic within the boundaries as defined herein to allow vendors to safely go in and out of the Upper Lot site. Coordination of traffic flow outside of these boundaries shall be provided by the County, which will include Company cooperation as necessary.

5. Manage and switch out full roll-off boxes and trailers of Recyclable Material with empty roll-off boxes and trailers, as necessary. Full roll-off boxes and containers shall be moved from the Upper Lot to other staging areas within the Transfer Station seven (7) days per week by using roll-off trucks and yard trucks. Recyclable Material trailers will include individual tire trailers, electronics trailers, textile trailer and mixed paper trailers. Recyclable Roll-off boxes include roll-off boxes for commingled containers. Containers and trailers may need to be moved from time to time as well.

6. Maintain a daily load count of materials loaded and direct outbound loads to weigh out on the Transfer Station truck scales.

Acquire the flow meter quantity records of used oil and used antifreeze collected by the oil/antifreeze recycler.

7. Operate Magnet on Tipping Floor to remove metals from material separated by the Tipping Floor Attendant(s). The recovered metals must be delivered to the white goods recovery location, or other location as designated by the County. This operation shall take place eight hours per weekday, excluding Holidays.

8. Switch out full scrap metal contractor's boxes from tipping floor area with empty replacement boxes stored at the Upper Lot.

9. Load scrap metal contractor's boxes in the Upper Lot from the scrap metal pile in the Upper Lot using the crane if necessary. The scrap metal pile in the Upper Lot must be maintained by the Company in a neat and orderly fashion during and after loading.

10. The Company shall be responsible for maintaining the oil/antifreeze recycling area. Such maintenance activities shall include, but are not limited to, clean-up of spills with absorbent materials, replacing funnels as needed, checking tanks on a daily basis to assure there is adequate storage capacity available to prevent tanks from overflowing and cleaning the drop-off area daily. The Company is responsible for reporting to the appropriate state agency as required by permit.

11. The Company shall subcontract CFC and HCFC recovery services from a qualified, EPA certified subcontractor(s). Recovery of CFCs and HCFCs from appliances must comply with Federal requirements and be staged in a separate area of the Upper Lot of the Transfer Station. If CFC and HCFC recovery is subcontracted, the Company must notify the contractor to schedule purging. The scope of this work limits the recovery of CFCs and HCFCs to R-12, R-22, R-500, and R-502 type refrigerants. The Company must be responsible for recycling, reclaiming, transferring, or disposing recovered refrigerants, and for disposing contaminated refrigerants and must ensure compliance with State laws and the Federal Clean Air Act. The direct costs associated with the performance of tasks by the subcontractor(s) will be an Approved Pass Through cost.

12. Provide sufficient qualified staff for the collection of scrap passenger car tire and light duty truck tires (with or without rims) from County residents bringing tires to the drop-off area. The tires

will be stored in trailers on site. For tires with rims, the Company will operate the tire derimmer and place the removed rims in the scrap metal area. The County's scrap tire subcontractor will provide a trailer, as designated by the Company, for receipt of the tires.

When the scrap tire trailer is full, the Company must arrange to have the trailer transported to an authorized scrap tire system facility. Any excess tires collected must be stockpiled on site in a safe and organized fashion until an empty trailer is available for the receiving location. No amount of tires shall be stockpiled by the Company above the maximum amount designated by the County. Company personnel will then load the tires into the trailer.

13. Maintain and oversee the drop-off areas for commodities including: oil, antifreeze, vegetable oil, computers/TVs/consumer electronics, bikes, tires, commingled containers, mixed paper, useable building materials, textiles and propane. This includes, but is not limited to, switching of receptacles as needed.

14. Monitor inventories of materials and dispatch vendors for Recyclable Material hauling as required to keep materials flowing and prevent excessive buildup of materials on site.

15. Periodic delivery and pick up of roll-off boxes to assist County-sponsored community clean-up efforts as requested up to twice per week.

16. Arrange for the pick-up of rejected textiles at charitable organizations designated by the County for the purpose of collecting used clothing and other textiles that charitable organizations may need. The County must be responsible for maintaining any necessary agreements with local charitable organizations for this work. The subcontractor will provide a trailer, as designated by the County, for receipt of the textiles.

The Company must pick-up rejected textiles within one week after notification by the designated charitable organization. The rejected textiles must be picked up and delivered by the Company to the Transfer Station, where the rejected textiles must be weighed and unloaded into the textile recycling contractor's trailer. The Company must also assist, if necessary, any residents bringing textiles directly to the textile recycling contractor's trailer. If mutually beneficial to the County's and the charity's needs, the Company may drop off an empty A-frame roll-off container or other

suitable water proof container at the site of the charitable organization to facilitate collection and storage. If the Company is providing a container, the container must be returned, empty, to the charitable organization by the Company on the same day. The Company must provide a load count to the County of the commodities to be delivered to the Transfer Station. The Company will provide periodic pick-up of textiles from remote locations up to twice per week. Details of pick-ups will be provided by the County.

17. Parties agree to negotiate impact of material changes in scope/volume of the recycling programs within the Upper Lot, and the servicing of beauty spots, hauling of mulch and hauling of residuals.

(e) Where Recyclable Material Revenue is generated from the sale or disposition of materials where the contract is administered by the Company under this Schedule 49, the Company shall remit such Recyclable Material Revenue to the Authority. Direct costs incurred by the Company to process Recyclable Material shall be treated as an Approved Pass Through Cost.

(f) As of July 1, 2011 the following contracts are anticipated to be in place between the County and the listed counterparties. The County will provide administration and contact information for the following commodities and programs:

i.	Scrap Metal
ii.	Textiles
iii.	Propane
iv.	Tires
v.	Donate Don't Dump
vi.	Bikes
vii.	Transfer Station Vegetable Oil
viii.	Electronics, computers, TVs, etc.

The Company shall administer the following contracts and their successors on behalf of the County unless otherwise noted or agreed to by all parties.

ix. Transfer Station Waste Oil/Antifreeze, Poolesville Oil/Antifreeze Drop-off
x. Subcontract refrigerant removal

Schedule 50
To Service Agreement[1]

Extraordinary Maintenance Letter of Credit Example

IRREVOCABLE STANDBY LETTER OF CREDIT NO. XXXXXX

DATE: [ISSUE DATE]

BENEFICIARY:
[BENEFICIARY NAME]
[BENEFICIARY ADDRESS]

LADIES AND GENTLEMEN:

BY THE ORDER OF:

APPLICANT:
COVANTA ENERGY CORPORATION
ON BEHALF OF
[COVANTA SUBSIDIARY]
445 SOUTH STREET
MORRISTOWN, NJ 07960

AMOUNT: US $XX,XXX.XX (00/100 U.S. DOLLARS)

EXPIRATION DATE: _____, [OR ANY AUTOMATICALLY EXTENDED EXPIRATION DATE]

WE, [APPLICANT BANK NAME AND ADDRESS], ("BANK") HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: XXXXXX IN FAVOR OF [BENEFICIARY NAME] FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US $XX,XXX.XX (00/100 U.S. DOLLARS) PURSUANT TO [CONTRACT NAME] ("AGREEMENT").

ONLY YOU, [BENEFICIARY NAME], MAY MAKE A DRAWING UNDER THE LETTER OF CREDIT. UPON THE PAYMENT BY THE BANK OF THE TOTAL AMOUNT SPECIFIED, THE BANK SHALL BE FULLY DISCHARGED OF ITS OBLIGATION UNDER THE LETTER OF CREDIT FOR THE AMOUNT OF SUCH PAYMENT AND SHALL NOT THEREAFTER BE OBLIGATED TO MAKE ANY FURTHER PAYMENTS UNDER THIS LETTER OF CREDIT. WE MAKE NO REPRESENTATION AS TO THE CORRECTNESS OF THE AMOUNT DEMANDED.

ALL DEMANDS FOR PAYMENT HEREUNDER MAY BE MADE IN WHOLE OR IN PART FROM TIME TO TIME BY PRESENTATION TO THE BANK OF ONE OR MORE DRAFTS

[1] Added by Change Order #115.

AT SIGHT, EACH OF WHICH SHALL BE IN THE FORM OF EXHIBIT A ATTACHED HERETO, ACCOMPANIED BY A DRAWING CERTIFICATE SIGNED BY AN OFFICER OF THE [BENEFICIARY NAME] (OR ONE DESCRIBING HIMSELF/HERSELF THEREIN AS SUCH) IN THE FORM OF EXHIBIT B ATTACHED HERETO. THE AMOUNT AVAILABLE FOR DRAWING UNDER THIS LETTER OF CREDIT WILL BE AUTOMATICALLY REDUCED BY THE AMOUNT OF ANY PAYMENTS MADE HEREUNDER. ALL SUCH DRAFTS HEREUNDER TOGETHER SHALL NOT EXCEED US $XX,XXX.XX (00/100 U.S. DOLLARS)

ALL DRAWINGS SHALL BE MADE BY PRESENTATION OF EACH DRAFT BY FACSIMILE (AT FACSIMILE NUMBER (312) 233-2264 OR ALTERNATELY TO (312) 233-2266), ATTENTION: STANDBY LETTER OF CREDIT UNIT, WITHOUT FURTHER NEED OF DOCUMENTATION, INCLUDING THE ORIGINAL OF THIS LETTER OF CREDIT, IT BEING UNDERSTOOD THAT EACH DRAFT SO SUBMITTED IS TO BE THE SOLE OPERATIVE INSTRUMENT OF DRAWING. YOU SHALL USE YOUR BEST EFFORTS TO GIVE TELEPHONIC NOTICE OF A DRAWING TO THE BANK AT ITS STANDBY SERVICE UNIT, (AT: (312) 954-1910 OR ALTERNATELY TO 1-800-634-1969, OPTION 1) ON THE BUSINESS DAY PRECEDING THE DAY OF SUCH DRAWING (BUT SUCH NOTICE SHALL NOT BE A CONDITION TO DRAWING HEREUNDER AND YOU SHALL HAVE NO LIABILITY FOR NOT DOING SO).

IF A DRAFT IS PRESENTED BY YOU HEREUNDER AT OR PRIOR TO 11:00AM, NEW YORK TIME, ON A BUSINESS DAY, AND PROVIDED THAT SAID DOCUMENT CONFORMS TO THE TERMS AND CONDITIONS HEREOF, PAYMENT SHALL BE MADE TO YOUR ACCOUNT AS DESIGNATED BY YOU, OF THE AMOUNT SPECIFIED, IN IMMEDIATELY AVAILABLE FUNDS, NOT LATER THAN 4:00PM NEW YORK TIME, ON THE SAME BUSINESS DAY. IF A DRAFT IS PRESENTED BY YOU HEREUNDER AFTER 11:00AM, NEW YORK TIME, ON A BUSINESS DAY AND PROVIDED SAID DOCUMENT CONFORMS TO THE TERMS AND CONDITIONS HEREOF, PAYMENT SHALL BE MADE TO THE ACCOUNT NUMBER DESIGNATED BY YOU OF THE AMOUNT SPECIFIED, NOT LATER THAN 4:00PM, NEW YORK TIME, ON THE NEXT BUSINESS DAY. *"BUSINESS DAY"* MEANS ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH THE ISSUING OFFICE OF THE BANK, IS REQUIRED OR AUTHORIZED BY LAW TO REMAIN CLOSED, OR A DAY OTHER THAN A DAY ON WHICH THE FEDERAL RESERVE SYSTEM IS CLOSED.

OUR STANDBY LETTER OF CREDIT EXPIRES AT: JPMORGAN CHASE BANK, N.A., 300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236, CHICAGO, IL 60606-0236, ATTN: STANDBY LETTER OF CREDIT UNIT, WITH OUR CLOSE OF BUSINESS ON _____. [IT IS A CONDITION OF THIS LETTER OF CREDIT THAT THE EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE EXPIRATION DATE HEREOF OR ANY FUTURE EXPIRATION DATE UNLESS, AT LEAST FIFTEEN (15) DAYS PRIOR TO SUCH EXPIRATION DATE, WE SEND NOTICE TO YOU BY CERTIFIED MAIL OR HAND DELIVERED COURIER, AT THE ADDRESS STATED ABOVE, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

IN NO EVENT WILL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED PAST _____.]

WE ENGAGE WITH YOU THAT DRAFTS PRESENTED UNDER AND IN CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED ON OR BEFORE THE EXPIRATION AS HEREIN ABOVE SET FORTH.

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO ANY EXPIRATION DATE, PROVIDED WE RECEIVE A CERTIFICATE SIGNED BY A DULY AUTHORIZED OFFICER OF [BENEFICIARY NAME] STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE BANK FOR CANCELLATION.

TO THE EXTENT NOT CONSISTENT WITH THE EXPRESS TERMS HEREOF, THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"). AS TO MATTERS NOT GOVERNED BY THE ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND, INCLUDING WITHOUT LIMITATION THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF MARYLAND, WITHOUT REGARD TO PRINCIPALS OF CONFLICT OF LAWS.

ALL PAYMENTS MADE BY US HEREUNDER SHALL BE MADE FROM OUR FUNDS AND NOT WITH THE FUNDS OF ANY OTHER PERSON.

THIS LETTER OF CREDIT SETS FORTH IN FULL OUR UNDERTAKING, AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR LIMITED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN EXCEPT ONLY EXHIBIT A AND EXHIBIT B HERETO; AND ANY SUCH REFERENCE SHALL BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY DOCUMENT, INSTRUMENT OR AGREEMENT EXCEPT AS SET FORTH ABOVE.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT UNIT, 300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236, CHICAGO, IL 60606-0236, INCLUDING THE LETTER OF CREDIT NUMBER MENTIONED ABOVE. FOR TELEPHONE ASSISTANCE, PLEASE CONTACT THE STANDBY CLIENT SERVICE UNIT AT 1-800-634-1969, SELECT OPTION 1, AND HAVE THIS LETTER OF CREDIT NUMBER AVAILABLE.

VERY TRULY YOURS,

[BANK NAME]

BY: _____
NAME:
TITLE:

EXHIBIT A

[LETTERHEAD OF BENEFICIARY]

[DATE]

JPMORGAN CHASE BANK, N.A.
300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236
CHICAGO, IL 60606-0236
ATTN: STANDBY LETTER OF CREDIT UNIT

RE: DRAW REQUEST – LETTER OF CREDIT NO._____

DEAR SIRS:

THIS LETTER CONSTITUTES A DEMAND FOR PAYMENT UNDER THE ABOVE REFERENCED LETTER OF CREDIT. ATTACHED HERETO IS THE ORIGINAL DRAWING CERTIFICATE REQUIRED BY THE LETTER OF CREDIT.

DRAFT AMOUNT: $[INSERT DRAWDOWN AMOUNT]

PLEASE IMMEDIATELY WIRE TRANSFER DRAW PROCEEDS IN THE ABOVE AMOUNT AS FOLLOWS:

PAYEE: [BENEFICIARY NAME]

BANK: [INSERT NAME AND ADDRESS OF BENEFICIARY'S BANK]

ABA NUMBER: _____

CREDIT TO: [INSERT NAME OF BENEFICIARY'S BANK ACCOUNT]
ACCOUNT NO:_____

NOTIFICATION PLEASE NOTIFY [INSERT NAME OF BENEFICIARY'S CONTACT PERSON],

CONTACT PHONE:_____, WHEN WIRE IS SENT.

PLEASE CONTACT THE UNDERSIGNED IF YOU HAVE QUESTIONS.

SINCERELY,

_____

NAME:

EXHIBIT B

DRAWING CERTIFICATE

[BENEFICIARY NAME] HEREBY DEMANDS PAYMENT IN THE AMOUNT OF _____DOLLARS ($_____) UNDER IRREVOCABLE LETTER OF CREDIT NO. _____ISSUED BY JPMORGAN CHASE BANK, N.A. AND DATED _____. THE TOTAL AMOUNT OF ALL PRIOR DRAWS UNDER SAID LETTER OF CREDIT ("LOC") IS $_____, WHICH, TOGETHER WITH THIS DRAW, DO NOT EXCEED THE MAXIMUM AMOUNT OF THE LOC.

- [BENEFICIARY NAME] IS MAKING A DRAWING UNDER AND PURSUANT TO SECTION 5.9 OF THE SERVICE AGREEMENT FOR COMPANY'S FAILURE TO COMPLETE CERTAIN EXTRAORDINARY MAINTENANCE ITEMS FOR THE MONTGOMERY COUNTY WASTE-TO-ENERGY PROJECT ("THE PROJECT") AS SET FORTH ON SCHEDULE XX OF THE SERVICE AGREEMENT AFTER NOTICE AND AFTER FAILURE TO RESOLVE ANY SUCH DISPUTES REGARDING EXTRAORDINARY MAINTENANCE OF THE PROJECT IN ACCORDANCE WITH THE TERMS OF THE SERVICE AGREEMENT

OR

- THE LETTER OF CREDIT'S EXPIRY DATE WILL OCCUR WITHIN 10 DAYS OF THE DATE HEREOF AND THE LETTER OF CREDIT HAS NOT BEEN EXTENDED OR REPLACED.

IN WITNESS WHEREOF, THE UNDERSIGNED DULY AUTHORIZED OFFICER OF THE [BENEFICIARY] HAS EXECUTED THIS CERTIFICATE AS OF THE DATE SET FORTH BELOW.

_____
[BENEFICIARY NAME]

DATE: _____ BY:_____
NAME:
AUTHORIZED OFFICER

Schedule 51
To Service Agreement[1]

Extraordinary Maintenance Bond Example

FORM OF PERFORMANCE BONDS

PERFORMANCE BOND

Principal

Business Address of Principal

Surety

A corporation of the State of _____ and authorized to do business in the State of Maryland.

Obligee
Northeast Maryland Waste Disposal Authority, Maryland

Penal Sum of Bond
(express in words and figures)

Date of Contract: _____, 200___
Date Bond Executed: _____, 200__

[1] Added by Change Order #115.

Contract Number:

KNOW ALL MEN BY THESE PRESENTS, that we, the Principal named above and Surety named above, are held and firmly bound unto the Obligee named above in the Penal Sum of this Performance Bond stated above, for the payment of which Penal Sum we bind ourselves, our heirs, executors, administrators, personal representatives, successors, and assigns, jointly and severally, firmly by these presents. However, where Surety is composed of corporations acting as co-sureties, we, the co-sureties, bond ourselves our successors and assigns, in such Penal Sum jointly and severally as well as severally only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each co-surety binds itself, jointly and severally with the Principal, for the payment of such sum as appears above its name below, but if no limit of liability is indicated, the limit of such ability shall be the full amount of the Penal Sum.

WHEREAS, Principal has entered into or will enter into a contract with the Northeast Maryland Waste Disposal Authority, (the "Authority"), which contract is described and dated as shown above, and incorporated herein by reference. The contract and all items incorporated into the contract, together with any and all changes, extensions of time, alterations, modifications, or additions to the contract or to the work to be performed thereunder or any of them, or to any other items incorporated into the contract shall hereinafter be referred to as "the Agreement."

NOW, THEREFORE, during the term of said Agreement, this Performance BOND shall remain in full force and effect unless and until the following terms and conditions are met:

1. Principal shall well and truly perform the Extraordinary Maintenance obligations under the Contract; and

2. Principal and Surety shall comply with the terms and conditions in the Performance Bond.

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

1. This bond is for the term beginning _____ and ending _____.
2. The bond may be extended for additional terms at the option of the Surety, by Continuation Certificate executed by the Surety and the Principal but regardless of the number of extensions for additional terms and the number of premiums which shall be payable or paid, the liability of the surety hereunder shall not be cumulative from year to year nor period to period.
3. In the event of default by the Principal in performance of the Extraordinary Maintenance obligations under this contract during the term of this bond, the Surety shall be liable only for the loss to the Obligee due to actual excess costs of performance of the contract up to the termination of the term of this

bond and in no event shall the liability of the Surety exceed the penal sum of this bond.

4. Neither non-renewal by the Surety, nor failure or inability of the Principal to file a replacement bond shall constitute loss to the Obligee recoverable under this bond.

Whenever Principal shall be declared by the Authority to be in default under the Agreement, the Surety may within fifteen (15) days after notice of default from the Authority notify the Authority of its election to either promptly proceed to remedy the default or promptly proceed to complete the contract in accordance with and subject to its terms and conditions. In the event the Surety does not elect to exercise either of the above stated options, then the Authority thereupon shall have the remaining contract work completed, Surety to remain liable hereunder for all expenses of completion up to but not exceeding the penal sum stated above.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder of the Specifications accompanying the same shall in any way affect its obligations on this Performance Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or to the Specifications.

This Performance Bond shall be governed by and construed in accordance with the laws of the State of Maryland and any reference herein to Principal or Surety in the singular shall include all entities in the plural who or which are signatories under the Principal or Surety heading below.

IN WITNESS WHEREOF, Principal and Surety have set their hands and seals to this Performance Bond. If any individual is a signatory under the Principal heading below, then each such individual has signed below on his or her own behalf, has set forth below the name of the firm, if any, in whose name he or she is doing business, and has set forth below his or her title as a sole proprietor, If any partnership or joint venture is a signatory under the Principal heading below, then all members of each such partnership or joint venture have signed below, each member has set forth below his or her title as a general partner, limited partner, or member of joint venture, whichever is applicable. If any corporation is a signatory under the Principal of Surety heading below, then each such corporation has caused the following: the corporation's name to be set forth below, a duly authorized representative of the corporation to affix below the corporations' seal and to attach hereto a notarized corporate resolution or power of attorney authorizing such action, and each such duly authorized representative to sign below and to set forth below his or her title as a representative of the corporation. If any individual acts as a witness to any signature below, then each such individual has signed below and has set forth below his or her title as a witness. All of the above has been done as of the Date or Bond shown above.

In Presence of: Individual Principal

_____ as to _____(SEAL)
Witness

……..

In Presence of:
Witness

Partnership Principal
_____ (SEAL)
Name of Partnership

_____ _____ (SEAL)

_____ _____ (SEAL)

_____ _____ (SEAL)

……..

Corporate Principal

Attest:

(Name of Corporation)

_____
Corporate Secretary

President

AFFIX
CORPORATE
SEAL

……..

_____
(Surety)

Attest:

_____ By: _____
Signature

Title:

AFFIX
CORPORATE
SEAL

Business Address of Surety

_____

_____

_____

Bonding Agent’s name:

_____

Agent’s Address:

_____

_____

_____

Schedule 52
To Service Agreement[1]

Form of Energy Revenue Optimization Incentive Agreement

1) The Company will operate the Resource Recovery Facility in a manner to maximize energy revenue by:
    a. Burning the maximum amount of trash during On-Peak hours while conserving trash during Off-Peak hours
    b. Minimizing unscheduled down time of the turbine and boilers during On-Peak hours
    c. Properly maintaining or even improving the efficiency of the boilers and/or turbine

2) A Revenue Sharing Guarantee in $/MWh for each month is shown in Paragraph 12.

3) If the Company performs such that the Average $/MWh in a month is greater than the Revenue Sharing Guarantee for that month, the Company will receive an energy incentive in that month equal to [sharing % TBD] of the additional revenue that was generated as a result of the performance.

4) The additional revenue generated above the Revenue Sharing Guarantee will be calculated as follows:

    Company Incentive = (Average $/MWh of actual sales – Revenue Sharing Guarantee) * Actual MWh sold for the month * [sharing % TBD]

    Where the "Actual MWh sold for the month" is the MWh sold as stated by the purchaser of electricity

    The Average $/MWh of actual sales is the total energy revenue for Energy, not inclusive of any revenues from the sale of capacity, renewable energy credits or any other environmental attribute, divided by the "Actual MWh sold for the month"

5) If the Company fails to meet the Revenue Sharing Guarantee in a month, the Company will pay damages equal to the shortfall in that month as calculated as follows:

    Company Shortfall = (Revenue Sharing Guarantee – Average $/MWh of actual sales) * Actual MWh sold for the month

[1] Added by Change Order #115.

6) The Company Incentive will be paid to the Company on a monthly basis after the Authority receives its electricity revenues from the purchaser of the electricity.

7) The Company Shortfall will be calculated and paid on a monthly basis.

8) The current Company Share of Electricity Revenue shall remain the same (Section 5.1 of the Service Agreement - Company receives 8% of the revenue up to $960,000, escalated, per year) and the Company Incentive or Company Shortfall will be calculated independently from the Company Share of Electricity Revenue.

9) This Energy Revenue Optimization program will be conducted from [Fiscal Year start and end dates to be determined on a year to year basis].

10) During the time period of the Energy Revenue Optimization program, the Company will not be responsible for meeting the existing contract terms for the Guaranteed Kilowatt Production (Section 5.4.2 of Schedule 5 of the Service Agreement).

11) All terms and conditions of the Service Agreement, including the Performance Standards, that are not expressly modified under the terms of this agreement, shall remain in place.

12) Revenue Sharing Guarantee - After each month the Monthly Average Pricing Based on Flat Generation shall be calculated as the revenue which would have been generated had the total actual MWHs sold been generated in equal amounts during each hour in the month and the pricing schedule in the Electric Sales Agreement Exhibit A [Exhibit A will be provided by the Authority based upon its agreement with a power marketer] were applied to on-peak and off-peak hours, divided by the total MWHs generated for the month. The Revenue Sharing Guarantee shall be [percentage TBD] higher than the Monthly Average Pricing based on Flat Generation.

All capitalized terms used herein that are not defined herein have the meanings given such terms under the Service Agreement dated November 16, 1990 between the Authority and the Company (as amended and supplemented the “Service Agreement”).

Schedule 53
To
Service Agreement

Scheduled Housekeeping List

This "Scheduled Housekeeping List" is established in order to outline a process to identify items of a housekeeping nature, and to ensure those items are addressed in a timely and appropriate fashion. A representative of the County and the Company's plant manager or his designee are responsible to manage this process. They shall jointly inspect all areas of the Facility and the Facility Site on a routine basis to document deficiencies that require correction.

To facilitate that inspection process the site is divided into the following sections. The area titles listed below are for reference purposes and include the following:

1. Ash House - to include but not be limited to the ash pit and mezzanine, the grizzly separation, belt conveyor, residue handling building, and grizzly reject and scrap load out area.

2. Tipping Floor Building – to include but not be limited to the tipping floor, crane lay down areas, refuse pit, crane operator pulpit, north and south stairwells, administration building roof, and maintenance shop

3. Boiler House - to include but not be limited to the boiler building roof, north and south crane MCC rooms, drafting room, turbine building roof, and the boiler house.

4. APC – to include but not be limited to slaker building, QR building, baghouses, stack, CEMS trailers, ammonia storage dike and all tanks, silos, and drainage area there-in as well as the vehicle maintenance shop.

5. Administration Turbine – to include but not be limited to the administration building, turbine building, control room, main MCC room, back-up diesel generator room, and the switch yard.

6. Water Plant – to include but not be limited to the wastewater treatment plant, septic package plant, sludge tank and associated pump shed, clarifiers, storage tanks, south railyard MCC building, cooling tower, closed cooling water air chiller, fire water tank and fire pump house.

7. Grounds – areas on the Facility and Facility Site not already covered above, to include by not be limited to the railyard, stormwater pond, perimeter, fencing, off-site access road, parking lot, paved areas, drainage areas, hills, bone yard, front gate, and water intake/discharge structure.

To assure routine and timely inspections each area referenced above shall be inspected according to the following schedule:

January	Tipping Floor Building	
February	Administration Turbine	
March	Grounds	Ash House
April	APC	
May	Boiler House	
June	Water Plant	Ash House
July	Tipping Floor Building	
August	Administration Turbine	
September	Grounds	Ash House
October	APC	
November	Boiler House	
December	Water Plant	Ash House

Items of a housekeeping nature, include but are not limited to, unacceptable levels of cleanliness, damaged equipment, damaged or missing insulation, misplaced tools, excessive rusting, and poor landscape appearance. These housekeeping items shall be documented, by either party, with notes, digital photos, or both. Documentation shall link each item to the inspected area and date of inspection. This documentation shall be accessible to all inspectors on a shared electronic medium such as a Company sponsored e-portal or cloud application. The Company shall inform the County when items have been addressed for County concurrence. Items that have not been resolved by the next inspection of the area shall be placed on a punchlist to be discussed as agenda items at the next monthly operation meeting.

COVANTA
ENERGY
for a cleaner world

Covanta Montgomery, Inc.
21204 Martinsburg Rd
Dickerson, MD 20842
Tel 301 916 3031
Fax 301 349 5309

May 22, 2014

Northeast Maryland Waste Disposal Authority
Tower II - Suite 402
100 S. Charles Street, Suite 2105
Baltimore, MD 27051-2120
Attention: Chris Skaggs

Montgomery County DPWT
Executive Office Building
101 Monroe Street, 6th Floor
Rockville, MD 20850
Attention: Dan Locke

Subject: MONTGOMERY COUNTY RESOURCE RECOVERY PROJECT – Change Order No. 118 – Transfer Station Lighting Upgrade

Dear Chris and Dan:

This letter is to confirm the agreement among the Northeast Maryland Waste Disposal Authority ("Authority"), Montgomery County ("County"), and Covanta Montgomery, Inc. ("Company") – collectively the "Parties" – regarding the upgrade of the Transfer Station Lighting. As described more fully in the Attachment A, Covanta will provide and install the equipment listed in the Fixture Details. Once the equipment is installed and functioning Covanta will provide for on-going maintenance as prescribed by 4.11(a) of the Service Agreement.

This modification, to furnish and install upgraded lighting, will be treated as an Authority Change in accordance with 8.1(c) of the Service Agreement. In addition to the attached work scope, those hours required of Covanta hourly personnel to support the installation will be included in the overall project cost. Once the work has been completed, Covanta will bill the expenses for this modification in its normal monthly invoice. Any rebates received by Covanta from PEPCO will be returned to the County through a reduction in the normal monthly invoice. The total cost to perform this task shall not exceed $380,000.00 all inclusive, which contains the direct cost of $316,238.49 plus the cost of any support work from Covanta personnel. Covanta will bill the Authority at its cost for any support work it performs.

In recognition of the impact this improvement has on the Transfer Station Guaranteed Maximum Utility Utilization, the following modification will be made to Schedule 29, Section B.a.i.:

- For year one, commencing July 1, 2014, the usage guarantee will be reduced by 675,000 kWh to 925,000 kWh. During the reconciliation process under Section 5.10, that reduction will be corrected to the actual measured reduction in PEPCO accounts 2005 and 2004 (Admin Areas) against the 5 year average usage, FY2009 through FY2013. Should the equipment not be installed by July 1, 2014 the reduction target will be reduced by 1/12 for each month, or part thereof, the installation is delayed.
- For year two the usage guarantee will be reduced by the year one actual reduction, adjusted if necessary to be a full year. During the reconciliation process under Section 5.10, the estimate will be corrected to the actual reduction against the same 5 year average used for year one, FY2009 through FY2013.

- For year three the usage guarantee will be reduced by the average of the year one and year two actual reductions. During the reconciliation process under Section 5.10, the estimate will be corrected to the actual reduction against the same 5 year average used for year one.
- Once the third year actual reduction has been determined a three year average reduction will be calculated and that value will be the final usage guarantee reduction to be subtracted from the current 1,600,000 kWh guarantee.

This modification does not change any other Performance Standards or conditions of the Service Agreement.

Respectfully,

Mark A Freedman
Business Manager, Montgomery

ACKNOWLEDGED AND AGREED to this Change Order No. 118

COVANTA MONTGOMERY, INC.

Date: May 23, 2014 By: Joseph D. Heuloff III

Covanta Representative

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Date: 5/28/2014 By: _____

Authority Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this letter agreement by the Authority pursuant to Section 8.1(c) of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: May 27, 2014 By: Daniel Locke

County Representative

Attachment: AES Proposal

cc: S. Blake, NMWDA
J. Schott, NMWDA
P. Karasik, MCDEP
J. LaDana, MCDEP
B. Davidson, MCDEP
G. Madelmayer
J. Neuhoff
M. Freedman
B. Donahoe
H. Cornwell
Change Order Book

AES

AMERICAN ENERGY SERVICES

Energy Efficient Lighting Proposal

INSTALLERS OF ENERGY EFFICIENT LIGHTING

AES
AMERICAN ENERGY SERVICES

Covanta Energy

16101 Frederick Rd Derwood MD 20855

Brian Donahoe, Mark Freedman

301-691-9031, 301-691-9002

PEPCO Account Nos: 2033 9433 05, 2004 3340 54, 2019 0371 30, 2005 3457 45

PEPCO REBATE PROGRAM

Prepared By:

American Energy Services
23601 Laytonsville Rd,
Laytonsville, MD 20882

Kevin Rodricks
301-482-0025

2013

Covanta Energy

Table of Contents

Covanta Energy

Operating Hours

Days	Days Open	Open	Close
Mon - Fri	5	6:00 AM	11:30 PM
Sat	1	6:00 AM	11:30 PM
Sun	1	6:00 AM	11:30 PM

Burn Hour Codes

Burn Code	Area Description	Est. Average Hours	Usage on Energy Calcs
24	Stairwells & Hallways	8760	7
O	Operating Hours	6370	95
R	Railyard	1456	1
E	Exterior 6pm-6am	4368	13

Covanta Energy

Fixture Details

EXISTING			PROPOSED		
ECM Code	Description	Watts	Description	Watts	Qty
4BR	T12 2x4 4-Lamp Troffer	156	Delamp T8 2x4 3-Lamp 32W LBF	55	4
4R8	T8 2x4 4-Lamp Troffer	106	Delamp T8 2x4 2-Lamp 28W NBF Reflector	50	7
4WN2	T8 2x4 4-Lamp	106	New T8 1x4 2-lamp 28W LBF Relight Kit	55	42
2S28	T12 1x4 2-Lamp	78	Retro T8 1x4 2-Lamp 28W LBF	42	56
2S828	T8 1x4 2-Lamp Pendant	62	Retro T8 1x4 2-Lamp 28W LBF	42	50
2S825LB	T8 1x4 2-Lamp	62	Retro T8 1x4 2-Lamp 25W LBF	48	31
3S825	T8 2x4 3-Lamp	84	Retro T8 2x4 3-Lamp 25W NBF	63	17
2F8T5	T8 2x2 3-Lamp F17	19	No Retrofit	19	6
U1	T12 2x2 2-Lamp U-6 Troffer	78	Retro T8 2x2 2-Lamp NBF F17 Silver Reflector Kit	35	1
U8	T8 2x2 2-Lamp U-6 Troffer	62	Retro T8 2x2 2-Lamp NBF F17 Silver Reflector Kit	35	8
UN	T8 2x2 2-Lamp F17	78	No Retrofit	50	3
X	Exit Sign Inc. 2-Lamp 25W	50	New LED Exit 3W Fixture	3	9
i50	Inc 60W Globe Fixture Wall Mt Mogul Base	60	Lumencia LLFP	13	4
500QF	500W Quartz Flood Outdoor Wall Mount	500	Maxlite MLFL50LED50	50	2
CFL18	CFL 46W 6" Can	46	New LED Sylvania RT6 Can	11	13
HP1	100W MH Explosion Proof 120v	130	HZD3C2N	43	4
HP2	Wall Pack 250W MH	300	XTOR5A	50	8
HP3	250W HPS Polehead 277v Shoebox	300	GLEON-AA-02-LED-E1-5MQ-BZ (28 LED'S)	103	57
HP4	400W MH Polehead 277v Shoebox	465	GLEON-AA-04-LED-E1-5MQ-BZ (56 LED'S)	206	2
HP4GH	400W HPS Polehead 277v 40ft height	465	GLEON-AA-04-LED-E1-5MQ-BZ (56 LED'S)	206	34
HP5	1000W HPS Polehead 25ft height	1160	GLEON-AA-08-LED-E1-5MQ-BZ (112 LED'S)	412	6
70MT	70W HPS 120v for Bollards	78	Envoy BOR3L2X15Q	22	13
70M	Wall Pack 70W HPS	78	XTOR1A	10	7
100MC	175W MH Canopy 120v on a sensor	220	CP-60WLED-UNIV-0S-DIM	60	4
175MR	250W MH Polehead	300	GLEON-AA-02-LED-E1-5MQ-BZ (28 LED'S)	103	4
250M	400W MH High Bay	450	New T5 4-Lamp HO Fixture	216	207
250MR	250W MH Down Facing Wall Pack	288	XTOR5A	50	1
400MR	400W MH WallPack 480v	455	XTOR9A-480V	86	14
T3	250W HPS WallPack 480v	288	XTOR5A-480V	50	6
T4	250W HPS High Bay	455	New T5 3-Lamp HO Reflector	162	26
T6	500W Halogen Flood	550	Maxlite MLFL50LED50	50	11
WSD-PDT	Sensor - None installed		New Wall Switch Passive Dual Tech Occupancy Sensor		8

ECM Codes

Covanta Energy

Fixture Details

EXISTING			PROPOSED		
CM-PDT	Fixture Mounted		New Fixture Mounted Dual Tech Sensor		70

TOTAL ECM's		657
TOTAL Sensors		78

Covanta Energy

kWh Rate: $0.110
$/KW Demand Charge: $0.000

EXISTING											PROPOSED										
ECM Code	Map Location	Room Description	Quantity	Description	Watts	kW	Burn Hour Code	Pre Burn Hours	kWh	Quantity	Description	Watts	kW	KW Saved	KW Cost Savings	Sensor Type	Sensor Qty	Post Burn Hours	kWh	kWh Saved	Cost Savings
HP3	Parking Area		9	250W HPS Polehead 277v Shoebox	300	2.7	e	4368	11,794	9	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.9	1.773	$ -			4368.00	4,049	7,744	$851.89
250M	DoT Bldg		2	400W MH High Bay	450	0.9	e	4368	3,931	2	New T5 4-Lamp HO Fixture	216	0.4	0.468	$ -			4368.00	1,887	2,044	$224.86
HP2	DoT Bldg		2	Wall Pack 250W MH	300	0.6	e	4368	2,621	2	XTOR5A	50	0.1	0.500	$ -			4368.00	437	2,184	$240.24
HP3	Trailer Parking Lot	30 ft Poles	7	250W HPS Polehead 277v Shoebox	300	2.1	e	4368	9,173	7	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.7	1.379	$ -			4368.00	3,149	6,023	$662.56
HP3	355 Rd	30 ft Poles	12	250W HPS Polehead 277v Shoebox	300	3.6	e	4368	15,725	12	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	1.2	2.364	$ -			4368.00	5,399	10,326	$1,135.85
HP1	Recycling Area		4	100W MH Explosion Proof 120v	130	0.5	24	8760	4,555	4	HZD3C2N	43	0.2	0.348	$ -			8760.00	1,507	3,048	$335.33
HP5	Recycling Area	25 ft Poles	6	1000W HPS Polehead 25ft height	1160	7.0	e	4368	30,401	6	GLEON-AA-08-LED-E1-5MQ-BZ (112 LEDS)	412	2.5	4.488	$ -			4368.00	10,798	19,604	$2,156.39
HP4	Recycling Area	15 ft Poles	2	400W MH Polehead 277v Shoebox	465	0.9	e	4368	4,062	2	GLEON-AA-04-LED-E1-5MQ-BZ (56 LEDS)	206	0.4	0.518	$ -			4368.00	1,800	2,263	$248.89
HP4GH	Railyard Rd	40 ft Poles	30	400W HPS Polehead 277v 40ft height	465	14.0	R	1456	20,311	30	GLEON-AA-04-LED-E1-5MQ-BZ (56 LEDS)	206	6.2	7.770	$ -			1456.00	8,998	11,313	$1,244.44
HP3	Railyard Rd		2	250W HPS Polehead 277v Shoebox	300	0.6	e	4368	2,621	2	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.2	0.394	$ -			4368.00	900	1,721	$189.31
HP3	Railyard Rd	Fuel Pump Area	3	250W HPS Polehead 277v Shoebox	300	0.9	e	4368	3,931	3	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.3	0.591	$ -			4368.00	1,350	2,581	$283.96
100MC	Railyard Rd		4	175W MH Canopy 120v on a-sensor	220	0.9	o	6370	5,606	4	CP-60WLED-UNIV-05-DIM	60	0.2	0.640	$ -			6370.00	1,529	4,077	$448.45
175MR	Shady Grove Exit	Poles	3	250W MH Polehead	300	0.9	e	4368	3,931	3	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.3	0.591	$ -			4368.00	1,350	2,581	$283.96
HP3		Poles	4	250W HPS Polehead 277v Shoebox	300	1.2	e	4368	5,242	4	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.4	0.788	$ -			4368.00	1,800	3,442	$378.62
U1		Booth	1	T12 2x2 2-Lamp U-6 Troffer	78	0.1	o	6370	497	1	Retro T8 2x2 2-Lamp NBF F17 Silver Reflector Kit	35	0.0	0.043	$ -			6370.00	223	274	$30.12
4BR		Scale House	4	T12 2x4 4-Lamp Troffer	156	0.6	o	6370	3,975	4	Delamp T8 2x4 3-Lamp 32W EBF	55	0.2	0.404	$ -			6370.00	1,401	2,573	$283.08
2F8T5		Scale House	4	T8 2x2 3-Lamp F17	19	0.1	o	6370	484	4	No Retrofit	19	0.1	0.000	$ -			6370.00	484	0	$0.00
2F8T5		Scale House	2	T8 2x2 3-Lamp F17	19	0.0	o	6370	242	2	No Retrofit	19	0.0	0.000	$ -			6370.00	242	0	$0.00
HP2	New Tipping Flr		2	Wall Pack 250W MH	300	0.6	o	6370	3,822	2	XTOR5A	50	0.1	0.500	$ -			6370.00	637	3,185	$350.35
250M	New Tipping Flr		40	400W MH High Bay	450	18.0	o	6370	114,660	40	New T5 4-Lamp HO Fixture	216	8.6	9.360	$ -			6370.00	55,037	59,623	$6,558.55
250M	New Tipping Flr	Pit	12	400W MH High Bay	450	5.4	o	6370	34,398	12	New T5 4-Lamp HO Fixture	216	2.6	2.808	$ -			6370.00	16,511	17,887	$1,967.57
175MR	New Tipping Flr	30 ft Poles	1	250W MH Polehead	300	0.3	o	6370	1,911	1	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	0.1	0.197	$ -			6370.00	656	1,255	$138.04
70M	Behind Compactor	WP	3	Wall Pack 70W HPS	78	0.2	o	6370	1,491	3	XTOR1A	10	0.0	0.204	$ -			6370.00	191	1,299	$142.94
250MR		WP	1	250W MH Down Facing Wall Pack	288	0.3	o	6370	1,835	1	XTOR5A	50	0.1	0.238	$ -			6370.00	319	1,515	$166.77
250M	#4 Power Skid		2	400W MH High Bay	450	0.9	24	8760	7,884	2	New T5 4-Lamp HO Fixture	216	0.4	0.468	$ -			8760.00	3,784	4,100	$450.99
250M			2	400W MH High Bay	450	0.9	o	6370	5,733	2	New T5 4-Lamp HO Fixture	216	0.4	0.468	$ -			6370.00	2,752	2,981	$327.93
250M			1	400W MH High Bay	450	0.5	o	6370	2,867	1	New T5 4-Lamp HO Fixture	216	0.2	0.234	$ -			6370.00	1,376	1,491	$163.96
x	#3 Power Skid		1	Exit Sign Inc. 2-Lamp 25W	50	0.1	24	8760	438	1	New LED Exit 3W Fixture	3	0.0	0.047	$ -			8760.00	26	412	$45.29
70MT			4	70W HPS 120v for Bollards	78	0.3	o	6370	1,987	4	Envoy BOR3L2X15Q	22	0.1	0.224	$ -			6370.00	561	1,427	$156.96
70MT	Bollard		3	70W HPS 120v for Bollards	78	0.2	o	6370	1,491	3	Envoy BOR3L2X15Q	22	0.1	0.168	$ -			6370.00	420	1,070	$117.72
HP3		Poles	18	250W HPS Polehead 277v Shoebox	300	5.4	e	4368	23,587	18	GLEON-AA-02-LED-E1-5MQ-BZ (28 LEDS)	103	1.9	3.546	$ -			4368.00	8,098	15,489	$1,703.78
T3	Maintenance Shop		6	250W HPS WallPack 480v	288	1.7	o	6370	11,007	6	XTOR5A-480V	50	0.3	1.428	$ -			6370.00	1,911	9,096	$1,000.60
T4			20	250W HPS High Bay	455	9.1	o	6370	57,967	20	New T5 3-Lamp HO Reflector	162	3.2	5.860	$ -	om-pdt	20.0	3822.00	12,383	45,584	$5,014.21
T4			6	250W HPS High Bay	455	2.7	o	6370	17,390	6	New T5 3-Lamp HO Reflector	162	1.0	1.758	$ -			6370.00	6,192	11,198	$1,231.83
500QF			2	500W Quartz Flood Outdoor Wall Mount	500	1.0	o	6370	6,370	2	Maxlite ML-FL50LED50	50	0.1	0.900	$ -			6370.00	637	5,733	$630.63

Energy Calcs

Covanta Energy

kWh Rate: $0.110
$/KW Demand Charge: $0.000

EXISTING										PROPOSED										
ECM Code	Map Location	Room Description	Quantity	Description	Watts	kW	Burn Hour Code	Pre Burn Hours	kWh	Quantity	Description	Watts	kW	KW Saved	KW Cost Savings	Sensor Type	Sensor Qty	Post Burn Hours	kWh	kWh Saved	Cost Savings
x			2	Exit Sign Inc 2-Lamp 25W	50	0.1	24	8760	876	2	New LED Exit 3W Fixture	3	0.0	0.094	$ -			8760.00	53	823	$90.58
2S828			26	T8 1x4 2-Lamp Pendant	62	1.6	o	6370	10,268	26	Retro T8 1x4 2-Lamp 28W LBF	42	1.1	0.520	$ -			6370.00	6,956	3,312	$364.36
4R8			4	T8 2x4 4-Lamp Troffer	106	0.4	o	6370	2,701	4	Delamp T8 2x4 2-Lamp 28W NBF Reflector	50	0.2	0.224	$ -			6370.00	1,274	1,427	$156.96
2S828			6	T8 1x4 2-Lamp Pendant	62	0.4	o	6370	2,370	6	Retro T8 1x4 2-Lamp 28W LBF	42	0.3	0.120	$ -			6370.00	1,606	764	$84.08
x			1	Exit Sign Inc 2-Lamp 25W	50	0.1	24	8760	438	1	New LED Exit 3W Fixture	3	0.0	0.047	$ -			8760.00	26	412	$45.29
2S828			3	T8 1x4 2-Lamp Pendant	62	0.2	o	6370	1,185	3	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.060	$ -			6370.00	803	382	$42.04
2S828	Bathrooms		5	T8 1x4 2-Lamp Pendant	62	0.3	o	6370	1,975	5	Retro T8 1x4 2-Lamp 28W LBF	42	0.2	0.100	$ -			6370.00	1,338	637	$70.07
CFL18	Bathrooms		5	CFL 26W 6" Can	46	0.2	o	6370	1,465	5	New LED Sylvania R16 Can	11	0.1	0.175	$ -			6370.00	350	1,115	$122.62
2S828	Bathrooms		6	T8 1x4 2-Lamp Pendant	62	0.4	o	6370	2,370	6	Retro T8 1x4 2-Lamp 28W LBF	42	0.3	0.120	$ -			6370.00	1,606	764	$84.08
2S28			18	T12 1x4 2-Lamp	78	1.4	o	6370	8,943	18	Retro T8 1x4 2-Lamp 28W LBF	42	0.8	0.648	$ -			6370.00	4,816	4,128	$454.05
2S828			2	T8 1x4 2-Lamp Pendant	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.040	$ -			6370.00	535	256	$28.03
2S28			2	T12 1x4 2-Lamp	78	0.2	o	6370	994	2	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.072	$ -			6370.00	535	459	$50.45
x			1	Exit Sign Inc 2-Lamp 25W	50	0.1	24	8760	438	1	New LED Exit 3W Fixture	3	0.0	0.047	$ -			8760.00	26	412	$45.29
250M	Pressure Wash		4	400W MH High Bay	450	1.8	o	6370	11,463	4	New T5 4-Lamp HO Fixture	216	0.9	0.936	$ -			6370.00	5,504	5,962	$655.86
250M	Wash Area		6	400W MH High Bay	450	2.7	o	6370	17,199	6	New T5 4-Lamp HO Fixture	216	1.3	1.404	$ -			6370.00	8,256	8,943	$983.78
HP3		30 ft Poles	2	250W HPS Polehead 277v Shoebox	300	0.6	e	4368	2,621	2	GLEON-AA-02-LED-EI-5MQ-BZ (28 LEDS)	103	0.2	0.394	$ -			4368.00	900	1,721	$189.31
250M	Tunnels		5	400W MH High Bay	450	2.3	o	6370	14,333	5	New T5 4-Lamp HO Fixture	216	1.1	1.170	$ -			6370.00	6,880	7,453	$819.82
HP4GH	Tunnels		4	400W HPS Polehead 277v 40ft height	465	1.9	o	6370	11,848	4	GLEON-AA-01-LED-EI-5MQ-BZ (56 LEDS)	206	0.8	1.036	$ -			6370.00	5,249	6,599	$725.93
250M	Tunnels		6	400W MH High Bay	450	2.7	o	6370	17,199	6	New T5 4-Lamp HO Fixture	216	1.3	1.404	$ -			6370.00	8,256	8,943	$983.78
2S28	Tunnels	Booth	1	T12 1x4 2-Lamp	78	0.1	o	6370	497	1	Retro T8 1x4 2-Lamp 28W LBF	42	0.0	0.036	$ -			6370.00	268	229	$25.23
T6	Tunnels		8	500W Halogen Flood	550	4.4	o	6370	28,028	8	Maxlite MLFL50LED50	50	0.4	4.000	$ -			6370.00	2,548	25,480	$2,802.80
400MR	Tunnels		4	400W MH WallPack 480v	455	1.8	o	6370	11,593	4	XTOR9A-480V	86	0.3	1.476	$ -			6370.00	2,191	9,402	$1,034.23
2S28	Tunnels		2	T12 1x4 2-Lamp	78	0.2	o	6370	994	2	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.072	$ -			6370.00	535	459	$50.45
400MR	Tunnels		7	400W MH WallPack 480v	455	3.2	o	6370	20,288	7	XTOR9A-480V	86	0.6	2.583	$ -			6370.00	3,835	16,454	$1,809.91
250M	Tunnels		38	400W MH High Bay	450	17.1	o	6370	108,927	38	New T5 4-Lamp HO Fixture	216	8.2	8.892	$ -			6370.00	52,285	56,642	$6,230.62
2S28	Booth		1	T12 1x4 2-Lamp	78	0.1	o	6370	497	1	Retro T8 1x4 2-Lamp 28W LBF	42	0.0	0.036	$ -			6370.00	268	229	$25.23
x			4	Exit Sign Inc 2-Lamp 25W	50	0.2	24	8760	1,752	4	New LED Exit 3W Fixture	5	0.0	0.188	$ -			8760.00	105	1,647	$181.16
2S28	Stairwell		7	T12 1x4 2-Lamp	78	0.5	o	6370	3,478	7	Retro T8 1x4 2-Lamp 28W LBF	42	0.3	0.252	$ -			6370.00	1,873	1,605	$176.58
UN	Bathrooms	Mens	1	T8 2x2 2-Lamp F17	78	0.1	o	6370	497	1	No Retrofit	50	0.1	0.028	$ -			6370.00	319	178	$19.62
2S28	Bathrooms		3	T12 1x4 2-Lamp	78	0.2	o	6370	1,491	3	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.108	$ -			6370.00	803	688	$75.68
UN	Bathrooms	Womens	1	T8 2x2 2-Lamp F17	78	0.1	o	6370	497	1	No Retrofit	50	0.1	0.028	$ -			6370.00	319	178	$19.62
2S28	Bathrooms		3	T12 1x4 2-Lamp	78	0.2	o	6370	1,491	3	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.108	$ -			6370.00	803	688	$75.68
2S28	Offices		8	T12 1x4 2-Lamp	78	0.6	o	6370	3,975	8	Retro T8 1x4 2-Lamp 28W LBF	42	0.3	0.288	$ -			6370.00	2,140	1,835	$201.80
2S28	Offices		4	T12 1x4 2-Lamp	78	0.3	o	6370	1,987	4	Retro T8 1x4 2-Lamp 28W LBF	42	0.2	0.144	$ -			6370.00	1,070	917	$100.90
2S28	Storage		3	T12 1x4 2-Lamp	78	0.2	o	6370	1,491	3	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.108	$ -			6370.00	803	688	$75.68

Covanta Energy

kWh Rate: $0.110
$/KW Demand Charge: $0.000

EXISTING										PROPOSED											
ECM Code	Map Location	Room Description	Quantity	Description	Watts	kW	Burn Hour Code	Pre Burn Hours	kWh	Quantity	Description	Watts	kW	KW Saved	KW Cost Savings	Sensor Type	Sensor Qty	Post Burn Hours	kWh	kWh Saved	Cost Savings
I50			4	2nd 60W Globe Fixture Wall Mt Mogul Base	60	0.2	o	6370	1,529	4	Luminous LLFP	13	0.1	0.188	$ -			6370.00	331	1,198	$131.73
2S825LB		Mech Rm	5	T8 1x4 2-Lamp	62	0.3	o	6370	1,975	5	Retro T8 1x4 2-Lamp 25W LBF	48	0.2	0.070	$ -			6370.00	1,529	446	$49.05
3S825		Print Rm	2	T8 2x4 3-Lamp	84	0.2	o	6370	1,070	2	Retro T8 2x4 3-Lamp 25W NBF	63	0.1	0.042	$ -			6370.00	809	268	$29.43
3S825		Kitchen	4	T8 2x4 3-Lamp	84	0.3	o	6370	2,140	4	Retro T8 2x4 3-Lamp 25W NBF	63	0.3	0.084	$ -			6370.00	1,605	535	$58.86
2S825LB			2	T8 1x4 2-Lamp	62	0.1	o	6370	700	2	Retro T8 1x4 2-Lamp 25W LBF	48	0.1	0.028	$ -			6370.00	612	178	$19.62
3S825	County Bldg	Entrance	1	T8 2x4 3-Lamp	84	0.1	o	6370	535	1	Retro T8 2x4 3-Lamp 25W NBF	63	0.1	0.021	$ -			6370.00	401	134	$14.71
2S825LB		Tele Rm	2	T8 1x4 2-Lamp	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 25W LBF	48	0.1	0.028	$ -			6370.00	612	178	$19.62
2S825LB		Office	2	T8 1x4 2-Lamp	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 25W LBF	48	0.1	0.028	$ -			6370.00	612	178	$19.62
3S825		Hall	6	T8 2x4 3-Lamp	84	0.5	o	6370	3,210	6	Retro T8 2x4 3-Lamp 25W NBF	63	0.4	0.126	$ -			6370.00	2,408	803	$88.29
4WN2		Office	3	T8 2x4 4-Lamp	106	0.3	o	6370	2,026	3	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.2	0.153	$ -			6370.00	1,051	975	$107.21
3S825		Office	4	T8 2x4 3-Lamp	84	0.3	o	6370	2,140	4	Retro T8 2x4 3-Lamp 25W NBF	63	0.3	0.084	$ -			6370.00	1,605	535	$58.86
2S825LB		Office	4	T8 1x4 2-Lamp	62	0.2	o	6370	1,580	4	Retro T8 1x4 2-Lamp 25W LBF	48	0.2	0.056	$ -			6370.00	1,223	357	$39.24
70M		Exterior	3	Wall Pack 70W HPS	78	0.2	o	6370	1,491	3	XTOR1A	10	0.0	0.204	$ -			6370.00	181	1,289	$142.94
70MT		Bollards	6	70W HPS 120v for Bollards	78	0.5	o	6370	2,981	6	Envoy BOR3L2X15Q	22	0.1	0.336	$ -			6370.00	841	2,140	$235.44
T6			2	500W Halogen Flood	550	1.1	o	6370	7,007	2	MaxLite MLFL50LED50	50	0.1	1.000	$ -			6370.00	637	6,370	$700.70
T6		Fire Valve Rm	1	500W Halogen Flood	550	0.6	o	6370	3,504	1	MaxLite MLFL50LED50	50	0.1	0.500	$ -			6370.00	319	3,185	$350.35
250M		Old Pit	50	400W MH High Bay	450	22.5	o	6370	143,325	50	New T5 4-Lamp HO Fixture	216	10.8	11.700	$ -	om-pdt	50.0	3822.00	41,278	102,047	$11,225.21
250M		Old Pit	26	400W MH High Bay	450	11.7	o	6370	74,529	26	New T5 4-Lamp HO Fixture	216	5.6	6.084	$ -			6370.00	35,774	38,755	$4,263.06
2S825LB		Stairwell 2	6	T8 1x4 2-Lamp	62	0.4	o	6370	2,370	6	Retro T8 1x4 2-Lamp 25W LBF	48	0.3	0.084	$ -			6370.00	1,835	535	$58.86
CFL18		Locker Rm	6	CFL 26W 6" Can	46	0.4	o	6370	2,344	6	New LED Sylvania RT6 Can	33	0.1	0.280	$ -			6370.00	561	1,784	$198.20
4WN2			2	T8 2x4 4-Lamp	106	0.2	o	6370	1,350	2	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.102	$ -			6370.00	701	650	$71.47
U8			4	T8 2x2 2-Lamp U-6 Troffer	62	0.2	o	6370	1,580	4	Retro T8 2x2 2-Lamp NBF F17 Silver Reflector Kit	35	0.1	0.108	$ -			6370.00	892	685	$75.68
4WN2			12	T8 2x4 4-Lamp	106	1.3	o	6370	8,103	12	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.7	0.612	$ -			6370.00	4,204	3,898	$428.83
2S28			4	T12 1x4 2-Lamp	78	0.3	o	6370	1,987	4	Retro T8 1x4 2-Lamp 28W LBF	42	0.2	0.144	$ -			6370.00	1,070	917	$100.90
250M			13	400W MH High Bay	450	5.9	o	6370	37,265	13	New T5 4-Lamp HO Fixture	216	2.8	3.042	$ -			6370.00	17,887	19,378	52,131.53
400MR			2	400W MH WallPack 480v	455	0.9	o	6370	5,797	2	XTOR9A-480V	86	0.2	0.738	$ -			6370.00	1,096	4,701	$517.12
2S825LB		Mech Rm	2	T8 1x4 2-Lamp	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 25W LBF	48	0.1	0.028	$ -			6370.00	612	178	$19.62
2S825LB		Elevator	2	T8 1x4 2-Lamp	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 25W LBF	48	0.1	0.028	$ -			6370.00	612	178	$19.62
4WN2		Entrance	1	T8 2x4 4-Lamp	106	0.1	o	6370	675	1	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.051	$ -			6370.00	350	325	$35.74
400MR		Exterior	1	400W MH WallPack 480v	455	0.5	o	6370	2,898	1	XTOR9A-480V	86	0.1	0.369	$ -			6370.00	548	2,951	$258.56
70M		Exterior	1	Wall Pack 70W HPS	78	0.1	o	6370	497	1	XTOR1A	10	0.0	0.068	$ -			6370.00	64	433	$47.65
2S825LB		Stairwell	4	T8 1x4 2-Lamp	62	0.2	o	6370	1,580	4	Retro T8 1x4 2-Lamp 25W LBF	48	0.2	0.056	$ -			6370.00	1,223	357	$39.24
4R8			3	T8 2x4 4-Lamp Troffer	106	0.3	o	6370	2,026	3	Delamp T8 2x4 2-Lamp 28W NBF Reflector	50	0.2	0.168	$ -			6370.00	956	1,070	$117.72
2S825LB		3rd Flr	2	T8 1x4 2-Lamp	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 25W LBF	48	0.1	0.028	$ -			6370.00	612	178	$19.62
4WN2		Brian's Office	3	T8 2x4 4-Lamp	106	0.3	o	6370	2,026	3	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.2	0.153	$ -			6370.00	1,051	975	$107.21

Covanta Energy

kWh Rate: $0.110
$/KW Demand Charge: $0.000

EXISTING										PROPOSED											
ECM Code	Map Location	Room Description	Quantity	Description	Watts	kW	Burn Hour Code	Pre Burn Hours	kWh	Quantity	Description	Watts	kW	KW Saved	KW Cost Savings	Sensor Type	Sensor Qty	Post Burn Hours	kWh	kWh Saved	Cost Savings
4WN2		Hall	8	T8 2x4 4-Lamp	106	0.8	o	6370	5,402	8	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.4	0.408	$ -			6370.00	2,803	2,599	$285.89
UN			1	T8 2x2 2-Lamp F17	78	0.1	o	6370	497	1	No Retrofit	50	0.1	0.028	$ -			6370.00	319	178	$19.62
HP2			4	Wall Pack 250W MH	300	1.2	o	6370	7,644	4	X3OR3A	50	0.2	1.000	$ -			6370.00	1,274	6,370	$700.70
2S828			2	T8 1x4 2-Lamp Pendant	62	0.1	o	6370	790	2	Retro T8 1x4 2-Lamp 28W LBF	42	0.1	0.040	$ -	WSD-PDT	1.0	3822.00	321	469	$51.57
4WN2		Rastroom	2	T8 2x4 4-Lamp	106	0.2	o	6370	1,350	2	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.102	$ -	WSD-PDT	1.0	3822.00	420	930	$102.30
4WN2		Office	2	T8 2x4 4-Lamp	106	0.2	o	6370	1,350	2	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.102	$ -	WSD-PDT	1.0	3822.00	420	930	$102.30
U8		Office	4	T8 2x2 2-Lamp U-6 Troffer	62	0.2	o	6370	1,580	4	Retro T8 2x2 2-Lamp NBF F17 Silver Reflector Kit	35	0.1	0.108	$ -	WSD-PDT	1.0	3822.00	535	1,045	$114.91
4WN2		Office	2	T8 2x4 4-Lamp	106	0.2	o	6370	1,350	2	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.102	$ -	WSD-PDT	1.0	3822.00	420	930	$102.30
4WN2			3	T8 2x4 4-Lamp	106	0.3	o	6370	2,026	3	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.2	0.153	$ -	WSD-PDT	1.0	3822.00	631	1,395	$153.45
4WN2			2	T8 2x4 4-Lamp	106	0.2	o	6370	1,350	2	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.102	$ -	WSD-PDT	1.0	3822.00	420	930	$102.30
4WN2			2	T8 2x4 4-Lamp	106	0.2	o	6370	1,350	2	New T8 1x4 2-lamp 28W LBF Relight Kit	55	0.1	0.102	$ -	WSD-PDT	1.0	3822.00	420	930	$102.30
			657						1,069,866	657				107.5	$ -		78		418,005	651,862	$71,704.78

Sum of ECM's	735	Total Annual Savings:	$71,705

Covanta Energy

ENVIRONMENTAL BENEFITS

It is estimated that 86% of the world's primary energy production in 2005 came from burning fossil fuels which is a one of the major contributors to pollution and the earth's greenhouse effect. A collective effort is needed to reduce the effects of burning fossil fuels and return human use of the earth natural resources to within sustainable limits. Sustainability has become a complex term that can be applied to almost every facet of life. Defining sustainability on an ecological level as "the ability to maintain or exploit the earth's natural resources at a rate at which they can be replenished naturally". A step in the right direction to sustainable living is to increase public awareness and adoption of recycling, renewable energies and reducing energy consumption

ENVIRONMENTAL IMPACT ON POLLUTION

This project reduces energy consumption by: **651,862** **KWH per year**

With the amount of energy reduced by this project the following Fossil Fuel Byproducts will reduce the following pounds of Carbon Dioxide, Sulfur Dioxide & Nitrogen Oxide released into the enviroment.

CO2 SAVED	1,238,539 LBS.
SO2 SAVED	5,664 LBS.
NOx SAVED	3,257 LBS.

The new lighting system is equivalent to:

* **187 Acres of trees planted per year**
* **104 Cars removed from the road per year**

The reduction these harmful gases will help reduce global harming, acid rain and improve the quality of the air that we breath.

BALLAST DISPOSAL / INCINERATION

During this project all PCB-contaminated materials shall be incinerated pursuant to the U.S. Environmental Protection Agency Final Rules 40 CFR 761.70. All uncontaminated (LESS THAN 50 PPM PCBs) metal components of the ballast shall be recycled, recovered or reclaimed. American Energy Services will insure that the ballast disposal company will provide a manifest and certificate of destruction to 40 CFR Subpart K.

FLUORESCENT LAMP RECYCLING

All spent Fluorescent Lamps will be sent to an EPA approved lamp recycling facility. The Phosphor Powder will be retorted extracting the mercury through thermal separation. The mercury is recovered and cleaned through triple distillation. All aluminum end caps are smelted and recycled. The glass is cleaned and recycled into glass-phalt, reflective paint and insulation.

***Information provided by the EPA Energy Green Lights Environmental Impact Study

Covanta Energy
Project Cost and Savings

Project Totals

Annual Energy Savings		**$**	**71,704.78**
Total Fixtures Affected			**735**
Total Sensor's Proposed			**78**
Turnkey Project Cost:			
• **Material & Labor**		**$**	**309,284.19**
• **Taxes & Staging**		**$**	**3,333.33**
• **Ballast & Lamp Disposal/Recycling**		**$**	**3,620.96**
Original Project Cost		**$**	**316,238.49**
Less Pepco Rebate	–	$	49,420.00
Payment in Full Discount	–	$	4,942.00
Your Final Cost		**$**	**261,876.49**

17% Rebate

Project Payback, Before Savings Adjustments	**3.65**	**Years**
Return on Investment, Before Savings Adjustments	**27%**	

Adjusted Savings

Annual Maintenance Savings	**$**	**6,998.85**
Annual HVAC Savings	**$**	**-**
Adjusted Energy Savings (Energy + Maintenance + HVAC)	**$**	**78,703.63**

Project Payback, After Savings Adjustments	**3.33**	**Years**
Return on Investment, After Savings Adjustments	**30%**	

Covanta Energy

Other Savings

Estimated Annual Maintenance Savings

	Incandescent Lamps	HID Lamps	4'-Fluorescent Lamps	8'-Fluorescent Lamps	Ballasts
Quantity	6	404	555	0	226
Failure Rates / Year *	50%	20%	20%	20%	5%
Number of Failures / Year	3	81	111	0	11
Material Cost	$2.25	$6,060.00	$388.50	$0.00	$180.80
Labor Cost	$6.00	$80.80	$111.00	$0.00	$169.50
Total Cost	$8.25	$6,140.80	$499.50	$0.00	$350.30

*** Maintenance Savings based on industry average failure rates.**

Total Estimated Annual Avoided Maintenance Cost (Sum of totals above): **$6,998.85**

Maintenance Savings are estimated based on new electronic ballasts and T8 lamps requiring little or no maintenance immediately after the lighting retrofit. The estimated cost of materials and labor for these savings are listed below:

	Incandescent Costs	HID Lamps	4'-Fluorescent Lamps	8'-Fluorescent Lamps	Ballasts
Material Cost (per item)	$0.75	$75.00	$3.50	$6.00	$16.00
Labor Cost (per item)	$2.00	$1.00	$1.00	$5.00	$15.00

Estimated Annual HVAC Savings

HVAC Savings are calculated to show the effect less wattage this new lighting system will have on your HVAC operational cost.
Lower wattage means less heat produced, thus less energy needed to cool your building.
The HVAC factor includes the associated heat loss during the heating season.
HVAC calculations are based on 5 months of HVAC cooling operation.
.33 Watts are used by HVAC to cool the heat generated.

Total Annual Kilowatt-hours Saved from the retrofit **651,862**

Kilowatt-hours saved to Cooling Savings / Year * **89,631**
(.33 Watts x 5 months / (12month per year)
(.1375 x 46,512 Kwh saved /year)
* HVAC Savings based on percentages accepted in most industry and commercial settings.

Utility Rate / KWH = **$0.11**

Total Annual HVAC Savings:

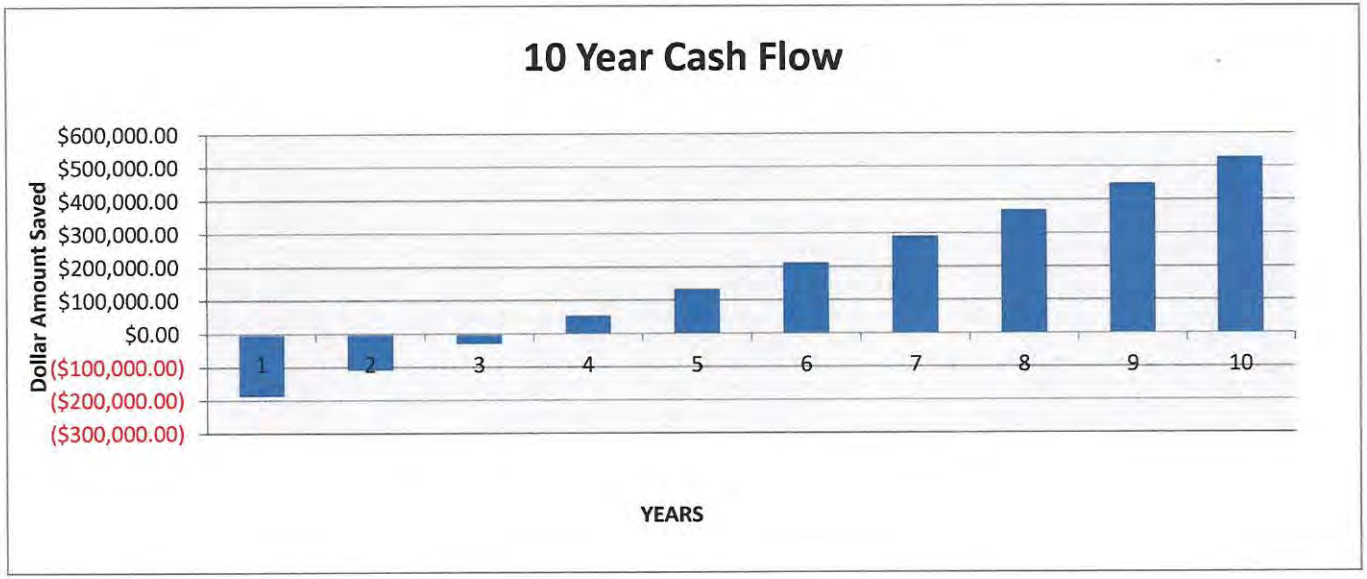
Potential Utility Rebates

Utility rebates vary by service territory but are commonly based on any of several potential criteria: (kW) saved, kilowatt-hours (kWh) saved, per fixture rebates, and/or standard allocations based on client type, size, or service class.

For this project, The local utility offers an allocated rebate amount: **$0.00**

Ten Year Savings Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Savings	$78,703.63	$78,703.63	$78,703.63	$78,703.63	$78,703.63	$78,703.63	$78,703.63	$78,703.63	$78,703.63	$78,703.63
Total Cost	$261,876.49	($183,172.85)	($104,469.22)	($25,765.59)	$52,938.04	$131,641.67	$210,345.30	$289,048.93	$367,752.56	$446,456.19
Total Saved	($183,172.85)	($104,469.22)	($25,765.59)	$52,938.04	$131,641.67	$210,345.30	$289,048.93	$367,752.56	$446,456.19	$525,159.82



COVANTA
ENERGY
for a cleaner world

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Tel 301 916 3031
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June 26, 2014

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Dan Locke
Chief, Division of Solid Waste Management
Montgomery County DEP/DSWS
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

SUBJECT: **MONTGOMERY COUNTY RESOURCE RECOVERY PROJECT**
Change Order No. 119 – DOT Pad Operation and Material Management

Dear Chris and Dan:

This will confirm the agreement of the Northeast Maryland Waste Disposal Authority (the "Authority") and Covanta Montgomery, Inc. (the "Company") to modify the Service Agreement between the parties dated November 16, 1990, as amended and supplemented ("Service Agreement") with respect to the following matters relating to operation and material handling at the Department of Transportation ("DOT") pad ("DOT Pad") at the Montgomery County Transfer Station. All capitalized terms used in this Change Order that are not defined have the meanings given such terms under the Service Agreement. The Authority, the County, and the Company are individually referred to herein as a "Party" and collectively as the "Parties."

The DOT Pad includes the DOT shed and the surrounding concrete and asphalt areas to the immediate northeast of the main Transfer Station building (center coordinates: 39.121128,-77.171863).

This Change Order is effective July 1, 2014.

1.0 Equipment

Table 49.1 in Schedule 49(a) of the Service Agreement is amended to add the following equipment, which will be provided by the County and used by Covanta to perform the work required by this Change Order.

- 2 – Tractors (road registered, insured and tagged via the Authority and DSWS licensed)
- 2 – Steel body dump trailers (road registered, insured and tagged via the Authority and DSWS licensed)
- 1 – Vibrating screen separator
- 1 – BobCat w/ brush attachment (existing, County owned)

Schedule 47 – Maintenance of County Owned Loader is hereby amended to read in full: [RESERVED].

Schedule 49(b) is amended to add the following:

> 11. For budget planning purposes, Covanta will provide the Authority an annual estimate of expected major repairs to the equipment provided above by July 31st for the Fiscal Year that begins the following July 1.

2.0 Material Disposal Costs

To provide for a mechanism to pass through the cost associated with the disposal of the material delivered to the DOT Pad, Schedule 49(f) is amended to add the following:

> (xiii) DOT Material is dirt, rock, concrete, asphalt, and other materials as delivered to the DOT Pad.

3.0 Staffing

Schedule 49(c) is amended to add the following:

> 2. Starting July 1, 2014 the Company shall provide the following personnel to perform the duties described in Section 4.0 of Change Order No. 119:
>
> Two (2) drivers
> Two (2) equipment operators
>
> Such staffing shall be subject to a one-time review by the Parties beginning on or about January 1, 2015 to jointly determine the adequacy of such staffing, as well as the impact

on Section 5.1 (xxix)(g). As a result of this review, the Authority may require changes in the program for DOT Materials subject to the provisions of Section 8.1(c) of the Service Agreement. An annual review of scope by the Parties may be conducted at the request of any of the Parties to determine the need for additional or reduced resources. The Company shall provide certified and qualified personnel to operate the equipment provided in Schedule 49.

4.0 Responsibilities

Schedule 49(d) is amended to add the following paragraph 18 to Section (d):

18. The Company will manage the material flow at the DOT Pad to:
    - Minimize disposal costs by disposing of material at the lowest cost available site located within one hour traveling time of the Transfer Station, unless directed by the County to an alternate location;
    - Maintain space for material to be properly handled;
    - Operate the soil screening process;
    - During periods of reduced DOT Material flow, use operators, drivers and equipment as directed by the County Representative to perform other Department of Environmental Protection operations and hauling activities related to the Service Agreement;
    - Be responsible for managing DOT Material disposal contracts;
    - Operate the DOT Pad by monitoring and complying with sediment control regulations and the updated provisions associated with MDE's approval to operate a soil screener in this area;
    - Monitor and visually assess incoming material to confirm it is Acceptable Waste and also organize the material for efficient rubble recycling. Material will be deemed Unacceptable if it obviously and visually meets the criteria established in Schedule 11. The Company will be required to refuse this material. Cost of disposal for material wrongly accepted will be the Company's. Cost associated with all other material will be passed through as defined in Schedule 49 (f) (xiii);
    - Manage incoming material at the DOT Pad Monday – Saturday from 7:00 a.m. – 5:00 p.m. Soil screening and shipping operations may occur during this time period or before or after regular receiving hours depending upon the level of incoming traffic; and
    - Maintain the area cleanliness.

5.0 Remuneration

In full compensation for the additional work to be performed by Covanta under this Change Order, Section 5.1(a) (xxix) is amended to add the followingpass through costs as clauses (g) and (h):

(g) An amount equal to $328,986.79 (in June 30, 1989 dollars), escalated in accordance with Schedule 9 of the Service Agreement. This sum is full compensation for the work required by Schedule 49(d)(18) and includes compensation for:

1. The material management on the DOT Pad;
2. The hauling of up to 2,000 loads of DOT Material for recycling/disposal during any Fiscal Year; and
3. The hauling of up to 40 loads of DOT Material for recycling/disposal during any work week (Sunday to Saturday).

h) For all hours, approved in advance by the County, required to haul any additional DOT Material above the amounts stated in clause (g) above, the overtime rate of $38.75/hour (in June 30, 1989 dollars), escalated in accordance with Schedule 9 of the Service Agreement. Should Covanta personnel be unable to haul additional DOT Material above the amounts stated in subsection (g), Covanta will be paid under this clause (h) the direct cost for a third party contracted to move the material. Should the Company be directed to use open top containers to move yard waste by truck to the compost facility, the Company will be paid an amount equal to 50% of the current per box fee (set forth in Section 5.1 (a) (xxvii)). This fee would be in addition to any overtime payments required by this subsection.

Except as explicitly amended herein, all other terms and conditions of the Service Agreement remain in full force and effect.

ACKNOWLEDGED AND AGREED to this Change Order No. 119

COVANTA MONTGOMERY COUNTY, INC.

Date: June 26, 2014 By: Joseph O. Hudspeth III
Covanta Representative

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Date: 6/27/2014 By: Charles Sydnor
Authority Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this Change Order by the Authority pursuant to Section 6.2 (B) of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: June 27, 2014 By: Daniel Locke
County Representative

COVANTA
Powering Today. Protecting Tomorrow.

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301-691-9001

February 26, 2015

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Dan Locke
Chief, Division of Solid Waste Management
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Executive Office Building
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Rockville, Maryland 20850

SUBJECT: **MONTGOMERY COUNTY RESOURCE RECOVERY PROJECT**
Change Order No. 120 – TS Non-Ferrous Separation and Marketing

Dear Chris and Dan:

This will confirm the agreement of the Northeast Maryland Waste Disposal Authority (the "Authority") and Covanta Montgomery, Inc. (the "Company") to modify the Service Agreement between the parties dated November 16, 1990, as amended and supplemented ("Service Agreement") with respect to the following matters relating to the separation and marketing of non-ferrous material from the scrap metals site at the Montgomery County Transfer Station. All capitalized terms used in this Change Order that are not defined have the meanings given such terms under the Service Agreement. The Authority, the County, and the Company are individually referred to herein as a "Party" and collectively as the "Parties."

This change order amends and restates the existing Schedule 49 so that it reads in full as set forth in the attached Version 3.0, which incorporates all prior changes and those being made for the handling of non-ferrous material at the Transfer Station.

This change order appends the following to the definition of Project Revenues in Schedule 16: Project Revenues does not include Non-Ferrous Recyclable Material Revenue as defined in Schedule 49.

Except as explicitly amended herein, all other terms and conditions of the Service Agreement remain in full force and effect.

ACKNOWLEDGED AND AGREED to this Change Order No. 120

COVANTA MONTGOMERY COUNTY, INC.

Date: February 26, 2015 By: Joseph O. Henloff III
Covanta Representative

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Date: _____ By: _____
Authority Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this Change Order by the Authority pursuant to Section 6.2 (B) of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: March 12, 2015 By: Daniel Locke
County Representative

ACKNOWLEDGED AND AGREED to this Change Order No. 120

COVANTA MONTGOMERY COUNTY, INC.

Date: February 26, 2015

By: _____
Covanta Representative

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Date: 3/6/2015

By: _____
Authority Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this Change Order by the Authority pursuant to Section 6.2 (B) of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: _____

By: _____
County Representative

Schedule 49
To
Service Agreement, v 3.0

Upper Lot
Recyclable Material Drop-Off Area
Agreements and Responsibilities

The Company shall operate and maintain the Upper Lot of the Transfer Station in accordance with the provisions listed below.

(a) The equipment in Table 49.1 below and its successors shall be provided by the County or Authority for the Company's use in operating the Upper Lot. The County shall also provide all of the various containers required for the collection and storage of Recyclable Material. This list can be modified via written mutual agreement between the Parties, as necessary.

TABLE 49.1

Equipment	Fixed Asset Identification Numbers
1. Three (3) Roll-Off Trucks (Macks)	RD #202 (2001 Mack) RD #303 (2008 Mack) RD #334 (2012 Mack)
2. One (1) crane equipped with tipping floor magnet	RD #321 (2009 John Deere Tipping Floor Magnet Crane)
3. One (1) Daewoo Crane in Upper Lot	RD #295 (2007) Daewoo/Doosan 210 Scrap Metal Crane
4. One (1) Forklift	RD#___ (2011) Yale Forklift*
5. Roll-Off Boxes and Recycle Boxes	Box #s 101, 102, 103, 104, 105, 106, 107 (RD #309), 108 (RD# 311), 109 (RD#312), plus two boxes at the MRF (RD#s 314 and 315) Added spring 2013 #'s 125, 126, 127, 128, 129 Added fall 2014 #'s 130, 131, 132, 133
6. One (1) Ottawa Yard Truck	Ottowa Yard Truck #14 (RD #)
7. One (1) 950H Loader (DOT Area)	2010 CAT 950H Loader (RD#332)
8. One Volvo Loader (Scrap Metal)	2012 Volvo VCE L90F Wheel Loader**
9. One (1) Stationary Gas Eagle Tire Derimmer supplied with a 13HP Gas Engine	Serial Number: 051333210
10. Two (2) On road Tractors	SN: 5KJJAXDV3FLGG3250 SN: 5KJJAXDV5FLGG3251
11. Two (2) Steel Body Dump Trailers	SN: 1G9DD3036FB336613 SN: 1G9DD3038FB336614
12. One (1) Vibrating Screen Separator	SN: FSC 100 – 0002
13. One (1) BobCat w/ brush attachment	SN: 530522574 Model S185; RD#310

* replaced 2007 Hyster forklift given to MES
** replaced 1994 CAT 966 loader that was sold on govdeals.com

(b) Maintenance and replacement responsibilities for equipment listed in Table 49.1 is as follows:

1. The Company will perform routine and recommended inspections and preventive maintenance (routine lubrications, oil changes, filter changes, wiper blade changes, lamp changes, exterior washing and cleaning of interior, head lamps, and any necessary minor repairs.

2. Major maintenance such as loader tires, cutting edges, engine rebuilds, transmission rebuilds, differential rebuilds, provided by the Company will be passed through to the Authority at documented cost for materials plus labor.

3. Approval for major maintenance and for routine maintenance expenses greater than $1,000.00, based on estimates provided by the Company, must be obtained in writing from the Authority and the County, in advance of such expenses being incurred by the Company and approved by the County and Company's transfer station managers.

4. Fuel for the equipment in Table 49.1 will be provided by the County. The County will provide off-road diesel fuel at the Transfer Station fuel depot necessary for the services performed by the Company in this Schedule 49. On-road diesel fuel will be provided by the County via a fuel card that will allow over-the-road vehicles to fill up at the County Highway Services depots. The Company will provide equipment fuel consumption records to the County at the end of each month in a form approved in advance by the County. At a minimum, such forms shall document equipment hours of use and amount of diesel fuel used.

5. Insurance for the registered vehicles and equipment listed in Table 49.1 will be provided by the County or Authority. The insurance and indemnification provisions of Article 10 of the Service Agreement remain in full force and effect.

6. The County will provide insurance and registration for all County vehicles used by the Company. This does not affect the Company's requirement to carry liability insurance for all its drivers and employees.

7. The Authority will provide insurance and registration for all Project owned vehicles used by the Company.

8. The Company will perform routine maintenance as needed, or as reasonably requested by the County within the scope of routine maintenance, on the Upper Lot site. Responsibilities include, but are not limited to, repairs to pavement, striping of roads, clean up of minor spills, repair and replacement of existing signage as needed. Not included are the hazmat compound or its associated facilities and equipment. The

Company will not be responsible for the cost of major repairs at the site caused by the actions of individuals or contractors not employed by the Company.

9. The Parties do not know of any existing contamination of the Upper Lot site, after having conducted a reasonable review of the conditions of the site. In the event that there is any contamination at the Upper Lot site, the Company is not responsible for contamination of the site and in any case the Company shall not be responsible for impact of pre-existing conditions of contamination on daily activities, maintenance or approved area repairs, and the Authority will reimburse the Company for direct and substantiated costs incurred as a result of or in connection with such contamination. However, the Company will be responsible if their acts or actions aggravate any pre-existing onsite contamination. The Company is not responsible for clean-up and restoration activities associated with site contamination beyond reasonable control activities. The Company must use reasonable efforts in screening dropped off materials for hazardous waste, including directing customers to the appropriate drop-off area. Customers should be directed to the Household Hazardous Waste drop-off if the material is of questionable origin or source, or the customer does not know the contents of a container.

The Company will use reasonable visual screening methods on material entering the Upper Lot site. In the event that a customer delivers non-recyclable material which is non-hazardous waste pursuant to Federal and State law, (i) if the material is Acceptable waste, the Company will deliver the material to the Transfer Station; or (ii) if the material is not Acceptable Waste, the Company will contain the material and notify the County. The County and the Company will then assess the most cost effective option for disposal whether through Company resources or County resources. If the County elects to have the Company dispose of the Unacceptable Waste, the County will cover the cost of disposal, provided that the Company would not have identified this material through reasonable visual screening.

10. Replacement of all equipment in Table 49.1 shall be at the County's discretion. Upon initial takeover, the Company will inspect such equipment with the Authority and the County to document its condition, and will have the opportunity to inspect any replacement equipment before it is placed in service. The Company is not obligated to operate, maintain, or repair this equipment beyond its useful life, unless such repair or replacement of equipment is the result of the Company's negligent act or the lack of the Company's maintenance on the equipment. The Company is not responsible for normal wear and tear to the equipment that can be determined to be reasonably expected uses of the equipment in performing this task. Any dispute related to normal wear and tear within the reasonably expected uses of the equipment must be resolved in accordance with Section 14.15 of the Service Agreement.

11. For budget planning purposes, Covanta will provide the Authority an annual estimate of expected major repairs to the equipment provided above by July 31st for the Fiscal Year that begins the following July 1.

(c) The Company shall provide initial staffing for the Upper Lot as follows:

1. Starting July 1, 2011 the Company shall provide the following personnel.

One (1) Supervisor
Two (2) Drivers
Two (2) Equipment Operators
Five (5) Lot Attendants (changed from 4 to 5 by August 29, 2011 letter)

Such staffing shall be subject to one-time 90-day and 180-day reviews by the Parties to jointly determine the adequacy of such staffing, as well as the impact on Section 5.1 (xxviii)(c).). For each additional Lot Attendant, the fees shall be increased pursuant to Section 5.1 (xxviii)(b). After 180 days, changes in programs for recycled materials shall be subject to negotiation between the Parties. An annual review of scope by the Parties may be conducted at the request of any of the Parties to determine the need for additional or reduced resources. The Company shall provide certified and qualified personnel to operate the equipment provided in this Schedule 49.

(d) General Responsibilities of the Company:

1. One time per week or as reasonably requested by the County, pick up litter along Shady Grove Road from Route 355 to Muncaster Mill Road.

2. Haul Roll-Off loads of residual waste generated at the County's Material Recovery Facility, (located adjacent to the Transfer Station Site) to the Transfer Station Tipping Floor ten (10) hours per day, Monday through Thursday.

3. The Company shall perform the following off-site hauling:

a. Haul municipal solid waste and Recyclable Material with two designated separate roll-off trucks from the Poolesville Beauty Spot to the Transfer Station every Saturday & Sunday as necessary from noon to 5:00 p.m.
b. Haul mulch from the Transfer Station to Halmos Park in Poolesville or other locations defined in this Agreement. Hauling of mulch will be designated by the County up to twice monthly and up to 24 times per year as needed.

4. Maintain all safety requirements, flow of customer and vendor traffic in the Upper Lot area and allow for maintenance and non-obstructed access of the roadways, storage areas and parking areas. Company will coordinate traffic within the boundaries as defined herein to allow vendors to safely go in and out of the Upper Lot site. Coordination of traffic flow outside of these boundaries shall be provided by the County, which will include Company cooperation as necessary.

5. Manage and switch out full roll-off boxes and trailers of Recyclable Material with empty roll-off boxes and trailers, as necessary. Full roll-off boxes and containers shall be moved from the Upper Lot to other staging areas within the Transfer Station

seven (7) days per week by using roll-off trucks and yard trucks. Recyclable Material trailers will include individual tire trailers, electronics trailers, textile trailer and mixed paper trailers. Recyclable Roll-off boxes include roll-off boxes for commingled containers. Containers and trailers may need to be moved from time to time as well.

6. Maintain a daily load count of materials loaded and direct outbound loads to weigh out on the Transfer Station truck scales. Acquire the flow meter quantity records of used oil and used antifreeze collected by the oil/antifreeze recycler.

7. Operate Magnet on Tipping Floor to remove metals from material separated by the Tipping Floor Attendant(s). The recovered metals must be delivered to the white goods recovery location, or other location as designated by the County. This operation shall take place eight hours per weekday, excluding Holidays.

8. Switch out full scrap metal contractor's boxes from tipping floor area with empty replacement boxes stored at the Upper Lot.

9. Load scrap metal contractor's boxes in the Upper Lot from the scrap metal pile in the Upper Lot using the crane if necessary. The scrap metal pile in the Upper Lot must be maintained by the Company in a neat and orderly fashion during and after loading.

10. The Company shall be responsible for maintaining the oil/antifreeze recycling area. Such maintenance activities shall include, but are not limited to, clean-up of spills with absorbent materials, replacing funnels as needed, checking tanks on a daily basis to assure there is adequate storage capacity available to prevent tanks from overflowing and cleaning the drop-off area daily. The Company is responsible for reporting to the appropriate state agency as required by permit.

11. The Company shall subcontract CFC and HCFC recovery services from a qualified, EPA certified subcontractor(s). Recovery of CFCs and HCFCs from appliances must comply with Federal requirements and be staged in a separate area of the Upper Lot of the Transfer Station. If CFC and HCFC recovery is subcontracted, the Company must notify the contractor to schedule purging. The scope of this work limits the recovery of CFCs and HCFCs to R-12, R-22, R-500, and R-502 type refrigerants. The Company must be responsible for recycling, reclaiming, transferring, or disposing recovered refrigerants, and for disposing contaminated refrigerants and must ensure compliance with State laws and the Federal Clean Air Act. The direct costs associated with the performance of tasks by the subcontractor(s) will be an Approved Pass Through cost.

12. Provide sufficient qualified staff for the collection of scrap passenger car tire and light duty truck tires (with or without rims) from County residents bringing tires to the drop-off area. The tires will be stored in trailers on site. For tires with rims, the Company will operate the tire derimmer and place the removed rims in the scrap

metal area. The County's scrap tire subcontractor will provide a trailer, as designated by the Company, for receipt of the tires.

When the scrap tire trailer is full, the Company must arrange to have the trailer transported to an authorized scrap tire system facility. Any excess tires collected must be stockpiled on site in a safe and organized fashion until an empty trailer is available for the receiving location. No amount of tires shall be stockpiled by the Company above the maximum amount designated by the County. Company personnel will then load the tires into the trailer.

13. Maintain and oversee the drop-off areas for commodities including: oil, antifreeze, vegetable oil, computers/TVs/consumer electronics, bikes, tires, commingled containers, mixed paper, useable building materials, textiles and propane. This includes, but is not limited to, switching of receptacles as needed.

14. Monitor inventories of materials and dispatch vendors for Recyclable Material hauling as required to keep materials flowing and prevent excessive buildup of materials on site.

15. Periodic delivery and pick up of roll-off boxes to assist County-sponsored community clean-up efforts as requested up to twice per week.

16. Arrange for the pick-up of rejected textiles at charitable organizations designated by the County for the purpose of collecting used clothing and other textiles that charitable organizations may need. The County must be responsible for maintaining any necessary agreements with local charitable organizations for this work. The subcontractor will provide a trailer, as designated by the County, for receipt of the textiles.

The Company must pick-up rejected textiles within one week after notification by the designated charitable organization. The rejected textiles must be picked up and delivered by the Company to the Transfer Station, where the rejected textiles must be weighed and unloaded into the textile recycling contractor's trailer. The Company must also assist, if necessary, any residents bringing textiles directly to the textile recycling contractor's trailer. If mutually beneficial to the County's and the charity's needs, the Company may drop off an empty A-frame roll-off container or other suitable water proof container at the site of the charitable organization to facilitate collection and storage. If the Company is providing a container, the container must be returned, empty, to the charitable organization by the Company on the same day. The Company must provide a load count to the County of the commodities to be delivered to the Transfer Station. The Company will provide periodic pick-up of textiles from remote locations up to twice per week. Details of pick-ups will be provided by the County.

17. Parties agree to negotiate impact of material changes in scope/volume of the recycling programs within the Upper Lot, and the servicing of beauty spots, hauling of mulch and hauling of residuals.

18. The Company will manage the material flow at the DOT Pad to:

- Minimize disposal costs by disposing of material at the lowest cost available site located within one hour traveling time of the Transfer Station, unless directed by the County to an alternate location;
- Maintain space for material to be properly handled;
- Operate the soil screening process;
- During periods of reduced DOT Material flow, use operators, drivers and equipment as directed by the County Representative to perform other Department of Environmental Protection operations and hauling activities related to the Service Agreement;
- Be responsible for managing DOT Material disposal contracts;
- Operate the DOT Pad by monitoring and complying with sediment control regulations and the updated provisions associated with MDE's approval to operate a soil screener in this area;
- Monitor and visually assess incoming material to confirm it is Acceptable Waste and also organize the material for efficient rubble recycling. Material will be deemed Unacceptable if it obviously and visually meets the criteria established in Schedule 11. The Company will be required to refuse this material. Cost of disposal for material wrongly accepted will be the Company's. Cost associated with all other material will be passed through as defined in Schedule 49 (f) (xiii);
- Manage incoming material at the DOT Pad Monday – Saturday from 7:00 a.m. – 5:00 p.m. Soil screening and shipping operations may occur during this time period or before or after regular receiving hours depending upon the level of incoming traffic; and
- Maintain the area cleanliness.

19. The Company will, in the process of managing the scrap metals, be allowed to remove non-ferrous scrap metals from the delivered material. Those removed materials will be stored separately, marketed and sold by the Company. The costs to transport the non-ferrous scrap metal may be deducted from the revenue generated from the sale of non-ferrous scrap metal, but only to the extent that such deduction does not exceed such sales revenue. The net amount will be considered Non-Ferrous Recyclable Material Revenue and will be distributed as described in the following Subsection (e) of Schedule 49.

(e) Where Recyclable Material Revenue (other than Non-Ferrous Recyclable material Revenue) is generated from the sale or disposition of materials recovered at the Upper Lot and where the contract is administered by the Company under this Schedule 49, the Company shall remit such Recyclable Material Revenue to the Authority. Direct costs incurred by the Company to process Recyclable Material shall be treated as an Approved Pass Through Cost.

The Company shall remit to the Authority 50% of Non-Ferrous Recyclable Material Revenue that is generated from the sale or disposition of materials recovered at the Upper Lot under a contract that is administered by the Company under this Schedule 49.

(f) As of July 1, 2014 the following contracts and agreements are were in place between the County and the listed counterparties. The County will provide administration and contact information for the following commodities and programs:

i.	Scrap Ferrous – Joseph Smith via MES
ii.	Textiles – Community Recycling via MES
iii.	Propane – Safety Tank of Maryland via DEP
iv.	Books – American Association of University Women via DEP
v.	Donate Don't Dump – The Loading Dock, The ReStore, Community Forklift (back-up) via DEP
vi.	Bikes – Bikes for the World via DEP
vii.	Transfer Station Vegetable Oil – Greenlight Biofuels via MES
viii.	Electronics, computers, TVs, etc. – Vintage Tech via the Authority; Project Reboot, Phoenix Computers, Digital Bridge; The Mac Recycle Clinic, International Christian Organization for Development via DEP
ix.	Vehicle Batteries – Interstate Battery via MES (rebid quarterly)

The Company shall administer the following contracts and their successors on behalf of the County unless otherwise noted or agreed to by all parties.

x.	Transfer Station Waste Oil/Antifreeze, Poolesville Oil/Antifreeze Drop-off
xi.	Tires – Emanuel via Agreement with Covanta
xii.	Subcontract refrigerant removal
xiii.	DOT Material is dirt, rock, concrete, asphalt, and other materials as delivered to the DOT Pad.
xiv.	Scrap Non-Ferrous

Schedule 49
Exhibit 1
Recyclable Material

Antifreeze/Waste Oil
Cooking/Vegetable Oil
Scrap Metal/Appliances

Tires
Bicycles
Textiles
Paint
Electronics
Books

Commingled plastic, metal and glass containers
Yard Waste
Mixed Paper

Building Supplies
Clean Loads of Dirt/Concrete and Asphalt

Schedule 49
Revision Tracking

February 19, 2015 Rev 3.0

Under language in CO 120 current Version 3.0 was adopted in its entirety, incorporating all prior changes.

September 22, 2014 Rev 2.1

Added roll-off boxes 130 – 133 onto Table 49.1
Added SN on equipment added for CO 119.

July 1, 2014 Rev. 2.0

Incorporated language from CO 119 to add DOT Pad Services.

July 17, 2013 Rev. 1.3

Added the new de-rimmer as upper lot equipment under Table 49.1

June 7, 2013 Rev. 1.2

Added roll-off boxes #'s 125 – 129 onto Table 49.1

November 12, 2012 Rev. 1.1

Included Peter Karasik's comments of Oct 23, 2012 More detailed listing of Electronics under f.viii. Inclusion of Vehicle Batteries under f.ix. Inclusion of Tires under f.xi. Additional details added on Exhibit 1.

October 15, 2012 (Rev. 1)

Table 49.1 modified to represent fork truck and loader changes.
(c) 1. – Number of Lot Attendants raised from 4 to 5 pursuant to August 29, 2011 letter.
Modified Exhibit 1 to initial list of recycled material.

Northeast Maryland Waste Disposal Authority

December 23, 2014

Mr. Mark Freedman, Business Manager
Covanta Montgomery, Inc.
21204 Martinsburg Road
Dickerson, MD 20842

Subject: Service Agreement between the Northeast Maryland Waste Disposal Authority and Covanta Montgomery, Inc.: Change Order No. 121: DOT Building Extension

Dear Mark:

In accordance with Section 8.1(c) of the Service Agreement, the Authority is requesting that the Company cause to construct a 75' x 100' x 28' canopy extension to the DOT building at the Montgomery County Transfer Station in Derwood, MD (see attached drawing). The work shall be done in accordance with the quote received from Durable Steel Structures (DSS) of Monkton, MD dated November 28, 2014 (attached).

The Company will be responsible for repair of any damage to this new structure caused by the actions of its employees or contractors. The costs of any general maintenance provided beyond that for normal daily operations will be treated as an Approved Pass Through Cost.

The estimated cost for the installation of this extension is $202,700, which figure includes the estimate of $172,500 from DSS, the Company's 7.5% mark-up and an additional 10% contingency. The Authority shall pay the Company the actual documented cost for the completion of the construction through the monthly Service Fee invoice immediately following the completion and acceptance of the installation by the Authority. The total payable to the Company for this task shall not exceed $202,700. The Company will take reasonable efforts to assist DSS in the performance of this task.

This Change Order No. 121 does not change the Performance Standards of the Service Agreement.

Sincerely,

Chris Skaggs
Executive Director

410.333.2730 / 410.333.2721 fax / authority@nmwda.org
nmwda.org / Business-to-Business Recycling: mdrecycles.org
Tower II- Suite 402, 100 S. Charles Street, Baltimore, MD 21201-2705

ACKNOWLEDGED AND AGREED to this Change No. 121

This 23 day of December 2014

COVANTA MONTGOMERY, INC.

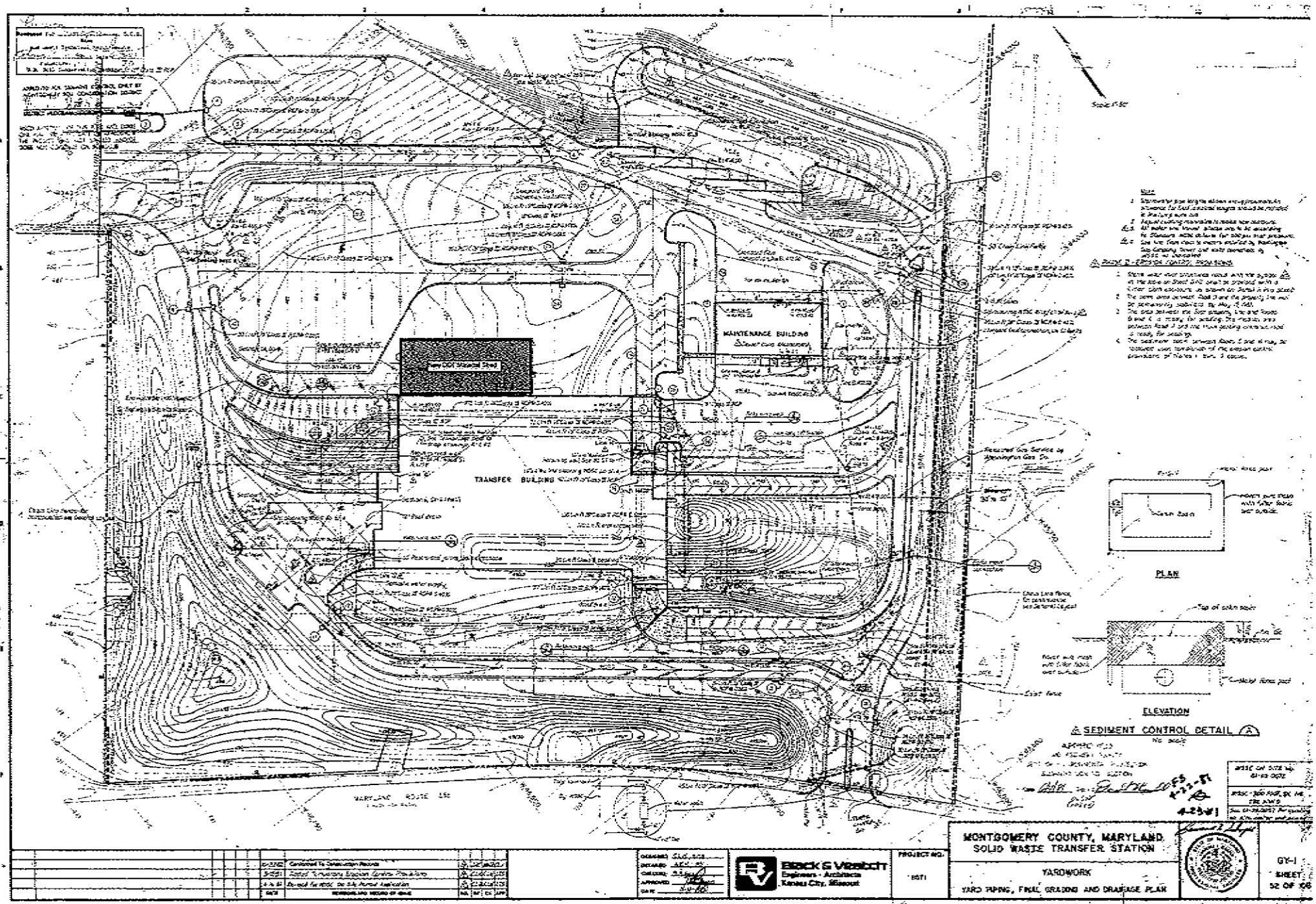
Date: 12-29-14 By: Joseph O. Neuhoff III
Covanta Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this letter agreement by the Authority pursuant to Section 6.3 of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: Dec. 24, 2014 By: Daniel Locke
County Representative

Attachment

cc: Dan Locke
Bill Davidson
Joe LaDana
Peter Karasik
Steve Blake, NMWDA
Joey Neuhoff, Covanta
Change Order Book



MONTGOMERY COUNTY, MARYLAND
SOLID WASTE TRANSFER STATION

YARDWORK

YARD PIPING, FINAL GRADING AND DRAINAGE PLAN

Block & Veatch
Engineers - Architects
Kansas City, Missouri

PROJECT NO. 8571

GY-1
SHEET 52 OF 106

ON SITE WATER AND SEWER SHEET 2 OF 8

Durable Steel Structures

November 28, 2014

Mr. T.J. Seifert
Covanta
Via E-Mail: ***tseifert@covanta.com***

RE: Montgomery Transfer Station
Canopy
DSS Job #EC086

Dear T.J.:

Durable Steel Structure is pleased to provide you with the following quote for the above referenced job. Supply all labor, tools, materials and equipment to:

1. Supply one 75' x 100' x 28' canopy.
2. Canopy will have no cable or rod cross bracing. We will utilize portal frames to provide clear access through frame line.
3. Provide designed and engineered stamped drawings for the foundation.
4. Provide permit with an allowance of $3,000.00 for fees.
5. Install foundation will all spoils left on site
6. Construct canopy.

TOTAL PRICE: $172500.00

If the above is acceptable to you, please sign where provided and return a copy to our office for processing.

AGREED AND ACCEPTED:

_____ _____

Name Date

Respectfully Submitted:

Glenn Dausch

EC086QUO1 /11-28-2014

COVANTA
Powering Today. Protecting Tomorrow.

Covanta Montgomery, Inc.
21204 Martinsburg Road
Dickerson MD 20842
301-691-9001

November 2, 2016

Christopher Skaggs
Executive Director
Northeast Maryland Waste
Disposal Authority
100 S. Charles Street
Tower II - Suite 402
Baltimore, MD 21201

Dan Locke
Chief, Division of Solid Waste Management
Montgomery County DEP/DSWS
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

SUBJECT: **MONTGOMERY COUNTY RESOURCE RECOVERY PROJECT**
Change Order No. 122 – PJM Data Jetstream Installation

Dear Chris and Dan:

This letter is to confirm the agreement among the Northeast Maryland Waste Disposal Authority ("Authority"), Montgomery County ("County"), and Covanta of Montgomery, Inc. ("Company") – collectively the "Parties" – regarding the County's request for the Company to procure an internet based data communication link compliant with PJM's new Jetstream system. This procurement will be treated as a Change under Section 8.1(c).

The Company, through its contractor, Kupper Engineering, Inc. will provide the following scope of services:

A. PJM RTU
   1. Replace the existing Director (DS4) hardware with the PJM certified hardware and firmware for use with the Jetstream platform.
   2. Add digital I/O module in Director hardware (if required).
   3. Add the OATI PKI PJM encryption key.
   4. Provide the setup for the Jetstream platform.
   5. Coordinate with PJM for points list and Jetstream change scheduling.
   6. One trip to site to replace the hardware, startup, and test with PJM.

B. PJM Encryption Key Service (OATI PKI)
   1. Generate the required PJM encryption key file.
   2. Provide the required security officer services.
   3. Register the PJM encryption key.
   4. Maintain the required security for the PJM encryption key.
   5. PJM encryption key is valid for two (2) years from the time of issue.

C. Verizon M2M Cellular Service:
   1. Specify and provide a Verizon 3G/4G compatible modem and antenna.
   2. Programing/configuration of cell modem
   3. Installation of modem and antenna
   4. Test all remote connections to verify functionality
   5. Test signal strength (dB) and speed

D. Services Include
1. 10 GB data usage monthly
2. Verizon Wireless Machine-to-Machine (M2M) coverage at 4G speeds
3. 2 year service agreement – static I/P - $87/mo plus I/P -- est $1,044/yr

Implementation will take 3 to 4 weeks from approval of this agreement. The equipment purchased under this agreement will be considered Project Equipment. All maintenance costs associated with this system, once approved by the Authority at its sole discretion and in writing, will be considered Approved Passthrough Costs. Replacement will be at the Authority's discretion and expense.

This project is estimated to cost $19,500 (including 2 years of service). The actual cost of this project, including a 7.5% adder, will be billed to the Authority on the monthly invoice. After two years the actual service fees will be billed on an annual basis on the monthly invoice.

All other terms and conditions of the Service Agreement remain in full force and effect.

ACKNOWLEDGED AND AGREED to this Change Order No. 122

COVANTA MONTGOMERY COUNTY, INC.

Date: 11/2/16 By: _____
Covanta Representative

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Date: 11/10/16 By: _____
Authority Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this Change Order by the Authority pursuant to Section 6.2 (B) of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: 11/11/16 By: _____
County Representative

Northeast Maryland Waste Disposal Authority

November 2, 2016

Covanta Montgomery, Inc.
21204 Martinsburg Road
Dickerson, Maryland 20842
Attention: Mr. Mark Freedman

Montgomery County DPWT
Executive Office Building
101 Monroe Street, Sixth Floor
Rockville, Maryland 20850
Attention: Mr. Dan Locke

Subject: Montgomery County Resource Recovery Project Change Order No. 123
Revised Billing Protocol

Dear Mark and Dan:

This Change Order No. 123 to the Service Agreement dated November 16, 1990 (as amended) between Northeast Maryland Waste Disposal Authority (the "Authority") and Covanta Montgomery, Inc. (the "Company") amends the definition of Project Revenues in Schedule 16 and addresses the removal of the Trustee from the Service Agreement.

The Authority, the County, and the Company agree to the amended and restated Billing Protocol for the Service Agreement presented in Attachment A.

This Change Order No. 123 does not change the Performance Standards of the Service Agreement.

Sincerely

Christopher Skaggs
Executive Director

cc: Bill Davidson
Joe LaDana
Joey Neuhoff, Covanta
Change Order Book

MCF11646BLU.DOCX

ACKNOWLEDGED AND AGREED to this Change Order No. 123

This _____ day of _____

COVANTA MONTGOMERY, INC.

Date: 11-9-2016 By: Joseph O Nesbitt III
Covanta Representative

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Date: 11/2/2016 By: Charles Sly
Authority Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this letter agreement by the Authority pursuant to Section 6.3 of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: 11/10/17 By: Daniel Locke
County Representative

Attachment A

1.1 Billing Protocol

Section 5.2 of the Service Agreement sets forth the billing procedures for the Project. The parties hereto agree that the billing procedure referenced in Section 5.2 of the Service Agreement shall be modified. This agreement is effective upon execution.

Section 5.2 (b) shall be hereby modified as follows:

Invoice Schedule. All amounts payable in respect of the Construction Period Service Fee, the Delay Period Service Fee and the Service Fee will be calculated and paid on a monthly basis. The Company must provide the Authority with a statement or invoice for amounts payable as provided in this Section 5.2 by the 9th day of the month following the month for which such amounts apply. By the 16th day of the month in which the Authority receives the Company statement or invoice, the Authority will deliver to the County an invoice which will include the Company's statement or invoice and other charges and revenues allowed under the Waste Disposal Agreement between the Authority and the County. Amounts invoiced by the Company are due to be transferred to the Authority within twenty-one (21) days after the County receives the Authority invoice. Amounts invoiced by the Company are due to the Company within 21 days plus two (2) Business Days after the County receives the Authority invoice. If any of the above-referenced days are not a Business Day, the respective action will be due on the next succeeding Business Day. Components of the Service Fee must not be estimated.

1.2 Elimination of Trustee

The Bonds were satisfied and retired on April 1, 2016. The Parties acknowledge and agree that the services of the Trustee shall no longer be required. The Parties agree that as of July 1, 2016, the Authority assumed the duties with respect to the collection and disbursement of Project Revenues. As of the date of this Change Order 123, references in the Agreement to the "Trustee" with respect to the collection and disbursement of Project Revenues, including the payment of the Company invoices, shall hereinafter refer to the "Authority." References to the Trust Indenture shall have no further force or effect.

Section 5.8 Company Collection and Payment of Project Revenues shall be deleted and replaced with the following:

5.8 Company Collection, Authority Disbursement and Payment of Project Revenues

All Project Revenues collected by the Company on behalf of the Authority in accordance with Article VII of this Agreement are the property of the Authority. The Company must deposit all such Project Revenues with the Authority in accordance with the terms of this Agreement. The Authority shall maintain a separate checking account (a "Sub-account") with a financial institution designated by the Authority to receive and disperse Project Revenues and to process the payment of the Company invoices. The financial institution shall be a FDIC insured banking institution.

The Authority shall maintain the Sub-account solely for Project Revenues. The Company must collect the Project Revenues and deposit them with the Authority in accordance with this Section 5.8. The rights of the Company to receive payment under this Agreement are contingent upon the collection, deposit and disbursement of Project Revenues as herein provided. The Company hereby waives any and all rights of setoff, credit or other rights to withhold payment of Project Revenues to the Authority, notwithstanding the nonpayment of any amounts owed to the Company by the Authority or the County; provided, however, that the Company may set off any undisputed amounts owed to the Company by the Authority or the County.

1.3 Schedule 16. Definitions

The definition of "Project Revenues" in Schedule 16 has been amended as follows:

Project Revenues does not include revenue from the sale of Ferrous Recyclable material.

Northeast Maryland Waste Disposal Authority

October 14, 2016

Covanta Montgomery, Inc.
21204 Martinsburg Road
Dickerson, Maryland 20842

Attention: Mr. Mark Freedman, Business Manager

Subject: Montgomery County Resource Recovery Project
Change Order No. 124, Purchase of New Containers

Dear Mark:

In accordance with Section 8.1 of the Service Agreement, the Authority is requesting Covanta to purchase open and closed top containers for the project.

These containers should be purchased using the vendor and product specifications used in the purchase of containers through Change Order 102 for ease of maintenance and for safety considerations. This procurement should begin as soon as possible and these containers should be targeted to be delivered by June 30, 2017. Covanta should purchase and deliver 18 open top containers for yard waste for under $382,838 and to purchase and deliver 55 hatch top closed containers for MSW for under $1,269,897. The cost of these containers to the Authority shall be paid for as a pass through cost on the monthly invoice. Covanta will be paid the direct costs for the purchase and delivery of the containers. The not-to-exceed amount billable to the Authority under this change order for the containers is $1,652,735, inclusive of delivery costs and Covanta mark-up.

This Change Order No. 124 does not change the Performance Standards of the Service Agreement.

Sincerely,

Christopher Skaggs
Executive Director

410.333.2730 / 410.333.2721 fax / authority@nmwda.org
nmwda.org / Business-to-Business Recycling: mdrecycles.org
Tower II - Suite 402, 100 S. Charles Street, Baltimore, MD 21201-2705

Comprehensive Waste Management Through Recycling, Reuse, Resource Recovery and Landfill

ACKNOWLEDGED AND AGREED to this Change No. 124

This 14 day of OCTOBER

COVANTA MONTGOMERY, INC.

Date: 14 TH OCTOBER By: _____
Covanta Representative

On behalf of Montgomery County, Maryland, I hereby approve the execution of this letter agreement by the Authority pursuant to Section 6.3 of the Waste Disposal Agreement between the Authority and the County dated November 16, 1990, as amended.

Date: 10/14/16 By: _____
County Representative

cc: Dan Locke
Bill Davidson
Joe LaDana
Joey Neuhoff, Covanta
Change Order Book

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