

COPY

HOST COMMUNITY AGREEMENT BY AND BETWEEN THE
TOWNSHIP OF LOWER SAUCON, THE CITY OF BETHLEHEM AND
EASTERN WASTE OF BETHLEHEM, INC.
REGARDING THE BETHLEHEM LANDFILL

This Agreement is made this 12 day of ~~April~~^{MAY}, 1998 by and between the Township of Lower Saucon, a Township of the Second Class of the Commonwealth of Pennsylvania ("Township"), the City of Bethlehem, a municipal corporation and political subdivision of the Commonwealth of Pennsylvania ("City"), and Eastern Waste of Bethlehem, Inc., a Delaware corporation ("Eastern").

WHEREAS, the City is the owner and operator of the City of Bethlehem Landfill, which is more fully identified in the legal description attached hereto as Exhibit "A" (hereinafter the "Landfill");

WHEREAS, on November 12, 1993, the City and the Township entered into an agreement and a supplemental agreement to cooperate in the proper expansion of Landfill and to address concerns with the existing facility, which agreement was amended by addendum on July 3, 1997 (hereinafter, collectively, the "1993 Host Agreement");

WHEREAS, the 1993 Host Agreement required the City to review and accelerate completion of the closure and capping of the "original landfill";

WHEREAS, the 1993 Host Agreement required the City to investigate leachate pooling or ponding at the original landfill and, if technically and financially feasible, to draw down pooled leachate within the Landfill cells and discharge such leachate directly to the leachate collection system so as to minimize the amount of such leachate reaching the groundwater;

WHEREAS, the 1993 Host Agreement required the City to install and test on a quarterly basis various monitoring wells around the Landfill area;

WHEREAS, the 1993 Host Agreement required the City to conduct and provide residential well testing, leachate testing for quantity and quality, and testing of storm water quality leaving the Landfill site;

WHEREAS, the 1993 Host Agreement placed certain restrictions on residual waste received at the Landfill;

WHEREAS, the City agreed under the 1993 Host Agreement to accept municipal waste from only Lehigh and Northampton Counties, Pennsylvania;

WHEREAS, the City agreed under the 1993 Host Agreement that funds generated from the operation or sale of the Landfill would be used only for operation or closure;

WHEREAS, the Township adopted Ordinance 83-1 requiring landfill operators (other than exempt municipalities) to pay a tax of three percent (3%) of gross revenue to the Township;

WHEREAS, the 1993 Host Agreement required the City to pay certain host municipal fees to the Township for municipal waste, wastewater treatment sludge and residual waste deposited at the Landfill;

WHEREAS, the 1993 Host Agreement obligates the City to pay to the Township a fine of 25% of any fine paid by the City to the PADEP for violations at the Landfill;

WHEREAS, the 1993 Host Agreement obligated the City to pay certain sums of money relating to the extension of public water supply system along Applebutter Road and costs of certain property owners connecting to the public water supply;

WHEREAS, the City has entered into an agreement to sell the Landfill to Eastern Environmental Services, Inc., a Delaware Corporation ("Landfill Agreement"), which agreement will be modified to reflect the conveyance of the Landfill to Eastern, a wholly owned subsidiary of Eastern Environmental Services, Inc.;

WHEREAS, the Landfill Agreement conditions the consummation of the sale of the Landfill upon certain events, including a novation of the 1993 Host Agreement on terms acceptable to the City and Eastern Environmental Services, Inc.;

WHEREAS, Eastern Environmental Services, Inc., is willing to guarantee the obligations of Eastern to the Township and to the City under this novation of the 1993 Host Agreement; and

WHEREAS, the Township, the City and Eastern desire to enter into this Agreement to effect a novation of the 1993 Host Agreement and to enter into a new host agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the Township, the City and Eastern agree as follows:

Section I - Environmental Issues:

1. Eastern agrees that the definition of "abatement" and "remediation" of pollution of groundwater shall be the laws and regulations of the Commonwealth of Pennsylvania and those standards established by the Pennsylvania Department of Environmental Protection ("PADEP"). The parties

acknowledge that the existing groundwater abatement program at the Landfill was developed under the PADEP municipal solid waste management regulations. The parties also acknowledge that the state has enacted the Pennsylvania Land Recycling and Environmental Remediation Standards Act, Act 2 of 1995, which establishes, *inter alia*, remediation objectives for groundwater cleanup activities. The parties further acknowledge that the Township does not waive any rights it may have to comment on or contest any revision of the Groundwater Abatement Program.

2. Eastern will continue to operate and maintain the leachate collection system and the groundwater abatement and remediation system at the Landfill, including the discharge of leachate extracted from the Landfill directly to the leachate collection system so as to minimize the amount of such leachate reaching the groundwater, in accordance with all applicable requirements of the PADEP, and will continue work to reduce groundwater contamination ("Groundwater Abatement Program"). The terms of this Paragraph 2 shall also apply equally to any permitted expansion of the Landfill.
3. Eastern acknowledges that the Groundwater Abatement Program is a dynamic process. Should the drawdown wells need to be pumped at a higher rate, or more drawdown wells be required, Eastern shall respond as directed by PADEP. Eastern shall implement and, as appropriate, revise the Groundwater Abatement Program to achieve the goals of abatement and/or remediation established by PADEP. The parties acknowledge that Eastern may request the PADEP to review the existing Groundwater Abatement Program at the Landfill, including any past or future modifications to that abatement program, pursuant to the remediation objectives established under Act 2 of 1995. The parties acknowledge that the Township does not waive any rights it may have to comment on or contest any such request by or on behalf of Eastern. The parties further acknowledge that the Township does not waive any rights it may have to comment on or contest any revision of the Groundwater Abatement Program.
4. The City has modified the Landfill industrial wastewater permit for the acceptance of Landfill leachate and groundwater resulting from the Groundwater Abatement Program. The City shall cause the City of Bethlehem Wastewater Treatment Plant to enter into an agreement with Eastern to continue to treat leachate and groundwater abatement well water generated at the Landfill on terms acceptable to Eastern and the City, including, but not limited to: (a) issuing an industrial wastewater discharge permit to Eastern on terms (e.g., quantity and quality limits) no more stringent than the existing permit issued to

the City; (b) allowing Landfill leachate, groundwater and other wastewater to be discharged to the City's Sanitary Sewer System in accordance with the City's rules and regulations, as amended from time to time; (c) establishing a term of the agreement that extends for as long as the Landfill is generating leachate and/or groundwater in quantities that require treatment; and (d) requiring the City to authorize, cooperate and support the continued use of the City of Bethlehem Wastewater Treatment Plant to satisfy the leachate storage capacity requirements for the Landfill.

5. The City and the Township shall enter into an Industrial Waste Agreement in a form substantially similar to the agreement from the Township to the City, which said agreement shall be approved by the City as a condition of the Township's approval of this Agreement.
6. Eastern shall operate and maintain the groundwater monitoring well system (including all present on-site and/or off-site, and any future on-site and/or off-site monitoring wells), with the approval of and subject to all applicable requirements of the PADEP, or as agreed upon by Eastern and the Township.
7. Eastern acknowledges that the Township has expressed a concern that the monitoring wells on the Landfill's north side and east side, including well TW-9A, NS-2 and MP-5A, may not provide sufficient information for a valid statistical trend analysis for the north and east sides of the Landfill. The Landfill's current engineers, Gannett Fleming, have provided an opinion dated March 9, 1998 which has been delivered to allay the Township's concerns. If the Landfill's groundwater monitoring wells do not provide sufficient data to perform valid statistical trend analysis for groundwater from the north and east sides of the old original unlined landfill area north of the groundwater divide of the Landfill, Eastern shall supplement the existing ground water monitoring system wells with additional wells at the Landfill or at the City owned land over which Eastern has an easement for monitoring wells; provided, additional wells will provide sufficient data for statistical trend analysis. Eastern's obligation to provide additional monitoring wells shall end when PADEP no longer requires the monitoring wells.
8. Eastern shall conduct and provide all residential well testing as required by Municipal Waste Planning, Recycling and Waste Reduction Act of 1988, 53 P.S. § 4000.101 et seq. ("Act 101"), including any wells required to be tested by PADEP in accordance with its letter of October 12, 1991 and/or subsequent instructions. All contiguous property

owners to the Landfill have been notified of their right to have their well tested by a PADEP approved laboratory of their selection. Such testing shall be done in accordance with Form ER-WM-60:4/89 (or current version) quarterly and Form 19 annually.

9. Leachate tests of quantity and quality shall be performed quarterly by Eastern in accordance with all PADEP criteria.
10. The parties acknowledge that the storm water control system for the Landfill has been designed and installed in accordance with the Saucon Creek Watershed Plan requirements, as applicable. Eastern shall design and install any additions or changes to the storm water control system in accordance with the Saucon Creek Watershed Plan requirements, as applicable. Eastern shall test at least annually the storm water quality leaving the Landfill site from the detention and sediment basins.
11. Eastern will retain only qualified and licensed individuals to perform blasting activities at the Landfill. Should any special protection be necessary over any rock area uncovered or blasted prior to the start of Landfill liner construction, it shall be provided in accordance with all requirements of PADEP. All blasting activities will be reviewed and approved by a professional engineer.
12. Eastern shall assume responsibility for and the cost for the City's PADEP-approved plan for providing emergency water supplies to replace domestic or agricultural private water supplies that are demonstrated, to the satisfaction of PADEP, to require replacement as a result of the pumping down of the groundwater by the Groundwater Abatement Program. The City shall make available to Eastern replacement water in sufficient quantity and quality to satisfy the obligations of this Paragraph 12. The cost of any emergency water supplies and installation of any related permanent water supply extensions shall be borne by Eastern.
13. Eastern shall not use the "Naturite" material that the City previously used in 1988 and 1989 as cover material for the additional cover work or restoration work unless and until PADEP is fully satisfied that such material can be used in an environmentally safe manner. Such finding shall be evidenced by way of approval, in writing, from PADEP prior to any utilization of the "Naturite" for cover or closure purposes.

Section II - Township Cost Issues:

14. Eastern agrees to pay the Township quarterly a municipal host fee of \$1.75 per ton for all municipal waste and

wastewater treatment sludge, and \$2.92 per ton for all residual waste transported to and deposited in the Landfill. These rates shall be escalated annually, on a calendar year basis, at the rate of 4.0% per year, with the first adjustment occurring on January 1, 1999. The host fee rates set forth above shall be increased by \$1.00 for each ton of waste transported to and deposited in any area of the Landfill not currently permitted for disposal (hereinafter "Future Permitted Disposal Area"). Such \$1.00 increase shall also be escalated annually, on a calendar year basis, at the rate of 4.0% per year, with the first adjustment occurring on the first January 1st after waste is first disposed in such Future Permitted Disposal Area. The host fee shall be paid for any material defined as a waste in accordance with PADEP regulations irrespective of the use of that material by Eastern at the Landfill. The timing and manner of payment of the quarterly host fee shall be in accordance with the provisions of Act 101.

15. Eastern shall be exempt from the three percent (3%) gross revenue tax under Township Ordinance 83-1 and any future gross revenue and/or similar tax, fee or assessment established by the Township through Township ordinance against the Landfill facility or operation. This exemption shall relieve Eastern of the 3% tax on gross revenues from all revenue earned by disposing of or recycling waste at the Landfill and transporting waste to the Landfill for disposal. The foregoing shall not relieve Eastern from paying any applicable real estate tax or transfer tax. The parties acknowledge that this exemption shall not relieve Eastern from any valid, applicable gross revenue tax and/or any valid, applicable tax, fee or assessment asserted by the Township relating to any other business conducted by Eastern at the Landfill property. The parties further agree that:
 - (i) Eastern shall pay the Township a fee equal to 3% of any gross proceeds received from sales of methane gas generated at the Landfill, and
 - (ii) that if Eastern applies for and obtains a permit from the PADEP for operation of a transfer station at the Landfill, Eastern shall pay to the Township 3% of gross revenue generated through operation of such transfer station. The Township acknowledges that Eastern will not be charging its consolidated group or generating gross revenue for waste transported to any such transfer station by its consolidated group. The Township further acknowledges that Eastern is concerned that payment of 3% of gross revenue for transfer of waste may be excessive, and the Township agrees to meet with Eastern to negotiate in good faith a lower fee which may be more economically appropriate at the time. Eastern agrees at such time to consider, in good faith, any reasonable operational or environmental issue that may result from the operation of a transfer station. The parties acknowledge that the

preceding sentence does not apply to any transfer of waste due to the temporary unavailability of the Landfill to Eastern or similar emergency situations. All 3% gross revenue fees owed by Eastern to the Township shall be paid monthly.

16. In consideration of the Township's consent to delay the receipt of an increase on the host fee from Eastern and other good and valuable consideration, the City agrees to pay the Township upon the Effective Date of this Agreement a lump sum payment of \$500,000.00 by good check or immediately available funds.
17. In the event that the Landfill is found by the PADEP and/or any court of competent jurisdiction to be the cause of residential well contamination, Eastern shall pay the entire cost of extensions to the public water system required to serve Township residents affected by such contamination for any extension constructed after Eastern acquires the Landfill for residents that are not served by public water. The City and Township shall take all steps necessary and appropriate to approve any such extensions and to make available potable water of sufficient quantity and quality to satisfy the obligations of this Paragraph 17. In the event that the Landfill is found by the PADEP and/or any court of competent jurisdiction to be the cause of residential well contamination for any residential well located on property abutting the Water Line extension along Applebutter Road and Skyline Drive in existence at the time of this Agreement, whether or not the resident is served by public water at the time of the signing of this Agreement, the City shall pay \$200,000 to the Township, to compensate the Township for cost it has already experienced to bring public water to area residents.
18. The City waives the remaining \$50,000 credit against the host fee which had been provided for in Section II, Paragraph 3 of the 1993 Host Agreement.
19. The post-closure trust fund established pursuant to Section 1108 of Act 101 and funded by the City and/or Eastern shall be available for the County of Northampton and PADEP, as applicable, but, unless applicable law otherwise provides, in no event shall the maintenance and creation of the trust fund impose any obligation on the Township with respect to the use of those funds for the operation, ownership or maintenance of the Landfill.
20. Eastern shall make the Landfill available to the Township at a gate rate not exceeding the lowest rate then being charged any other municipality delivering similar quantities of waste to the facility without a contract. If the Township

establishes controls over its haulers assuring that only the municipal solid waste from the Township is delivered to the Landfill, Eastern shall make the Landfill available to the Township at a gate rate not exceeding the lowest rate being charged other municipalities delivering similar quantities of waste under contracts of similar time duration with the Landfill.

Section III - Landfill Operational Issues:

21. Eastern agrees to operate the Landfill in substantial compliance with the Landfill Solid Waste Permit No. 100020 (the "Solid Waste Permit") and the rules and regulations of the Pennsylvania Department of Environmental Protection ("PADEP") and valid Township ordinances which are not pre-empted, or otherwise meeting the criteria for pre-emption.
22. The Township agrees that Eastern may accept municipal and residual waste from any point of origin, in-state or out-of-state, in accordance with state or federal law.
23. Eastern agrees to provide the Township with a copy of all documentation submitted to PADEP for each residual waste being considered for disposal at the Landfill. The Township shall have 15 days for the Township Manager or his designee to provide Eastern any written comments from the Township. Such comments by the Township shall be documented by a professional engineer and subject to Eastern's review and final decision.
24. Eastern and the Township shall continue to participate in the Lower Saucon Township Landfill Committee ("Landfill Committee") to monitor and review the operation of the Landfill. The Landfill Committee shall consist of two Eastern representatives and two residents from the Township. The Landfill Committee shall meet monthly or at such other intervals as mutually agreed upon by the Landfill Committee members, and shall have the discretion to set its own meeting schedules and administrative procedures as the Landfill Committee deems necessary. The Landfill Committee shall be authorized and requested to periodically monitor the Landfill operation and provide reports on the Landfill operation to Eastern and to the Township. The Landfill Committee also shall be required and empowered to receive, review and report on Landfill related complaints. The Landfill Committee shall be advisory only, and shall have no legal authority to bind either Eastern or the Township. The Landfill Committee meetings shall be held within the Township and open to the Township, and/or its designees and Township residents to attend. Eastern will provide

reasonable, escorted access to the Landfill and property owned by the City over which Eastern has an easement to the members of the Landfill Committee and to the Township, and/or its designees.

25. Eastern shall retain a qualified professional engineer and other qualified personnel to provide oversight and monitoring of the following Landfill activities, and to provide a quarterly report to the Landfill Committee which report shall address at least the following:
- a) Progress on the installation of the Phase III Landfill and any approved future expansion phases.
 - b) Progress on capping or closure.
 - c) Report on the monitoring well testing program with reports of any increase or decrease in groundwater contaminant levels at these monitoring wells as compared to the preceding quarterly measurements, along with a comparison of the current quarterly results to the Pennsylvania Safe Drinking Water Act maximum contaminant levels and secondary maximum contaminant levels and calculated increase or decrease in parameter values. Such report may be the PADEP quarterly report, supplemented as necessary, without waiver of the Township's right to the PADEP quarterly reports.
 - d) Report on the residential well testing program with reports of any increase or decrease in groundwater contaminant levels at these residential wells as compared to the preceding quarterly measurements, along with a comparison of the current quarterly results to the Pennsylvania Safe Drinking Water Act maximum contaminant levels and secondary maximum contaminant levels and calculated increase or decrease in parameter values. Such report may be the PADEP quarterly report, supplemented as necessary, without waiver of the Township's right to the PADEP quarterly reports.
 - e) Any reporting that is presently being provided to the Township or Landfill Committee regarding the monitoring well testing program and/or the residential well testing program other than the reports referenced in sub-paragraphs (c) and (d) above, for as long as the underlying data utilized to prepare those reports continues to be available.
 - f) Report the tonnage for municipal waste, residual waste, and wastewater treatment sludge on a quarterly basis with regard to number of tons of each waste. Such report shall be the PADEP quarterly reports.
 - g) Problems of an environmental nature with respect to Landfill design, operation or necessary remedial measures.

26. Eastern shall retain an outside, independent qualified professional hydrogeologist or a firm employing such hydrogeologist to prepare and submit annually to PADEP, the Township and the Landfill Committee a report on the residential well testing and the monitoring well testing, which report shall include a "statistical trend analysis". This report shall be prepared annually until such time as PADEP deems it no longer necessary.
27. The City agrees that the leachate flow and groundwater abatement well water from the Landfill site shall not be allocated or charged to the Township or its authority as industrial waste or sanitary sewage, nor will there be any cost or fees assessed to the Township or its authority for conveyance or treatment. Also, these flows will not be charged or allocated against or deducted from the contracted sewage "reserved capacity" between the City and the Township. The parties acknowledge the Township's right to extend the Sewer Line (as hereinafter defined) subject to the limitations set forth in Paragraph 29, and any and all extensions of the Sewer Line must be approved by the City, pursuant to the existing arrangements. The Township agrees not to extend the Sewer Line without the prior written consent of the City. Such consent shall not be arbitrarily withheld by the City.
28. The parties acknowledge that Eastern will be acquiring the City's interest in the eight (8) inch sewer line providing sewer service for discharges of wastewater from the Landfill extending from the Landfill to the City's publicly owned treatment plant (the "Sewer Line"). The City represents to Eastern and the Township that the Sewer Line is designed and installed with a flow capacity of 730,080 gallons per day ("gpd"). Eastern shall maintain and be responsible for any and all costs of maintenance of the Sewer Line incurred after the effective date of this Agreement, for as long as the Landfill is discharging flow into the Sewer Line. When the Landfill is no longer discharging flow into the Sewer Line, Eastern will convey at no cost its rights to the Sewer Line to the Township or its authority, and the Township agrees to accept such conveyance provided Eastern has maintained the Sewer Line in reasonably good condition given its age and use and subject to normal wear and tear. Prior to such conveyance, the Township shall not assess against Eastern, nor be entitled to receive from Eastern, any costs or fees associated with the Landfill's discharge to the sewerage system serving the Landfill, and Eastern shall not be considered a customer of the Township with respect to any discharge from the Landfill facility to that sewerage system. After such conveyance, any discharge to the Sewer Line from the Landfill property shall be subject to the rules and regulations of the Township and/or its authority

for discharges of wastewater into the City's wastewater collection system.

29. The parties agree that the Township may approve the use of the Sewer Line by Township property owners, other than Eastern, subject to the following conditions: (i) the Township has the right to approve the discharge of no more than a total of 182,520 gallons per day of flow into the sewer line; (ii) the Township shall not approve any use of the Sewer Line by anyone which does not comply with the rules and regulations of the Township and its authority for discharges of wastewater into the City's wastewater collection system; (iii) the Township shall not approve the discharge of storm water into the Sewer Line, (iv) the Township shall not approve any hookup to the Sewer Line, which fails to meter either the sewage discharge (where the hookup involves a property using groundwater for drinking or other purposes) or the public water supply serving the associated use; (v) any use approved by the Township shall be charged or allocated against or deducted from the contracted sewage "reserved capacity" between the City and the Township; (vi) Eastern may inspect and has the right to disapprove, for engineering reasons, the location of any connection to the Sewer Line; and, (vii) none of the costs associated with any extension of or tapping into the Sewer Line, or any damage to the Sewer Line resulting therefrom, will be the responsibility of Eastern or the City. If Eastern reasonably determines that the discharge needs of the Landfill require more than 547,560 gpd, the Township agrees to reduce the 182,520 gpd flow capacity allotted to the Township herein to accommodate the reasonable needs of the Landfill, to the extent the Township has not already approved the use of the capacity to Township property owners pursuant to this Paragraph 29. Eastern agrees not to charge the Township, its authority or the Township's customers for the wastewater conveyed through the Sewer Line pursuant to this Paragraph 29.
30. Eastern, its successors and assigns, shall be a water customer of the Township or its authority and shall comply with the rates, rules and regulations of the Township or its authority. All private fire hydrants serving the Landfill shall be maintained with meters to measure water usage. Eastern shall continue to maintain the present hydrants without waiver of the right to add more hydrants.
31. The Township agrees that the prime responsibility for police protection to the Landfill shall be the Township's. The City agrees that the prime responsibility for fire protection to the Landfill shall be the City's.

32. The City has granted to the Township a woodlands protection easement for the approximate eight (8) acre area identified in Exhibits B and C, attached hereto. The woodlands protection easement provides that the woodlands in the easement area shall be preserved as undisturbed woodlands, except for removal of dead or diseased trees, and/or except for normal removal of trees for prudent forest management to allow for proper tree growth. The City also holds a Pennsylvania Power & Light easement and ownership of the former Redington/Bethlehem Steel Co. and Helms tracts, identified in Exhibits D, E and F, attached hereto. The City shall grant Eastern the rights of ingress, egress, and regress over the woodland protection easement area, the PP&L easement area and the former Redington/Bethlehem Steel Co. and Helms tracts, and the further right to perform groundwater testing and abatement and gas monitoring in these areas. The City, its successors or assigns, agree not to use the aforesaid tracts in such a manner which would unreasonably impede Eastern's use or access to the tract for activities, including, but not limited to, groundwater testing and abatement and gas monitoring. Excepting any activity relating to environmental investigation, monitoring, abatement and/or remediation, Eastern agrees not to undertake landfill disposal activities or own/operate a transfer station, incinerator, or any other type of waste processing activity, at the former Redington/Bethlehem Steel Co. and/or former Helms tracts, and further agrees to comply with the terms of the recorded scenic and Conservation Easements between the City and the Township for these tracts, whether Eastern uses the parcels under an easement from the City or Eastern later acquires the parcels from the City. The City, its successors and assigns, shall not transfer, lease, or otherwise divest itself of any interest in the aforesaid tracts/easements without prior written approval of the Township for any change in the use of the tracts which would be inconsistent with the scenic and conservation easements.

Section IV - Future Expansion of the Landfill.

33. The Township recognizes that Eastern intends to expand the Landfill, and the parties acknowledge that an expansion of the disposal capacity of the Landfill is an essential component of Eastern's acquisition of the facility.
- a. The Township, including all Council members, officers, employees and representatives acting on behalf of the Township, agrees not to oppose any proposed expansion of the Landfill, provided the proposed expansion is: (i) designed in compliance with applicable PADEP rules and regulations ("Condition 1"), (ii) designed in compliance with

applicable, valid Township ordinances that are not pre-empted, or otherwise meeting the criteria for pre-emption ("Condition 2"), and (iii) Eastern has operated the Landfill in material compliance with all applicable PADEP rules and regulations and the Landfill Solid Waste Permit ("Condition 3"). The parties further agree that the Township, including any Council members, officers, employees and representatives acting on behalf of the Township, may oppose any proposed expansion of the Landfill if Eastern does not meet the terms of Conditions 1, 2 or 3, above. The parties acknowledge that nothing in this Paragraph 33 binds the right of any Township Council member, officer, employee or representative from acting exclusively on their own individual behalf. The parties further acknowledge that any Township Council member, officer, employee or representative, while acting exclusively on their own individual behalf, may take any and all actions legally available to oppose any proposed expansion of the Landfill.

b. If the Township, including all Council members, officers, employees and representatives acting on behalf of the Township, in good faith opposes, including by an appeal to or intervention before an agency or court of competent jurisdiction, any expansion of the Landfill and is unsuccessful in such opposition, the Township shall not be subject to damages, provided that prior to initiating any such opposition, the Township has obtained and provided to Eastern:

(i) where the basis for the opposition is that Eastern has not met the terms of Conditions 1 and/or 3 above, unqualified, written opinions from both the Township Engineer and an independent professional engineering firm which professional engineering firm has, in the preceding six (6) months, performed substantive services on at least one landfill in Pennsylvania, which opinions detail the basis for the conclusion that Eastern has not met the terms of Conditions 1 and/or 3 above; or

(ii) where the basis for the opposition is that Eastern has not met the terms of Condition 2 above, unqualified, written opinions from both the Township Solicitor and a law firm with at least 25 attorneys and experienced in zoning matters, which opinions detail the basis for the conclusion that Eastern has not met the terms of Condition 2 above.

c. The parties acknowledge that nothing in this Paragraph 33 waives any rights the Township may have to request the PADEP to conduct a public hearing on any proposed expansion of the Landfill, or to offer to the PADEP during the

application review period any engineering design comments on the proposed Landfill expansion, any comments on the compliance history of Eastern regarding the operation of the Landfill, and/or any comments relating to a release or a significant threat of a release of hazardous substances to the environment by Eastern at or from the Landfill in violation of PADEP rules and regulations. The parties further acknowledge that this Paragraph 33 does not waive any rights the Township may have to offer to the Zoning Hearing Board any engineering design comments regarding whether the proposed Landfill expansion conforms to the Township Zoning Ordinance or any other valid Township ordinances that are not pre-empted, or otherwise meeting the criteria for pre-emption, over which the Zoning Hearing Board has jurisdiction and which are applicable to the proposed Landfill expansion.

d. The parties agree that, except only as provided in Paragraph 14 above, in no event shall any expansion of the Landfill, whether opposed or unopposed, result in an increase in the host fee due to the Township.

34. [Intentionally omitted.]

Section V - Legal and Other Issues:

35. This Agreement is entered into by the parties pursuant to the provisions of Act 101, including but not limited to Sections 304(b) and 1301.
36. The Township acknowledges that in Pennsylvania there are extensive rules and regulations governing the siting, design, operation, closure and post-closure of municipal waste landfill facilities, much of which pre-empts the Township's authority to adopt legislation affecting the siting, design and operation of the Landfill. The Township agrees to grant an immediate moratorium from enforcement of the Township Ordinance 98-3 and to repeal Township Ordinance 98-3 within 30 days from the effective date of this Agreement. Eastern agrees to provide written comments on Township Ordinance 98-3 to the Township within 30 days of the effective date of this Agreement. Eastern and the Township agree to thereafter meet with the goal of developing within six (6) months after the effective date of this Agreement a new landfill ordinance that does not address matters which are pre-empted, or otherwise meeting the criteria for pre-emption, by federal, state or county rules or regulations, or which are covered by the existing permits and licenses for the facility and/or this Agreement. The Township further agrees not to adopt any new landfill ordinance which addresses matters which are pre-empted, or

otherwise meeting the criteria for pre-emption, by federal, state or county rules or regulations, or which are covered by the existing permits and licenses for the facility and/or this Agreement. The Township agrees that it will not restrict the hours and/or days of operation of the Landfill or routing of traffic to the Landfill any more so than as provided in the existing Landfill Solid Waste Permit, without waiver of the right of the Township to enforce its otherwise valid and generally enforceable traffic ordinances. If after reasonable opportunity for review, Eastern fails to provide comment to the Township on any portion of a new landfill Ordinance which Eastern later successfully challenges, the Township shall not be subject to damages.

37. The hours of operations and buffer zone shall be as stated in the Solid Waste Permit for the Landfill and the PADEP regulations for municipal waste landfills.
38. The City and Eastern represent to the Township and each other that they are not aware of any existing material violation of PADEP regulations regarding the Landfill. Eastern further represents and warrants to the Township that it is not aware of any material pending, threatened or existing litigation against Eastern, its officers and directors which would in any way impede or jeopardize its ability to carry out the terms of this Agreement and operate the Landfill in accordance with applicable federal and state law and regulations. The City further represents and warrants to the Township that to its knowledge the Landfill is in material compliance with the Solid Waste Permit, and that it is not aware of any material pending, threatened or existing claim, cause of action, suit or judgement arising out of its ownership and operation of the Landfill.
39. To the extent that the 1993 Host Agreement may be a covenant of the Subdivision Improvements Agreement between the City and the Township, dated March 16, 1994, by virtue of the reference to and the attachment as exhibits of the 1993 agreement and supplemental agreement in Paragraph 13 thereof, it is intended and agreed by the Township and the City that any such covenant therein relating to the 1993 Host Agreement is released, effective upon the Closing Date of the Landfill Agreement.
40. Eastern agrees that this Agreement shall constitute a covenant running with the land, until such time as the same is released or modified by written agreement of the parties, so that the terms, conditions, and other commitments must be met by Eastern and any future owner or operator. The parties agree that this Agreement shall be recorded in the

Recorder of Deed for Northampton County prior to the issuance of a Certificate of Occupancy.

41. This Agreement shall constitute a novation of, and replace and supersede, the 1993 Host Agreement between the City and the Township, and further, the City shall have no further obligation under or as a result of the 1993 Host Agreement, the 1985 Host Agreement and/or the 1970 Stipulation and Agreement, each concerning the Landfill and between the City and the Township. Should court approval be required to modify the 1970 Stipulation and Agreement consistent with the preceding sentence, the parties agree to cooperate and take all reasonable steps necessary to obtain the same, with all costs and reasonable fees to be paid by the City and/or Eastern.
42. The parties hereby agree that this Agreement does not and is not intended to create rights of any kind in any person or entity not a party to the Agreement.
43. Eastern hereby agrees to hold harmless, indemnify and defend the Township of Lower Saucon from and against any damage, liability, loss or deficiency (including reasonable attorneys fees and other costs and expenses incident to any claim, suit, action or proceeding), arising out of or resulting from any failure of Eastern to duly perform or observe any term, provision, covenant or condition of this Agreement on the part of Eastern, and any negligence, carelessness, action or inaction on the part of Eastern arising from or in connection with Eastern's duties under this Agreement.
44. The City hereby agrees to hold harmless, indemnify and defend the Township of Lower Saucon from and against any damage, liability, loss or deficiency (including reasonable attorneys fees and other costs and expenses incident to any claim, suit, action or proceeding), arising out of or resulting from any failure of the City to duly perform or observe any term, provision, covenant or condition of this Agreement on the part of the City, and any negligence, carelessness, action or inaction on the part of the City arising from or in connection with the City's duties under this Agreement.
45. Eastern will use commercially reasonable efforts, including the payment of reasonable costs, not to exceed \$1,000.00, to cause its third party liability insurance carriers, including environmental liability carriers, to name the Township as an additional named insured on existing policies of insurance which relate to the Landfill.

46. This Agreement shall become effective upon the Closing Date of the Landfill Purchase Agreement between the City of Bethlehem and Eastern Environmental Services, Inc., except that the moratorium on the enforcement of Township Ordinance 98-3, provided in Paragraph 36, above shall be effective upon the execution of this Agreement by the parties. If this Agreement becomes unenforceable or null and void and the City resumes, re-acquires or reverts as the owner or operator of the Landfill, then the City shall comply with all of the provisions of the 1993 Host Agreement.
47. This Agreement shall constitute the entire integrated agreement of the parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.
48. No changes, additions, modifications, or amendments of this Agreement shall be effective unless they are set out in writing and signed by the parties hereto. This Agreement may be signed in counterpart.
49. Any litigation hereunder between the parties shall be filed and prosecuted in the Court of Common Pleas of Northampton County, Pennsylvania.
50. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable, but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.
51. The City and Eastern each agree to bear one-half of the reasonable attorneys' and engineering fees and costs incurred by the Township in analyzing, preparing, negotiating, and commenting on this Agreement, and in analyzing the rights and obligations of the Township under the 1993 Host Agreement, in the context of this Agreement.
52. The City and Eastern each agree to bear their respective attorney fees, expenses and other costs in the negotiations and preparation of this Agreement.

53. Attached hereto are resolutions of the City and the Township authorizing each corporate body and politic to enter into this Agreement and signifying the authority of the Mayor (on behalf of the City) and Council President (on behalf of the Township) to enter into this Agreement on their behalf.

City of Bethlehem

Walter / We Lester
Controller

APR 22 1998

[Signature]
Mayor

Township of Lower Saucon

R.B. Anclitis
Secretary

[Signature]
Council President

Eastern Waste of Bethlehem, Inc.

[Signature]
Secretary

[Signature]
Vice-President

PARENT GUARANTEE

EASTERN ENVIRONMENTAL SERVICES, INC., hereby agrees to guarantee the obligations of its wholly owned subsidiary, Eastern Waste of Bethlehem, Inc., contained in the foregoing Host Community Agreement by and between the Township of Lower Saucon, the City of Bethlehem and Eastern Waste of Bethlehem, Inc. regarding the Bethlehem Landfill.

IN WITNESS WHEREOF, Eastern Environmental Services, Inc. has duly executed and delivered these presents April 17, 1998.

EASTERN ENVIRONMENTAL SERVICES, INC.

By: 

Name: _____

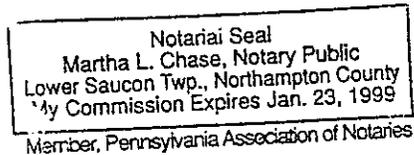
Title: Exec. V.P.

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF *Northampton*)

On this 7th day of MAY, 1998, before me,
MARtha L. Chase, a Notary Public, personally appeared
Geraldine Szakmeister, who duly acknowledged herself to be the
Council President of Lower Saucon Township, and that she, as such
Council President, being authorized to do so, executed the
foregoing instrument for the purpose therein contained, by
signing the name of the Township by herself as Council President.

Witness my hand and official seal.

Martha L. Chase

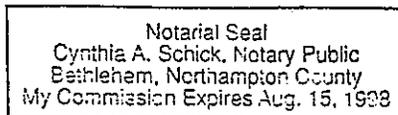


COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF *Northampton*)

On this 22nd day of April, 1998, before me,
Cynthia A. Schick, a Notary Public, personally appeared DONALD T.
CUNNINGHAM, Mayor of the City of Bethlehem, known to me to be the
person described in the foregoing instrument, and acknowledged
that he executed the same in his official capacity therein stated
and for the purposes therein contained.

Witness my hand and official seal.

Cynthia A Schick



COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF Montgomery) SS:

On this 17th day of APRIL, 1998, before me,
FRANCES B. KEILT, a Notary Public, personally appeared ROBERT
M. KRAMER ESQUIRE, Vice President of Eastern Waste of Bethlehem,
known to me to be the person described in the foregoing
instrument, and acknowledged that he executed the same in his
official capacity therein stated and for the purposes therein
contained.

Witness my hand and official seal.

Frances B. Keilt

Notarial Seal
Frances B. Keilt, Notary Public
Narberth Boro, Montgomery County
My Commission Expires April 16, 2001
Member, Pennsylvania Association of Notaries

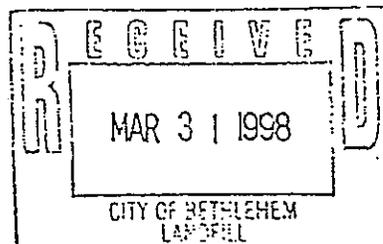
**DESCRIPTION OF LANDS
NOW OR FORMERLY OF THE CITY OF BETHLEHEM
"LANDFILL TRACT"**

ALL THAT CERTAIN tract or parcel of land with improvements thereon located along the northerly side of Applebutter Road (SR 2012) east of the Borough of Freemansburg in the Township of Lower Saucon, County of Northampton and Commonwealth of Pennsylvania, bounded and described in accordance with a survey conducted by Keystone Consulting Engineers, Inc. as shown as the "Landfill Tract" on the plan entitled, "Plan Showing Boundary Survey - Along Lands Now or Formerly of City of Bethlehem," Drawing No. CB-98-012, dated: March 31, 1998, as follows to wit;

BEGINNING at an iron pin set in the ultimate northerly right-of-way of Applebutter Road (SR 2012 - 60 feet wide), said point being the southeasterly corner of lands now or formerly of Ronald E. and Rhoda J. Mullikin, distant 30.00 feet from the centerline of the aforesaid Applebutter Road, and located approximately 1896 feet west of the intersection of Applebutter Road and Ringhoffer Road (TR 400);

thence along said Mullikin lands the following three (3) courses and distances: 1) North 25° 23' 58" West, 155.79 feet to an iron pin set; 2) North 34° 40' 01" West, 409.17 feet to an iron pin found; 3) along the arc of a curve to the left having a radius of 150.00 feet and a central angle of 71° 42' 30", an arc length of 187.73 feet to an iron pin found;

thence continuing along said Mullikin lands and further along lands now or formerly of Joseph M. and Margaret L. Milan and lands now or formerly of Joseph P. and Mary Ann Mosiado, South 73° 37' 29" West, 376.87 feet to an iron pin found;



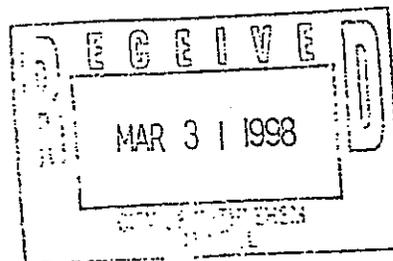
thence along lands now or formerly of Richard D. and Cynthia S. Gardner South 68° 20' 51" West, 123.21 feet to an iron pin found in the center of the 33.00 feet wide right-of-way of Green Hill Road (TR 399);

thence crossing the northerly side of said Green Hill Road, along lands now or formerly of Richard C. Fox, the following two (2) courses and distances: 1) North 07° 18' 18" West, 395.14 feet to an iron pin found; 2) North 08° 05' 04" West, 874.29 feet to an iron pin found at a corner of lands now or formerly of Bushkill Valley Motorcycle Club, Inc.;

thence along said Motorcycle Club lands, the following three (3) courses and distances: 1) North 35° 59' 56" East, 327.50 feet to an iron pin set; 2) North 69° 31' 56" East, 545.05 feet to an iron pin found; 3) North 04° 35' 26" East, 462.72 feet to an iron pin set in the former location of a stone corner previously found at a corner of other lands, formerly of Michael L. Helms, et. al., now of the City of Bethlehem;

thence along the "Old Helms Tract," now of the City of Bethlehem, the following four (4) courses and distances: 1) North 77° 33' 48" East, 808.42 feet to an iron pin found; 2) North 77° 06' 37" East, 676.45 feet to an iron pin set along the south side of a dirt road; 3) South 46° 53' 23" East, 231.00 feet to an iron pipe found; 4) North 82° 57' 18" East, 1708.69 feet to an iron pin set at a corner of lands formerly of Bethlehem Steel Corporation now of the City of Bethlehem;

thence along the "Old Bethlehem Steel Corporation Tract," now of the City of Bethlehem, South 10° 18' 22" East, 255.75 feet to an iron pin set at a corner of lands now or formerly of Jersey Central Power and Light Company;



thence along said Jersey Central Power and Light Company lands, South $10^{\circ} 17' 49''$ East, 1497.80 feet to an iron pipe found in the line of lands now or formerly of Andrew I. Nuss;

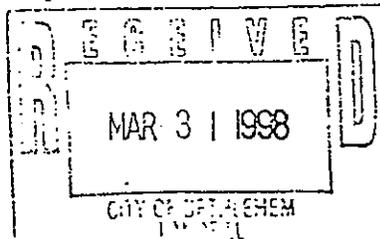
thence along said Nuss lands, South $71^{\circ} 31' 29''$ West, 139.17 feet to an iron pipe found at a corner of lands now or formerly of Bronius and Elena Sudzinskas;

thence along said Sudzinskas lands, South $71^{\circ} 35' 06''$ West, 240.74 feet to an iron pin found at a corner of lands now or formerly of Virginia A. MacDonald;

thence along said MacDonald lands the following two (2) courses and distances: 1) South $71^{\circ} 15' 06''$ West, 142.59 feet to an iron pin set; 2) South $30^{\circ} 43' 54''$ East, 293.47 feet to an iron pin set in the ultimate northerly right-of-way of Applebutter Road (SR 2012), said point being distant 30.00 feet from the centerline of said road;

thence along the ultimate northerly right-of-way of Applebutter road (SR 2012), parallel and 30.00 feet distant from the centerline thereof, the following three (3) courses and distances: 1) along the arc of a curve to the right having a radius of 404.09 feet, a central angle of $10^{\circ} 26' 22''$, an arc length of 73.63 feet and a chord bearing south $72^{\circ} 07' 54''$ West, a chord length of 73.52 feet to an iron pin set; 2) South $77^{\circ} 21' 06''$ West, 197.15 feet to an iron pipe found; 3) along the arc of a curve to the left having a radius of 665.70 feet and a central angle of $19^{\circ} 13' 43''$, an arc length of 223.41 feet to an iron pin set in the line of lands now or formerly of Charles F. Folk;

thence along said Folk lands the following three (3) courses and distances: 1) North $24^{\circ} 48' 15''$ West, 204.85 feet to an iron pin set; 2) South $58^{\circ} 11' 45''$ West, 407.75 feet to an iron pin set; 3) South $38^{\circ} 03' 15''$ East, 198.55 feet to an iron pin set in the aforementioned ultimate northerly right-of-way of Applebutter Road (SR 2012);



thence along the ultimate northerly right-of-way of Applebutter Road (SR 2012), parallel and 30.00 feet distant from the centerline thereof, the following ten (10) courses and distances: 1) South 73° 28' 59" West, 175.13 feet to an iron pin set; 2) along the arc of a curve to the right having a radius of 173.43 feet and a central angle of 42° 56' 08", an arc length of 129.96 feet to an iron pipe found; 3) North 63° 34' 53" West, 42.99 feet to an iron pipe found; 4) along the arc of a curve to the left having a radius of 430.00 feet and a central angle of 33° 07' 53", an arc length of 248.65 feet to an iron pin set; 5) South 83° 17' 15" West, 196.06 feet to an iron pin set; 6) along the arc of a curve to the right having a radius of 3970.00 feet and a central angle of 02° 25' 30", an arc length of 168.03 feet to an iron pipe found; 7) South 85° 42' 45" West, 103.75 feet to an iron pin set; 8) along the arc of a curve to the left having a radius of 480.00 feet and a central angle of 16° 43' 41", an arc length of 140.14 feet to an iron pin set; 9) South 68° 59' 04" West, 219.28 feet to an iron pin set; 10) South 67° 42' 43" West, 580.59 feet to an iron pin set in the line of lands now or formerly of Randy and Dianne Lynn Dalrymple;

thence along said Dalrymple lands the following three (3) courses and distances: 1) North 25° 59' 15" West, 139.03 feet to an iron pipe found; 2) South 70° 25' 44" West, passing through an iron pipe found on line at 61.34 feet, a total distance of 183.83 feet to an iron pin set; 3) South 25° 23' 58" East, 156.57 feet to an iron pin set in the ultimate northerly right-of-way of Applebutter Road (SR 2012);

thence along the said ultimate northerly right-of-way of Applebutter Road (SR 2012), parallel and 30.00 feet distant from the centerline thereof, along the arc of a curve to the left having a radius of 1630.00 feet, a central angle of 01° 45' 40", a chord bearing South 60° 50' 57" West and a chord distance of 50.10 feet, an arc length of 50.11 feet to an iron pin set at the point and place of BEGINNING **E E I V E**

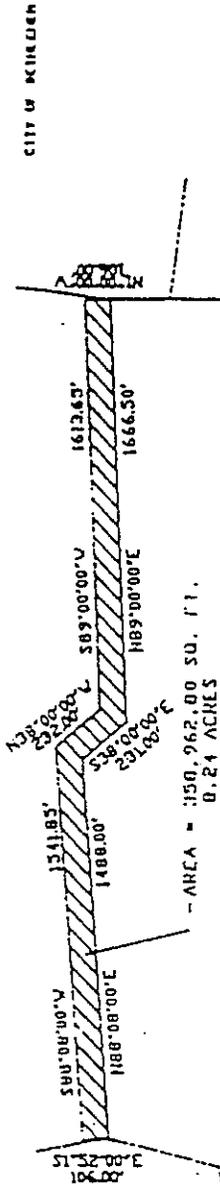
CONTAINING 206.455 acres of land, more or less.

SUBJECT to the easements, restrictions and rights-of-way of record.

MAR 31 1998

REGISTERED

CITY OF BETHLEHEM
(LINEALLY BARREL PLANS PROPERTY)

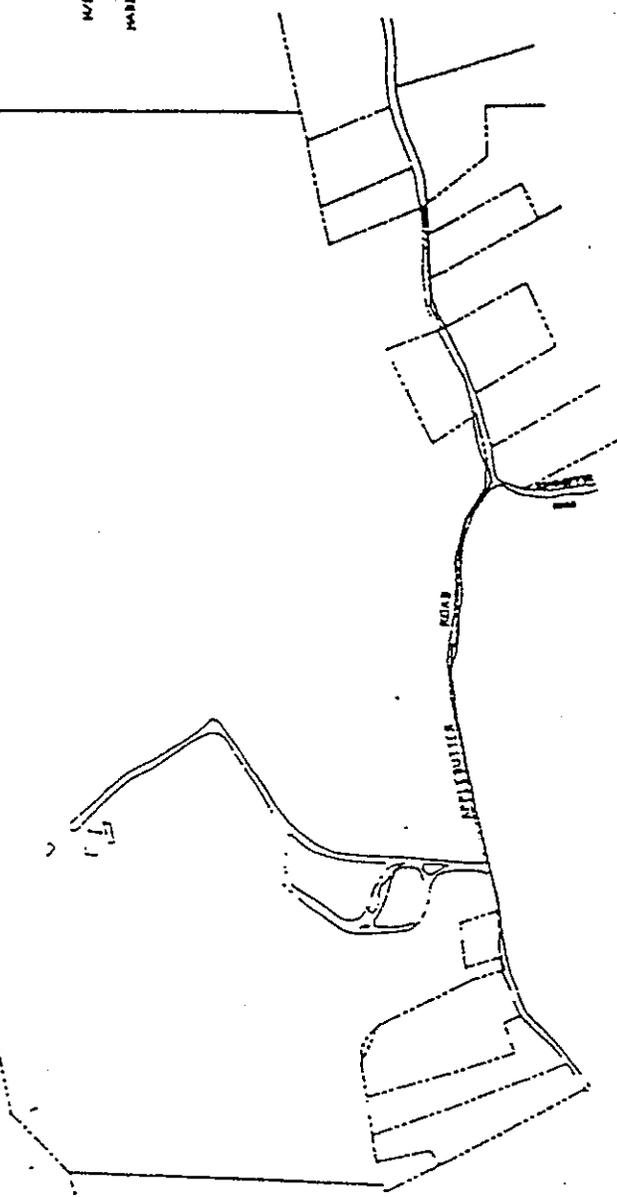


AREA = 150,962.00 SQ. FT.
0.24 ACRES

N7 - 19 - 1
M/V BARREL VALLEY MOTORCYCLE CLUB
(SHERMAN INCORPORATED)
NOVEMBER 8, 1948
VOL. 323 PG. 122
REE CASTON, PA. 18042

N7 - 2 - 87
M/V JERSEY CENTRAL, P.A. CO.
SEPTEMBER 26, 1977
VOL. 372 PG. 493
MARION AVENUE, PHILADELPHIA, PA. 19104

N7 - 2 - 89
M/V RICHMOND C. FOX
VOL. 382 PG. 1818
RFS BOX 183
BEDLORD, PA. 18013



PLAN SHOWING
LOCATION OF
LANDFILL, WOODLANDS BASEMENT I
AT THE
CITY OF BETHLEHEM
MANITARY LANDFILL

BY
STEVEN W. DEBALVA - CITY ENGINEER
SCALE: 1" = 500'
MAY 27, 1988

DESCRIPTION OF
LANDFILL WOODLANDS EASEMENT

All that certain portion of lot or parcel to be dedicated as a Landfill Woodlands Easement, located in Lower Saucon Township, County of Northampton, Commonwealth of Pennsylvania, bounded and described as follows to wit:

Beginning at a point along the northwardly property line of the original City of Bethlehem Landfill, being a common point between the Bushkill Valley Motorcycle Club, the former Samuel Helms property (now City of Bethlehem) and the original City of Bethlehem Landfill, thence in an eastwardly direction along the northwardly property line of the original City of Bethlehem Landfill, North Eighty-Eight Degrees Eight Minutes East (N 88°-08'-00"E) One Thousand Four Hundred Eighty-Eight Feet (1,488.00') to a point, thence South Thirty-Eight Degrees East (S 38°-00'-00" E) Two Hundred Thirty-One Feet (231.00') to a point, thence North Eighty-Nine Degrees East (N 89°-00'-00" E) One Thousand Six Hundred Sixty-Six and Fifty One-Hundredths Feet (1,666.50') to a point, thence North One Degree West (N 01°-00'-00" W) One Hundred and Six Feet (106.00') to a point, thence South Eighty-Nine Degrees West (S 89°-00'-00" W) One Thousand Six Hundred Thirteen and Sixty-Five One-Hundredths Feet (1,613.65') to a point, thence North Thirty-Eight Degrees West (N 38°-00'-00" W) Two Hundred Thirty-Two Feet (232.00') to a point, thence South Eighty-Eight Degrees Eight Minutes West (S 88°-08'-00" W) One Thousand Five Hundred Forty-One and Eighty-Five One-Hundredths Feet (1,541.85') to a point, thence South One Degree Fifty-Two Minutes East (S 01°-52'-00" E) One Hundred Six Feet (106.00') to a point, said point being the point the place of beginning; containing 358,362.33 Sq. Ft. or 3.24 Acres.

The entire One hundred and Six (106.00') Foot wide Woodland Easement is being Dedicated from the former Samuel Helms Property.

All of which is more fully shown upon the map or plan entitled " Plan Showing Location of Woodlands Easement at the City of Bethlehem Sanitary Landfill in Lower Saucon Township Scale 1" = 800' May 27, 1993 Steven W. DeSalva - City Engineer" a copy of which is on file in the office of the City Engineer of Bethlehem, Pennsylvania.

AGREEMENT

THIS AGREEMENT, made this 31st day of AUGUST, 1993, between PENNSYLVANIA POWER & LIGHT COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, hereinafter called "PP&L," party of the first part, and the CITY OF BETHLEHEM, a municipal corporation of the third class, domiciled by law in the County of Northampton, Commonwealth of Pennsylvania, hereinafter called "BETHLEHEM," party of the second part.

WITNESSETH

WHEREAS, BETHLEHEM is desirous of obtaining from PP&L the right and privilege to use a portion of PP&L's property for the construction of a monitoring well for groundwater.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) paid at the date hereof by BETHLEHEM, the receipt whereof is hereby acknowledged, PP&L hereby grants BETHLEHEM, its successors and assigns, the right and privilege to use a portion of its property, situate in the Township of Lower Saucon, Northampton County, Pennsylvania, for the construction of a monitoring well, as shown on plan indicated as Exhibit A, attached hereto and made a part hereof.

UNDER AND SUBJECT, NEVERTHELESS, to the following reservations, terms, and conditions:

1. BETHLEHEM assumes all responsibility in connection with acquiring any consent or approval which may be required from any land owners or any municipal, state or other governmental agencies.
2. No buildings or other structures, temporary or permanent, may be erected on PP&L's property.
3. Any changes to grades are not allowed without PP&L's prior approval based on detailed drawings.
4. PP&L reserves unrestricted rights of ingress or egress for line maintenance or other work. Access to PP&L facilities shall at no time be impeded.
5. Blasting on PP&L property is prohibited unless a blasting procedure is submitted and approved by PP&L. PP&L assumes no liability in approving the blasting procedure but reserves the right to prohibit any blasting that is not performed in a safe manner.
6. Extreme caution shall be used when operating heavy equipment in the vicinity of PP&L's facilities and energized conductors, OSHA regulations shall be strictly adhered to for clearances for cranes, derricks, hoists, etc. when working near PP&L's facilities.

7. If counterpoise, usually 12 inches to 18 inches below grade, or any other PP&L facility is damaged or severed, the damage shall be reported immediately to PP&L and re-established by PP&L at the responsible party's expense.

8. PP&L shall be relieved of all responsibility for environmental problems resulting from construction on or use of PP&L property and any such problems shall be resolved without expense to PP&L and with the approval of and to the satisfaction of all appropriate local, state, and federal governmental agencies.

9. PP&L shall be relieved of all responsibility for damage or injury resulting from the use of PP&L property, other than caused through negligence of PP&L or its agents.

10. PP&L, its successors, assigns, or lessees, retains the right to construct, operate, maintain, and from time to time to construct or reconstruct any of its existing or future electric lines on its property, including the installation of any poles, towers, wires, counterpoise, guys, fixtures, or apparatus necessary to maintain PP&L's facilities.

11. BETHLEHEM hereby releases, quitclaims, discharges and agrees to indemnify and save harmless PP&L, its officers, agents, employees, successors and assigns of and from any and all suits, claims, demands, actions, damages or claims for damages arising from the loss of life and/or injury or damage to person or property whatsoever by reason of or in connection with BETHLEHEM's use of the aforesaid property, other than caused through negligence of PP&L or its agents.

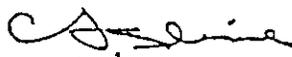
12. The agreement shall extend to and be binding upon the respective successors and assigns of each of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed the day and year written above.

WITNESS:

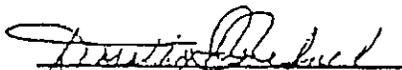


PENNSYLVANIA POWER & LIGHT COMPANY
By:



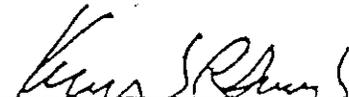
C. L. Kline
Manager-Real Estate & Right of Way

ATTEST:



Title: City Controller
By: _____

CITY OF BETHLEHEM
By:



Title: Mayor

SEP 30 1993

COMMONWEALTH OF PENNSYLVANIA) : SS
COUNTY OF LEHIGH)

On this the 31st day of August, 1993, before me, a Notary Public in and for the Commonwealth of Pennsylvania, the undersigned officer, personally appeared C. L. KLINE, who acknowledged himself to be the Manager-Real Estate & Right of Way of PENNSYLVANIA POWER & LIGHT COMPANY, a corporation, and that he as such Manager-Real Estate & Right of Way being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Manager-Real Estate & Right of Way.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

James L. Hammer
Notary Public

NOTARIAL SEAL
James L. Hammer, Notary Public
City of Allentown, Lehigh County, Pa.
My Commission Expires Aug. 13, 1997

COMMONWEALTH OF PENNSYLVANIA) : SS
COUNTY OF Northampton)

On this 30th day of September, 1993, before me, a Notary Public in and for the Commonwealth of Pennsylvania, the undersigned officer, personally appeared Kenneth R Smith, who acknowledged himself to be the Mayor of the CITY OF BETHLEHEM, a municipal corporation, and that he/she as such Mayor, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the municipal corporation by himself/herself as Mayor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Cynthia A. Schick
Notary Public

NOTARIAL SEAL
Cynthia A. Schick, Notary Public
Bethlehem, Northampton County
My Commission Expires Aug. 15, 1994

BETHLEHEM TOWNSHIP
LOWER SAUCON TWP.

LEHIGH RIVER

RIVERSIDE DRIVE

SHKILL VALLEY
TORCYCLE CLUB

EXHIBIT A

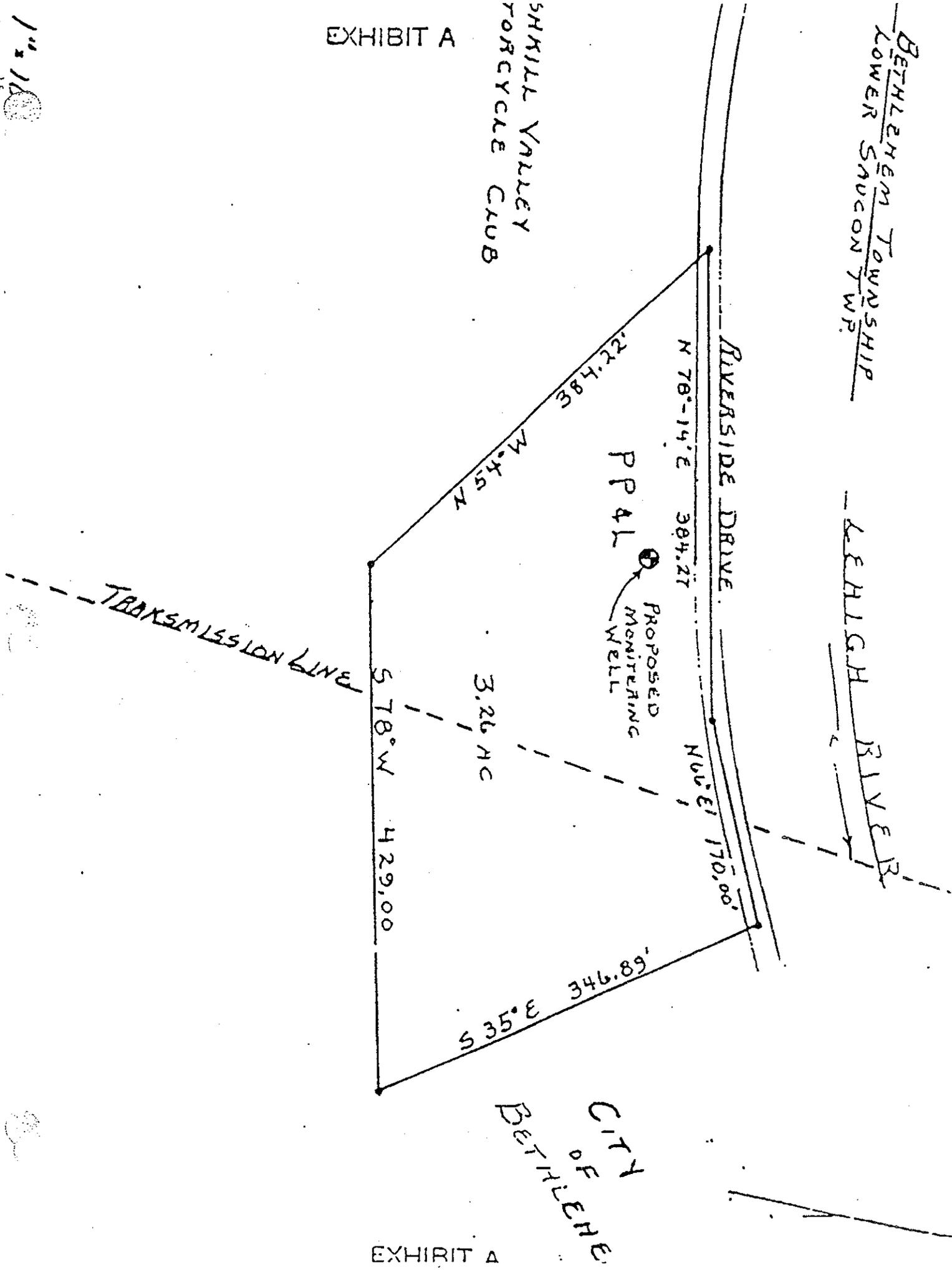
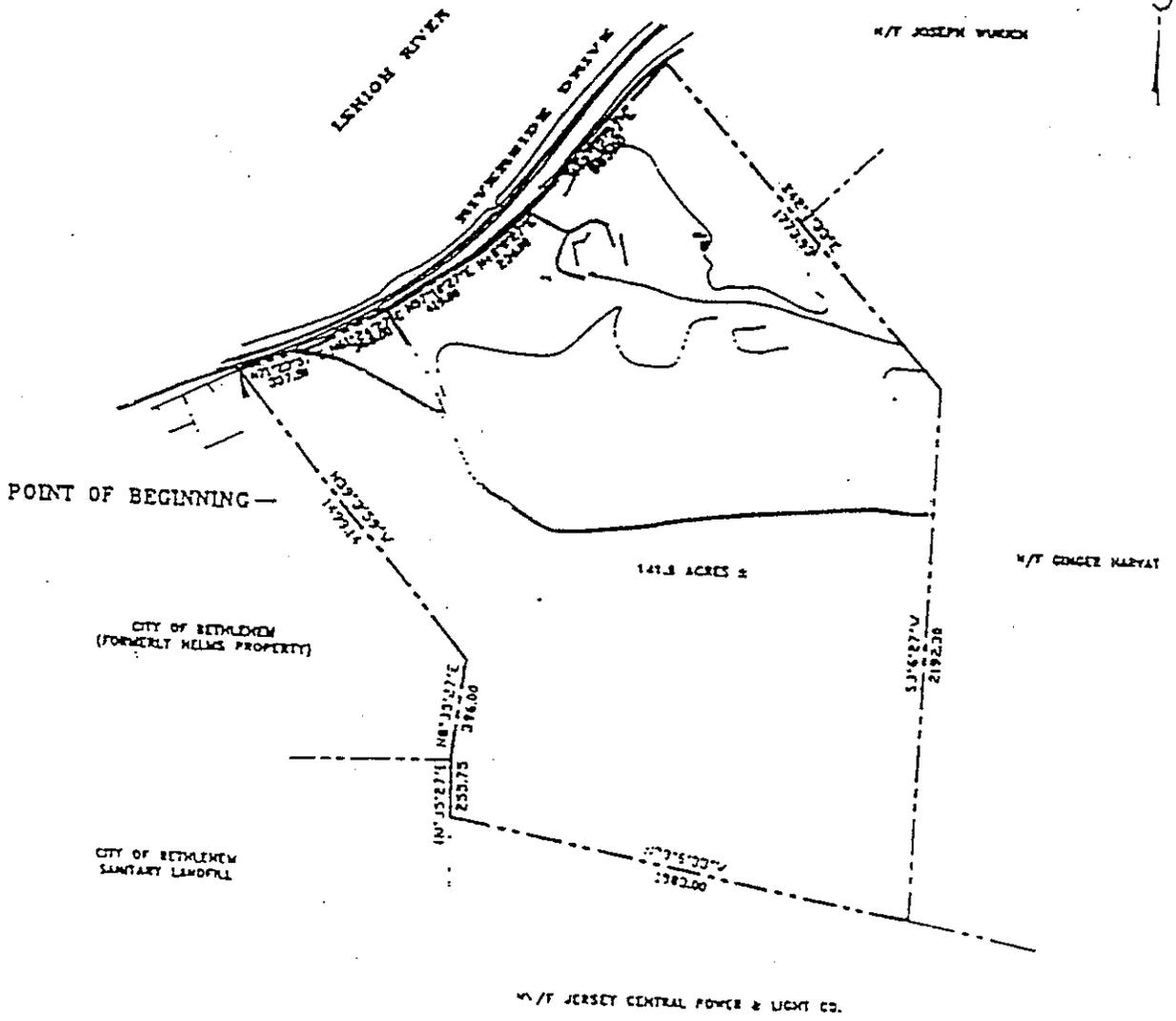


EXHIBIT A

100-110



PLAN SHOWING
 SCENIC & CONSERVATION
 EASEMENT

IN
 LOWER SAUCON TOWNSHIP
 OWNED BY CITY OF BETHLEHEM
 (FORMERLY BETHLEHEM STEEL CO.)

STEVEN W. CASALVA - C.T.E. ENGINEER
 SCALE 1" = 800'
 JUNE 28, 1983

EXHIBIT "1"

DESCRIPTION OF
SCENIC & CONSERVATION EASEMENT
ON PROPERTY OF CITY OF BETHLEHEM
(FORMERLY KNOWN AS BETHLEHEM STEEL COMPANY PROPERTY)

All that certain lot or parcel of land to be dedicated as a Scenic & Conservation Easement, situate along the south side of Riverside Drive, in Lower Saucon Township, County of Northampton, Commonwealth of Pennsylvania, bounded and described as follows to wit:

Beginning at a point, said point being the common point between the northeast corner of property of the City of Bethlehem (formerly known as Samuel Helms property) and the northwest corner of property of the City of Bethlehem (formerly known as Bethlehem Steel Company property) the property described herein, thence in an eastwardly direction by the five (5) following courses and distances: 1) North Seventy-one degrees Twenty-three minutes Fifty-seven seconds East (N 71°23'57"E) Three hundred Thirty-seven and Fifty one-hundredths feet (337.50') to a point, 2) North Sixty-one degrees Twenty-four minutes Twenty-seven seconds East (N 61°24'27"E) Three hundred sixty eight feet (368.00') to a point, 3) North Fifty-seven degrees Ten minutes Twenty-seven seconds East (N 57°10'27"E) Four hundred nineteen feet (419.00') to a point, 4) North Forty-eight degrees Zero minutes Twenty-seven seconds East (N 48°00'27"E) Two hundred thirty feet (230.00') to a point, 5) North Forty-two degrees Twelve minutes Twenty-seven seconds East (N 42°12'27"E) Eight Hundred eighty-three feet (883.00') to a point, said point being on the common property line of Joseph Wukich, thence in an southwardly direction along property of Joseph Wukich South Forty-two degrees Seven minutes Thirty-three seconds East (S 42°07'33"E) One thousand Seven hundred Seventy-three and Ninety-three one-hundredths feet (1,773.93') to a point, thence continuing in a southwardly direction along lands of Ginger Harvat South Three degrees Six minutes Twenty-seven seconds West (S 3°06'27"W) Two thousand one hundred Ninety-two and Thirty one-hundredths feet (2,192.30') to a point on the common property line of Ginger Harvat and Jersey Central Power and Light Company, thence in a westwardly direction along property of Jersey Central Power and Light Company North Seventy-nine degrees Six minutes Thirty-three seconds West (N 79°06'33"W) One thousand Nine hundred Eighty-three feet (1,983.00') to a point on the common property line of the City of Bethlehem Landfill, thence in a northwardly direction along property of the City of Bethlehem Landfill North Zero degrees Thirty-five minutes Twenty-seven seconds East (N 0°35'27"E) Two hundred Fifty-five and

Seventy-five one-hundredths feet (255.75') to a point, thence continuing in a northwardly direction along property of City of Bethlehem (formerly Samuel Helms property) North Eight degrees Thirty-five minutes Twenty-seven seconds East (N 8°35'27"E) Three hundred Ninety-six feet (396.00') to a point, thence continuing in a northwardly direction along property of City of Bethlehem (formerly Samuel Helms property) North Thirty-nine degrees Three minutes Fifty-nine seconds West (N 39°03'59"W) One-thousand Four hundred Ninety-nine and Fourteen one-hundredths feet (1,499.14') to a point, said point being the place of beginning, containing 141.9 Acres ±.

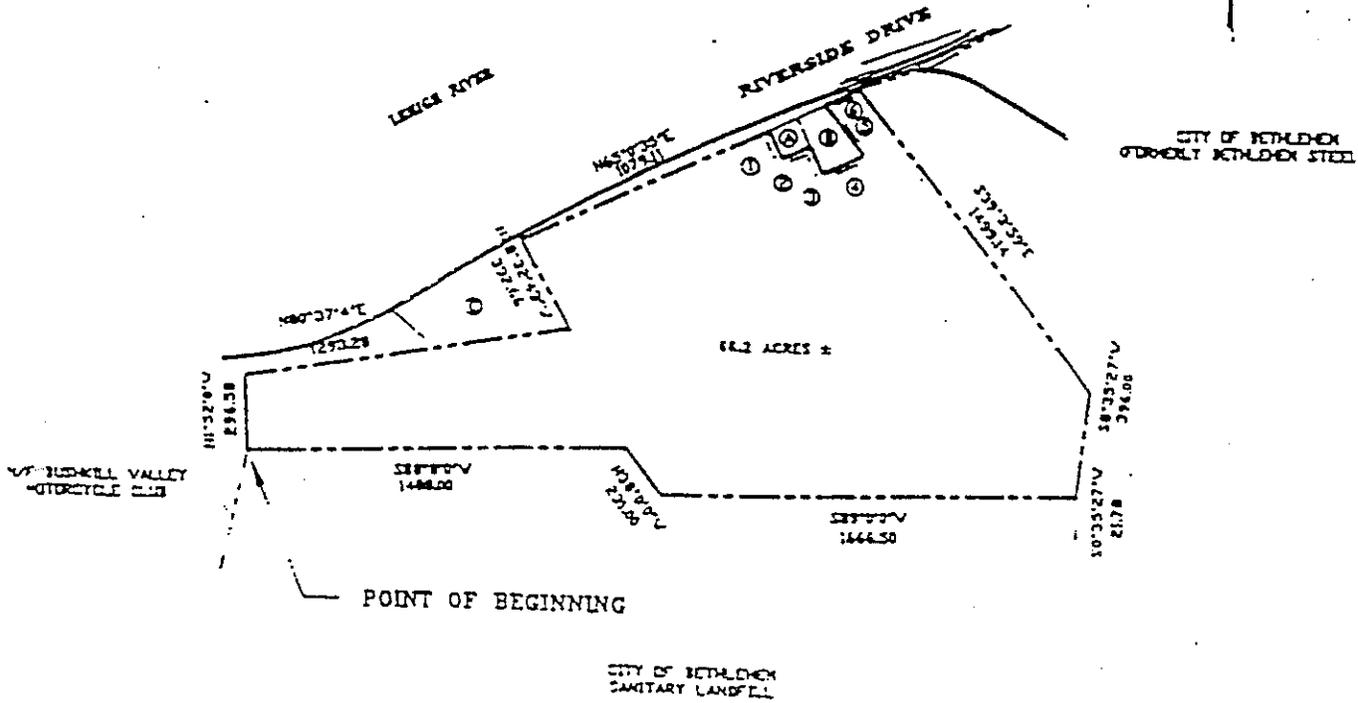
Bounded on the north by Riverside Drive, on the east by lands of Joseph Wukich and lands of Ginger Harvat, on the south by lands of Jersey Central Power and Light Company, on the west by lands of the City of Bethlehem Landfill and City of Bethlehem (formerly Samuel Helms property).

All of which is more fully shown upon the map or plan entitled "PLAN SHOWING SCENIC & CONSERVATION EASEMENT IN LOWER SAUCON TOWNSHIP OWNED BY THE CITY OF BETHLEHEM (FORMERLY BETHLEHEM STEEL PROPERTY) STEVEN W. DESALVA - CITY ENGINEER SCALE 1" = 800' JUNE 28, 1993 EXHIBIT "1", a copy of which is on file in the office of the City Engineer of Bethlehem, Pennsylvania.

ABUTTING PROPERTIES

- Ⓐ M/F ROBERT BOVON
- Ⓑ M/F CHRISTINE HANN
- Ⓒ M/F PPAU CO

- ① S26°47'0"E 123.00
- ② N65°20'E 120.00
- ③ S24°37'2"E 120.00
- ④ N65°10'E 184.18
- ⑤ N07°33'V 247.43
- ⑥ N65°10'E 150.00



PLAN SHOWING
SCENIC & CONSERVATION
EASEMENT

IN
LOWER SAUCON TOWNSHIP
OWNED BY CITY OF BETHLEHEM
(FORMERLY HELMS PROPERTY)

STEVEN W. DeSALVA - CITY ENGINEER
SCALE 1" = 800'
JUNE 28, 1993

EXHIBIT "3"

DESCRIPTION OF
SCENIC & CONSERVATION EASEMENT
ON PROPERTY OF CITY OF BETHLEHEM
(FORMERLY KNOWN AS THE SAMUEL HELMS PROPERTY)

All that certain lot or parcel of land to be dedicated as a Scenic & Conservation Easement, situate along the south side of Riverside Drive, in Lower Saucon Township, County of Northampton, Commonwealth of Pennsylvania, bounded and described as follows to wit:

Beginning at a point, said point being the northwest corner of the original City of Bethlehem Landfill, also being a common point between the Bushkill Valley Motorcycle Club, the original City of Bethlehem Landfill, and the southwest corner of the former Samuel Helms property (now the City of Bethlehem) the property described herein, thence in a northwardly direction North One Degree Fifty-two Minutes Zero Seconds West (N 01°52'00" W) Two Hundred Ninety-six and Fifty-eight One-Hundredths Feet (296.58') to a point, thence North Eighty Degrees Thirty-seven Minutes Four Seconds East (N 80°37'04" E) One Thousand Two Hundred Ninety-three and Twenty-eight One-Hundredths Feet (1,293.28') to a point, thence North Twenty-eight Degrees Thirty-two Minutes Forty-three Seconds West (N 28°32'43" W) Three Hundred Ninety-two and Sixty-six One-Hundredths Feet (392.66') to a point, thence North Sixty-five Degrees Zero Minutes Thirty-five Seconds East (N 65°00'35" E) One Thousand Seventy-nine and Eleven Hundredths Feet (1,079.11') to a point, thence South Twenty-six Degrees Four Minutes Fifteen Seconds East (S 26°04'15" E) One Hundred Twenty and Two One-Hundredths Feet (120.02') to a point, thence North Sixty-five Degrees Zero Minutes Twenty-five Seconds East (N 65°00'25" E) One Hundred Twenty Feet (120.00') to a point, thence South Twenty-four Degrees Fifty-nine Minutes Twenty-five Seconds East (S 24°59'25" E) One Hundred Twenty Feet (120.00') to a point, thence North Sixty-five Degrees Zero Minutes Thirty-five Seconds East (N 65°00'35" E) One Hundred Eighty and Eighteen One-Hundredths Feet (180.18') to a point, thence North Thirty-nine Degrees Three Minutes Fifty-nine Seconds West (N 39°03'59" W) Two Hundred Forty-seven and Forty-three One-Hundredths Feet (247.43') to a point, thence North Sixty-five Degrees Zero Minutes Thirty-five Seconds East (N 65°00'35" E) One Hundred Fifty Feet (150.00') to a point, thence South Thirty-nine Degrees Three Minutes Fifty-nine Seconds East (S 39°03'59" E) One Thousand Four Hundred Ninety-nine and Fourteen One-Hundredths Feet (1,499.14') to a point, thence South Eight Degrees Thirty-five Minutes Twenty-seven Seconds West (S 08°35'27" W) Three Hundred Ninety-six Feet (396.00') to a point, thence South Zero Degrees Thirty-five Minutes Twenty-seven Seconds West (S 00°35'27" W) Twenty-one and Seventy-

eight One-Hundredths Feet (21.78') to a point, thence South Eighty-nine Degrees Zero Minutes Zero Seconds West (S 89°00'00" W) One Thousand Six Hundred Sixty-six and Fifty One-Hundredths Feet (1,666.50') to a point, thence North Thirty-eight Degrees Zero Minutes Zero Seconds West (N 38°00'00" W) Two Hundred Thirty-one Feet (231.00') to a point, thence South Eighty-eight Degrees Eight Minutes Zero Seconds West (S 88°08'00" W) One Thousand Four Hundred Eighty-eight Feet (1,488.00') to a point, said point being the point the place of beginning, containing 66.2 Acres ±.

Bounded on the north by Riverside Drive, on the east by lands of City of Bethlehem (formerly Bethlehem Steel Co.), on the south by the City of Bethlehem Landfill and on the west by Bushkill Valley Motorcycle Club.

All of which is more fully shown upon the map or plan entitled "PLAN SHOWING SCENIC & CONSERVATION EASEMENT IN LOWER SAUCON TOWNSHIP OWNED BY THE CITY OF BETHLEHEM (FORMERLY HELMS PROPERTY) STEVEN W. DESALVA - CITY ENGINEER SCALE 1" = 800' JUNE 28, 1993 EXHIBIT "3", a copy of which is on file in the office of the City Engineer of Bethlehem, Pennsylvania.

HOST COMMUNITY AGREEMENT AMENDMENT

THIS AMENDMENT to the Host Community Agreement is made this 6th day of September 2001, by and between the Township of Lower Saucon, a Township of the Second Class of the Commonwealth of Pennsylvania (the "Township"), and IESI PA Bethlehem Landfill Corporation (f/k/a Eastern Waste of Bethlehem, Inc.), a Delaware Corporation ("IESI").

WHEREAS, the City of Bethlehem applied for and received a special exception for the Landfill, f/k/a the Bethlehem Landfill from the Township's Zoning Hearing Board for Phase III (consisting of approximately thirty-three (33) acres of disposal area) of the Bethlehem Landfill in 1993; and

WHEREAS, the Township, the City of Bethlehem and Eastern Waste of Bethlehem, Inc. are parties to the "Host Community Agreement by and between the Township of Lower Saucon, the City of Bethlehem, and Eastern Waste of Bethlehem, Inc. regarding the Bethlehem Landfill" dated April 17, 1998, (the "Host Community Agreement"), recorded in the Northampton County Recorder of Deeds Office at Tax Map Parcel Numbers P7-5-31, P7-5-33, P7-5-34, P8-1-1, and N8-14-16; and

WHEREAS, on June 30, 1999, IESI acquired all of the shares of stock of Eastern Waste of Bethlehem, Inc. and changed the name of the corporation to IESI PA Bethlehem Landfill Corporation, thereby becoming subject to and bound by the Host Community Agreement; and

WHEREAS, the Township adopted on May 19, 1999, Ordinance #99-6, which amends the Township Zoning Ordinance to, among other things, extend to landfills and other waste facilities the requirements of Section 180-109F.(2)(a)[1] for an earthen berm to be placed around the perimeter of the property (the "Berm Ordinance"); and

WHEREAS, IESI filed an application with the Pennsylvania Department of Environmental Protection ("DEP") on or about August 3, 2000, as amended (the "PADEP Phase IV Expansion") seeking (1) a forty six (46) acre expansion of the disposal area of the IESI Bethlehem Landfill, (2) an increase in the hours of operation and (3) an increase in the daily waste volumes received at the Landfill; and

WHEREAS, the Township has proposed, and held a public hearing on, an amendment to Section 180-109F.(2) of the Township Zoning Ordinance which would regulate certain aspects of landfill activities including, but not limited to, hours of operation and daily waste volumes received at landfills in the Township; and

WHEREAS, the Township Zoning Ordinance requires that IESI must obtain special exception approval from the Zoning Hearing Board for the Phase IV Expansion; and

WHEREAS, IESI filed with the Township Zoning Hearing Board, pursuant to the provisions of the Township Zoning Ordinance, an application for special exception and other relief relating to the Phase IV Expansion; and

WHEREAS, IESI filed with the Township, pursuant to the provisions of the Township Subdivision and Land Development Ordinance, an application for Land Development relating to the Phase IV Expansion; and

WHEREAS, the Township and IESI desire and agree to amend the Host Community Agreement to address and resolve certain issues relating to the Landfill and the Phase IV Expansion application.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and intending to be legally bound hereby, the Township and IESI agree as follows:

1. Hours of Waste Acceptance and Hours of Operation. The parties agree that the days and hours of waste acceptance at the IESI Bethlehem Landfill shall be Mondays through Saturdays from 7:00 a.m. to 4:00 p.m. No waste collection or transportation vehicle shall be permitted to enter the Landfill prior to 6:30 a.m. No waste collection or transportation vehicle shall be permitted to cross the weighing scales prior to 7:00 a.m. or after 4:00 p.m. The parties agree that the days and hours of operation at the Landfill shall be Mondays through Saturdays from 6:00 a.m. to 6:00 p.m., and that no staging of waste collection or transportation vehicles shall be permitted along Applebutter Road. No staging of waste collection or transportation vehicles shall be permitted at the Landfill prior to 6:30 a.m. ¹The hours of waste acceptance and hours of operation shall remain the same for the life of the Landfill and PADEP Permit # 100020 unless the Township otherwise agrees in writing. The hours of waste acceptance and hours of operation referred to herein shall commence as of the date that IESI certifies that Phase IV is ready to accept waste disposal. Prior to such date, existing maximums shall be maintained. IESI shall notify PADEP, in writing, of the provisions of this Amendment within fifteen (15) days of the execution of this Amendment. In addition, IESI shall amend the PADEP Phase IV Expansion application, within forty five (45) days of the receipt of the PADEP initial review memorandum, to include the provisions of this Amendment.

2. Daily Volume Limits. The parties agree that the Average Daily Volume ("ADV") of waste received at the Landfill will not exceed 1,375 tons per day on a quarterly daily average. The parties further agree that the Maximum Daily Volume ("MDV") of waste received at the Landfill will not exceed 1,800 tons per day. The tonnage limits set forth herein shall remain the same for the life of the Landfill and PADEP Permit # 100020, any expansion thereof and/ or any waste transfer use thereof, unless the Township otherwise agrees in writing, subject to the sole

¹ At 6:00 a.m. the employees can start preparing for waste acceptance. At 6:30 a.m. the site gates can open and the trucks can stage. At 7:00 a.m. the scale can accept waste and at 4:00 p.m. the scale can no longer accept waste. All landfill activities must cease at 6:00 p.m.

and absolute discretion of the Township.. The volume limits referred to herein shall commence as of the date that IESI certifies that Phase IV is ready to accept waste disposal. IESI shall notify PADEP, in writing, of the provisions of this Amendment within fifteen (15) days of the execution of this Amendment. Until such date, existing volume limits shall be maintained. In addition, IESI shall amend the PADEP Phase IV Expansion application, within forty five (45) days of the receipt of the PADEP initial review memorandum, to include the provisions of this Amendment. Nothing contained herein shall preclude IESI from requesting that the Township approve an increase in the daily volume limits at some point in the future.

3. DEP and Special Exception Approval Process. The parties hereto agree that the Township has the legal right to fully participate in the DEP review process with regard to any issue, provided that said participation is not inconsistent with the provisions of the Host Community Agreement or this Amendment. The parties further agree that the Township has the legal right to fully participate in the Special Exception Zoning Hearings for the Special Exception Application in front of the Lower Saucon Township Zoning Hearing Board for the PADEP Phase IV Expansion or subsequent phases or activities with regard to any issue, provided that said participation is not inconsistent with the provisions of the Host Community Agreement or this Amendment.

The parties further agree that the Township, on June 14, 2001, provided a list of Township concerns to the Department of Environmental Protection and to IESI with regard to the proposed PADEP Phase IV Landfill Expansion under the Department's Environmental Assessment Procedures.

4. Fox and Mullikin Parcels. The parcel of land located immediately west of the Phase IV Expansion (i.e., the property formerly owned by Richard C. Fox), and the parcel located adjacent to the Township pump station on Applebutter Road (i.e. the property formerly owned by Ronald E. and Rhoda J. Mullikin) are not within the LI - Light Industrial Zoning District of the Township, and will not be used for landfill activities, including but not limited to stockpiling and borrowing of material and transfer stations, without the prior approval of the Township Council. The parties agree that the Common Law Zoning Doctrine of "natural expansion" shall not be utilized as justification for the expansion of any landfill activities on to the parcels referred to in this paragraph or any other parcels acquired by IESI in the future. These parcels may be used for the relocation of the high tension power lines, and for placement of landscaping as reasonably required by the Township Planning Commission and/or Township Council. Nothing contained in the within paragraph shall grant to IESI any rights other than those specifically mentioned herein.

5. Zoning and Land Development. The Township has determined that in connection with the Phase IV Expansion, the Landfill has met the requirements of Section 180-109F.(2)(a)[1] of the Township Zoning Ordinance with regard to the berm and setback requirements only, provided that the Phase IV improvements are constructed in accordance with Sheet 4 of 21 of the Land Development Plan dated January 2001, last revised June 12, 2001 as

prepared by Martin & Martin, Inc.. Provided further, that IESI agrees to supplement the existing landscaping and plantings in accordance with the direction of the Township Zoning Officer.

6. Implementation. The Township agrees not to take any action inconsistent with the terms of this Amendment

7. Recording. The parties agree that this Amendment shall constitute a covenant running with the land, until such time as the same is released or modified by written agreement of the parties, so that the terms, conditions and other commitments must be met by IESI and any future owner or operator of the Landfill. The parties agree that this Amendment shall be recorded in the Office of the Recorder of Deeds for Northampton County under and against the property described in the IESI PA Bethlehem Landfill Corporation Lot Line Change plan, prepared by Keystone Consulting Engineers, Inc., dated March 3, 1993, last revised April 9, 2001.

8. Miscellaneous. The section headings of this Amendment are inserted for convenience of reference only. They are not part of this Amendment, are not intended to give full notice of the provisions herein and shall not be considered in construing the meaning or effect of this Amendment. This Amendment may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument. Delivery of executed signature pages to this Amendment by facsimile, shall have the same force and effect as delivery of executed originals of this Amendment. Attached hereto is a resolution of the Township authorizing the Township to enter into this Amendment and signifying the authority of the Council President to enter into this Amendment on behalf of the Township.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on the day and year first written above.

ATTEST:

Amy N. Fiegel

IESI PA BETHLEHEM
LANDFILL CORPORATION

By: Christopher V. Della Pietra
Name: Christopher V. Della Pietra
Title: Vice President

ATTEST:

J. G. ...

LOWER SAUCON TOWNSHIP

By: Priscilla deLeon
Name: Priscilla deLeon
Title: Council President