

VILLAGE OF GRAYSLAKE
HOST VILLAGE AGREEMENT

THIS AGREEMENT is entered into by and between the following parties:

THE VILLAGE OF GRAYSLAKE, ILLINOIS, through its duly elected officials as represented by the Village Board (the "Village")

AND

COUNTRYSIDE LANDFILL, INC., a duly incorporated Illinois corporation ("Countryside") and a subsidiary of U.S.A. Waste Services, Inc., with offices located at 31725 North Route 83, Grayslake, Illinois 60030.

WHEREAS, Countryside operates a solid waste disposal facility known as the Countryside Landfill located near the Village in unincorporated Lake County, Illinois; and

WHEREAS, The Countryside Landfill is within the comprehensive planning and business regulation jurisdiction of the Village; and

WHEREAS, because of the proximity of the Countryside Landfill to the Village, the safety and effectiveness of operations at the Countryside Landfill will directly and materially affect the Village in the efforts to protect the health, safety, and welfare of Village residents; and

WHEREAS, the parties to this Agreement understand the demand for and desirability of landfill facilities which utilize the best available technologies of the waste industry to dispose of solid waste; and

WHEREAS, to foster coordinated and comprehensive solid waste disposal efforts in Lake County, the parties to this Agreement desire to follow the plans developed for such waste by the Solid Waste Agency of Lake County ("SWALCO"); and

WHEREAS, the parties further desire to work with SWALCO in the implementation of this Agreement and the Solid Waste System Report adopted by the SWALCO Board of Directors; and

WHEREAS, the Village and Countryside (the "Parties") wish to enter into this Agreement which specifies certain mutually beneficial commitments that the Parties will undertake concerning the technical, operational, and other developmental aspects of the Countryside Landfill; and

WHEREAS, the terms of this Agreement provide for the operation of the Countryside Landfill on real estate as described in Attachment A together with all ancillary buildings and facilities, which will utilize the waste industry's best available technology to provide for an environmentally sound and efficient solid waste landfill; and

WHEREAS, the Parties hereto have determined that the terms provided for in this Agreement are in their respective best interests; and

WHEREAS, the Village is desirous of protecting the health, safety, and welfare of its citizens, collecting a host benefit fee to help meet the costs of government, including but not limited to those costs associated with solid waste planning, environmental enforcement, and traffic enforcement in areas impacted by Countryside's operations, as well as the costs associated with reviewing applications for future enlargements of the Countryside Landfill; and

WHEREAS, Countryside's operation of the site will not provide for the receipt of solid waste by rail, nor the construction or operation of a waste incinerator, nor for the institution of a collection program for household hazardous waste, nor for the acceptance of hazardous waste (as defined in 40 C.F.R. Part 261) at the Countryside Landfill; and

NOW, THEREFORE, in consideration of the Village's efforts in solid waste planning and the Village's long-standing membership in SWALCO, and further in consideration of the Village's willingness to allow Countryside the opportunity to demonstrate its good faith and its concern for the environment, and the Village's willingness to study promptly, objectively and in good faith Countryside's siting proposal for any expansion of the landfill as described herein, and other good and valuable consideration the sufficiency, adequacy, and receipt of which are hereby acknowledged, and in consideration of the above premises and of the covenants and conditions as set forth herein the Parties agree as follows:

IT IS HEREBY AGREED:

1. Incorporation of Recitals

The above recitals are incorporated as part of this Agreement as though fully set forth herein.

2. Parties; Lands Covered

- A. For purposes of this Agreement, "Countryside" includes Countryside Landfill, Inc., as well as any of its parent, subsidiary, or affiliated corporations, and any venture or enterprise in which Countryside or any of its parent, subsidiary, or affiliated corporations has a greater than five percent (5%) stake in the ownership or operation thereof.
- B. This Agreement covers the real estate described on Attachment A which is owned by Countryside (the "Countryside property") and as shown on Attachment B and any other land owned or purchased by Countryside within one and one-half miles of the land described in Attachment A (the "Countryside additional property").
- C. For purposes of this Agreement, the "Countryside Landfill" shall include any existing or future landfill on the Countryside property, or any expansion thereof, and all facilities relating thereto.

3. Effective Date

This Agreement becomes effective as of the date on which it is executed by both Parties.

4. Transfer of Ownership/Assignment of Rights

This Agreement shall be binding upon Countryside and its successors and assigns. No transfer of any ownership or other interest in the Countryside property, the Countryside additional property, or any portions thereof may be made without the prior written approval of the Village, excepting, however:

- A. Agreements in regard to the leasing, ownership, permitting, financing, construction, operation and/or maintenance of the cogeneration and sports complex proposed by Environmental Waste Funding Corporation ("EWFC");
- B. Agreements in regard to the leasing, ownership, permitting, financing, construction, operation and/or maintenance of trails and parks that are or will be open to use by the public and will remain so permanently, wetlands mitigation areas, or other property and uses;

- C. Agreements in regard to the leasing, ownership, permitting, financing, construction and/or maintenance of commuter railroad stations and accessory parking and retail or commercial uses; and
- D. Agreements to lease, sell, convey, or otherwise transfer any ownership or other interest in the Countryside property, the Countryside additional property, or any portions thereof as long as use of such property or other interest is not for the actual disposal, handling, treatment, or recycling of waste.

The Village shall consider, in deciding whether to grant such approval, the ability of the transferee, both financially and operationally, to comply with the terms of this Agreement, the terms of all licenses, permits, and approvals, and all other applicable federal and state statutes and regulations, and local ordinances. The Village may require an express written commitment by the transferee to assume and comply with the duties and obligations of this Agreement. Countryside shall be released from any duties and obligations of the transferee under this Agreement upon the express written approval by the Village of an acceptable transferee.

Countryside shall provide the Village with ninety (90) days written notice prior to any intended transfer of ownership or other interest in the Countryside property. The Village shall not unreasonably withhold approval of such transfer. The refusal of transferee to provide a written commitment to assume the duties and obligations of Countryside under this Agreement shall in all instances be adequate grounds for the Village to withhold approval of a transfer.

The duties and obligations of Countryside upon acceptance by the Village of the terms and conditions of this Agreement are expressly conditioned upon Countryside, or its successor(s) or assign(s) operating the Countryside Landfill. This Agreement shall not be assigned in whole or in part by Countryside without the express written consent of the Village; however, the Village shall not unreasonably withhold such consent. The Village may require an express written commitment from the assignee to assume and comply with the duties and obligations of this Agreement. Countryside shall be released from any duties and obligations of the assignee under this Agreement upon the express written approval by the Village of an acceptable assignee.

Countryside shall provide the Village with ninety (90) days written notice prior to any intended assignment of any duties and obligations of Countryside under the Agreement.

5. Covenant

Except as otherwise provided herein, the Parties agree that their respective rights, obligations, and responsibilities under this Agreement shall be a covenant running with the land and shall survive in the event of condemnation and/or bankruptcy, and that this Agreement shall be recorded in the office of the Recorder of Deeds in and for Lake County, Illinois. Countryside further agrees to execute any documents necessary from time to time for the recording of this Agreement in the chain of title of all of the Countryside additional property.

6. Indemnification/Insurance

Countryside shall indemnify and hold the Village and its officers, agents, and employees harmless from any and all costs, expenses, attorney fees, fees, damages, and judgments ("Liability") incurred by the Village and/or its officers, agents, or employees by reason of any and all operations by Countryside and/or its officers, agents, or employees at the Countryside property. This indemnification is not intended to be, nor shall it be applicable to any such liability to the extent that negligent acts of the Village or its agents caused such loss. Nothing herein shall be construed to subject the Village or its officers, agents, or employees to liability for negligent acts for which it and/or its officers, agents, or employees are immune pursuant to common law or statute or for which they are not otherwise liable.

This indemnification includes, but is not limited to, the circumstance in which the Village is named as a potentially responsible party by virtue of its transportation or disposal of waste on the Countryside property. Under this circumstance, Countryside shall indemnify and hold the Village and its officers, agents, and employees harmless from any liability even if the result of negligence. All indemnification of the Village and its officers, agents and employees under this Paragraph 6, however, shall not be applicable if it is shown that the Village and its officers, agents and employees failed to act in good faith belief as to the lawfulness of their respective actions (or inaction).

Countryside shall carry at least Ten Million Dollars (\$10,000,000.00) per occurrence and in aggregate of general liability insurance and, to the extent reasonably obtainable, environmental impairment insurance. The insurance shall name Countryside as primary insured and shall name the Village of Grayslake and its officers, agents, and employees as additional insureds. Countryside shall provide the Village, as requested by the Village from time to time, with a certificate of insurance showing that the above policy is in effect with the Village and its officers, agents, and employees, named as additional insureds and

providing for a mandatory thirty (30) day pre-termination notice to the Village.

7. Enforcement

The Parties agree that the Village shall have the right to enforce this Agreement through binding arbitration as provided in Paragraph 8 below.

8. Binding Arbitration

All claims, controversies, disputes and other matters in question arising out of, or relating to, the terms of this Agreement, or any modification or extension thereof, including, but not limited to, any claims for indemnification, shall be submitted to binding arbitration by the Parties as follows:

(a) A Notice of Dispute and demand for arbitration shall be filed in writing with the other party to this Agreement. The Notice of Dispute shall be served on the other party within a reasonable time after the claim, dispute or other controversy has arisen and in no event shall it be made on or after the date when institution of legal or equitable proceedings based on such claim, dispute or other controversy would be barred by this Agreement or the applicable statute of limitations.

(b) All arbitrations, unless otherwise agreed by the Parties, shall be conducted by a panel of three (3) arbitrators to be selected as follows:

(i) Each party shall select an independent arbitrator. None of the arbitrators shall be current or former officers or employees of the Parties.

(ii) The arbitrators shall, by agreement, select a third arbitrator who shall serve as the chairperson of the panel.

(iii) Selection by the Parties of their independent arbitrator shall be made within fifteen (15) days of the serving of a Notice of Dispute on the other party.

(iv) Should the two arbitrators not be able to agree on the choice of a third, then the American Arbitration Association shall make the appointment of a person who is neutral to the Parties in controversy.

(c) The arbitration shall be held in Lake County, Illinois, and shall be conducted pursuant to the then obtaining rules of the American Arbitration Association for Commercial Arbitrators. The Parties consent to the exclusive jurisdiction of the Circuit Court of Lake County, Illinois for all purposes in connection with the arbitration.

(d) The determination of the arbitrators, when made, shall be a final judgment, binding upon all the Parties and may be entered and enforced according to applicable law in the Circuit Court of Lake County, Illinois.

(e) The fees and expenses of the arbitration shall be borne by the Parties hereto in proportion to the questions answered adversely to their several contentions or interpretations, as determined by the panel of arbitrators.

9. Severability

If any provision or subsection of this Agreement or the application thereof to any person or circumstance, is held invalid, the other provisions of this Agreement and/or their applicability to other persons or circumstances shall not be affected thereby. It is declared to be the intent of this Agreement that the same would have been adopted had such invalid provision, if any, not been included herein.

10. Tonnage

It is the expectation of the parties that for the first year following execution of this Agreement, the tonnage of waste accepted for disposal at the Countryside Landfill will not exceed a daily average of 1,550 tons, calculated on a monthly basis utilizing a six (6) day work week, with an increase of two (2) per cent per year thereafter (the "Expected Average Daily Level"). In the event that the actual daily average for any month exceeds the amounts described above, the per ton Host Village Compensation described in paragraph 17 herein shall be increased by fifty per cent for each ton accepted above the Expected Average Daily Level; provided, however, that the Surcharge shall not apply to any tonnage from SWALCO communities or to the first three hundred tons per day from non-SWALCO communities above the Expected Average Daily Level. The landfill shall be equipped with scales to determine the tonnage of waste disposed on a daily basis. Countryside agrees to install scales for this purpose as promptly as reasonably practicable following the execution of this Agreement. The Village shall have the right to inspect such scales at any reasonable time to assure that the scales are properly calibrated. In addition, at least annually Countryside shall have

such scales calibrated and shall deliver a certification to the Village stating that such scales are properly calibrated.

11. Prohibited Wastes

In no event and at no time, shall any material then regulated as hazardous waste (as then defined in 40 C.F.R. Part 261), or then defined as nuclear waste of any kind, including but not limited to, below regulatory concern nuclear waste, as those terms are then defined in the applicable federal and state regulations, knowingly be accepted for disposal at the landfill. Low level nuclear waste, bulk liquids, or untreated infectious or pathological medical waste, shall never knowingly be accepted. For purposes of this Section, "knowingly" shall include, without limitation, that Countryside has failed to take reasonable measures to ensure that the wastes prohibited under this Section are not accepted at the Countryside Landfill, or that Countryside has been negligent in implementing such measures.

12. Special Waste

The Countryside Landfill may accept "Special Waste" as that term is currently defined either in the Illinois Environmental Protection Act or in regulations adopted by the Illinois Pollution Control Board; provided, however, that the levels of Special Waste accepted at the Countryside Landfill shall be no greater than those described in any written agreement between SWALCO and Countryside, and that no drums containing liquid wastes and no bulk liquid wastes knowingly shall be accepted unless otherwise agreed in writing by the Parties. For purposes of this Section, "knowingly" shall include, without limitation, that Countryside has failed to take reasonable measures to ensure that the wastes prohibited under this Section are not accepted at the Countryside Landfill, or that Countryside has been negligent in implementing such measures.

13. General Wastes

All other wastes not defined as "hazardous" or "special" by the Illinois Environmental Protection Act or Regulations of the Illinois Pollution Control Board and not otherwise banned from disposal in a sanitary landfill may be accepted for disposal at the Countryside Landfill. All wastes accepted for disposal shall be disposed of in compliance with any and all applicable federal, state, and local requirements, conditions, regulations, and permits, as amended and supplemented during the life of the Countryside Landfill and as the Parties may have further agreed as set forth in the Agreement or any subsequent writing agreed to by the Parties.

14. Future Landfill Expansion

Countryside shall deliver, and the Village agrees to review promptly, objectively, and in good faith, any documentation or applications related to future expansion or re-permitting of the Countryside Landfill. Following such review, the Village agrees to provide Countryside with all comments, criticisms, and/or suggestions, and in good faith attempt to resolve any disagreements or conflicts relating thereto. Nothing in this Section shall limit the Village's ability or right to exercise its sound discretion in reviewing any materials so submitted by Countryside.

The Parties each understand that as a part of the siting and permitting process, regulatory authorities on occasion issue approvals subject to the satisfaction of certain conditions or the implementation of certain modifications by the applicant. Countryside agrees that, absent written approval by the Village and subject to the provisions contained herein: (a) the total capacity of the Countryside Landfill shall not exceed the capacity described in paragraph 15(B) herein and in the specifications contained in Attachment C hereto; and (b) the maximum height of the Countryside Landfill shall not exceed the heights described in paragraph 15(B) herein and in the specifications contained in Attachment C hereto. If conditions or modifications are imposed on approval of Countryside's application by a regulatory agency or agencies, the effect of which would be to increase the capacity and/or height of the expanded landfill, the Village agrees to consider in good faith changes based upon such conditions or modifications, and not to unreasonably withhold its consent. Countryside also agrees to implement the end use plan as described in the specifications contained in Attachment C hereto, unless changes are required as a result of a condition to siting approval imposed by the Lake County Board or of a condition imposed by the Illinois Environmental Protection Agency ("IEPA") for issuance of a permit. Countryside shall at all times solely be responsible for the submission and acquisition of any and all permits, whether they be local, state, federal, or regulatory agency permits for any expansion of the Countryside Landfill. This Agreement shall not be considered or interpreted to mean that the Village is a co-applicant, joint venture agent, or partner in any way or to create any other legal relationship, with Countryside. Countryside shall be solely responsible for any and all costs and expenses incurred in the design, development, expansion, construction, operations, and closure of the Countryside Landfill.

15. Design and Operation of the Facilities

The Countryside Landfill and all ancillary buildings and facilities developed or operated on the Countryside property shall be sited, developed, and operated in accordance with all applicable federal,

state, and local laws and regulations, including but not limited to the regulations of the Illinois Pollution Control Board as may be amended and supplemented as well as the regulations proposed and adopted by the United States Environmental Protection Agency under Subtitle D of the Solid Waste Disposal Act or any successor provisions ("Subtitle D").

A. Operational Plan of the Landfill

Except in cases of emergencies, Countryside Landfill shall not accept waste for disposal except between the hours of 6:00 a.m. to 5:00 p.m. Monday through Friday, and from 7:00 a.m. to 1:00 p.m. on Saturday, with trucks accepted on Saturday only until 11:30 a.m. The Village agrees that the covering of such waste shall be permitted after the hours of 5:00 p.m. on Monday through Friday, and after the hour of 1:00 p.m. on Saturdays, until the waste received each day is covered. In the event of an emergency, Countryside shall notify the Village as soon as possible of the circumstances requiring extended hours of operation, and Countryside shall limit such emergency operation to as short a period of time as practicable. In the event that more than five such emergencies occur within a calendar month, representatives of the Village and Countryside shall meet and discuss the causes of such emergencies and, if necessary, additional measures.

Countryside shall operate the Countryside Landfill in accordance with all applicable substantive legal requirements and regulations and in accordance with the plans set forth in all permits and permit applications now and hereafter approved by the Illinois Environmental Protection Agency ("IEPA"). Countryside shall at all times solely be responsible for the submission and acquisition of any and all permits, whether they be local, state, federal, or regulatory agency permits for the operation of the landfill.

Countryside shall operate the Countryside Landfill in a manner that will reduce to a minimum, consistent with excellent operating practice, the area of open operating face each day, and will take steps above and beyond industry norms (including daily cover of at least six inches of soil or other appropriate material on all waste deposited) to control, to the greatest extent practicable, odors emanating from that area, and substantially in accordance with the specifications described in Attachment C hereto. The length of the working face shall be contingent upon the height and slope of the lift of waste being developed, but in any event shall be in substantial conformity with Attachment C hereto. All exposed waste shall be covered at the end of each working day. Daily cover application shall consist of soil, fabric, or other

material as expressly approved by the Illinois Environmental Protection Agency.

Countryside shall not accept waste delivered by rail, construct, install, or operate a waste incinerator, or institute a collection program for household hazardous waste, on the Countryside property or Countryside additional property. Countryside shall not establish or operate a waste transfer station on the Countryside property or the Countryside additional property without the express written consent of the Village Board of Trustees.

Countryside shall, substantially in accordance with the specifications described in Attachment C hereto and in accordance with the Amended and Restated Mutual Cooperation Agreement entered into with Prairie Holdings, Inc., develop a program of controls to discourage gulls or other birds from scavenging or gathering at the Countryside Landfill in numbers that constitute a nuisance.

Countryside shall continue to use the existing entrance (or another on Route 83 as approved by the Illinois Department of Transportation) as the sole waste truck entry to the Countryside Landfill. Countryside shall implement a traffic control policy for all vehicles delivering waste for disposal and leaving the landfill after disposal to the Countryside property that refuses to accept for landfilling any waste delivered to the landfill using any of the following routes (as described below and as depicted on Attachment D hereto), unless such vehicle (i) is non-commercial (which for purposes of this Agreement shall mean a vehicle with an empty gross weight of less than eight tons), (ii) is subject to temporary redirection by governmental authorities or their agents, employees or contractors, due to road maintenance, repair, construction, seasonal necessity, or emergency, (iii) is prohibited by law, statute or ordinance from using reasonable alternate routes, or (iv) is collecting and/or transporting waste collected within the Village:

- Washington Street between Hainesville Road and Route 45
- Route 83 between Lake Street and Route 137
- Route 120 between Route 83 and Alleghany Road.
- Route 137 between Route 83 and Peterson Road.

In the event that any of these route restrictions interfere with reasonable waste disposal operations for Countryside, its affiliates, or its customers, the Village and Countryside shall reevaluate the restrictions and, if necessary, in good

faith attempt to negotiate a modification to the traffic routing plan described above.

As a part of the traffic control policy, upon receipt of a copy of any courtesy citation issued by the Village police department to the operator of a vehicle transporting waste to the landfill, Countryside shall notify owner of the vehicle that continued violations of the traffic control policy shall result in a refusal by Countryside to accept waste delivered to the landfill by the vehicle after using a prohibited route. Upon notification from the Village, Countryside shall refuse to accept waste from any vehicle using a prohibited route after the driver of such vehicle has received a courtesy citation from the Village more than once in any six month period.

Subject to approval and issuance of a permit by the IEPA, Countryside shall maintain and use a recirculating-water wheel wash for purposes of removing mud and dirt from trucks as they exit the Countryside Landfill. Said wheel wash shall be located on the Countryside property or Countryside additional property and at least 1/8 of a mile from the nearest public road. Landfill traffic shall be routed through the wheel wash facility as needed to eliminate mud tracking on public roads.

Countryside shall maintain a debris, mud, dirt, and litter control program for the Countryside Landfill and surrounding areas, substantially in accordance with Attachment C hereto. Mud, dirt, and debris, shall be removed from Route 83 in the immediate vicinity of the Countryside Landfill on a daily basis.

Countryside shall make a daily clean up of any litter and debris from landfill operations on adjoining rights-of-way and, if approval is received from applicable property owners, adjoining properties.

Countryside shall deliver a \$5,000.00 cash deposit to the Village which shall be placed by the Village into a segregated Litter Control Fund (the "Litter Control Fund"), and which the Village shall have the right (but not the obligation) to use for purposes of paying the cost of litter, debris, and dirt control in the immediate vicinity of the Countryside Landfill and adjoining properties, in the event Countryside fails to satisfy its obligations under the preceding paragraphs. The Village shall give personal or telephone notice to the operating personnel of the Countryside Landfill at least two hours prior to performing clean up activities that will be paid for from the Litter Control Fund and allow Countryside personnel the opportunity to perform the clean up activities.

Upon notice from the Village, Countryside shall be required to deposit additional amounts in the Litter Control Fund to maintain a \$5,000.00 balance; provided, however, that Countryside shall not be required to deposit more than \$50,000.00 in the Litter Control Fund during the term of this Agreement, and provided further that nothing in this paragraph shall relieve Countryside of any of its duties, obligations, or liabilities regarding the removal of dirt, debris, or litter from the streets and other properties in the vicinity of the Countryside Landfill. If at the end of the first two-year period following establishment of the Litter Control Fund, or at any time thereafter, it is determined that the such a fund is unnecessary due to the operating procedures utilized by the Countryside Landfill, the Litter Control Fund shall be terminated and the balance of funds remaining in the account as of termination shall be returned to Countryside.

Countryside agrees that with respect to any construction work which it determines to subcontract to unaffiliated third parties, it will attempt to utilize local contractors provided that they are capable of performing the work and that their bids are price competitive.

B. Design of the Facilities

The landfill and all ancillary buildings and facilities developed on the Countryside property shall be sited, developed, and operated in accordance with all applicable federal, state, and local laws and regulations, including but not limited to the regulations of the Illinois Pollution Control Board as may be amended and supplemented as well as the regulations proposed and adopted by the United States Environmental Protection Agency under Subtitle D or successor regulations.

Subject to receipt of the necessary permits, authorizations, or approvals (which Countryside shall make all reasonable efforts to obtain), and subject to the provisions of paragraph 14 above, Countryside agrees to construct the expanded landfill substantially in accordance with the specifications contained in Attachment C hereto, including the specifications regarding the maximum height (elevation 930, excluding one to three feet of possible additional soil to ensure effective landscaping), capacity (14.4 million in-place cubic yards), timing and sequence of construction, end uses, and landscaping of the Countryside Landfill, as well as the buffer areas and road improvements relating to or affected by the landfill. The Parties understand and acknowledge that where in this Agreement Countryside agrees to construction "substantially in

accordance with Attachment C", that shall mean constructed: (1) to the specifications contained therein; or (2) to those specifications as modified and approved by local, state, or federal regulatory authorities.

16. Monitoring

Countryside shall provide to the Village design details of all environmental monitoring systems which currently exist or are designed for future installation at the Countryside Landfill.

The Lake County Health Department operates a Comprehensive Landfill Inspection and Monitoring Program to ensure compliance with federal, state, and local regulations. Subject to IEPA approval, the continuation of this program, or a comparable program implemented by a governmental agency authorized to do so, will constitute the monitoring and inspection of any landfilling operations on the Countryside property.

A. Site Inspections

Subsequent to the execution of this Agreement, the County or the Village and their authorized agents or representatives shall have the right to inspect all operations at the Countryside Landfill during normal business hours. In addition, the Village or the Lake County Health Department or its successor or designee may conduct a reasonable number of random inspections of waste deliveries to Countryside Landfill.

B. Tonnages

The Village shall be permitted to inspect the books and records that Countryside agrees to maintain on a daily basis pertaining to the tonnages of waste accepted at the Countryside Landfill. Countryside shall provide such records to the Village in the same manner and on the same terms and conditions as they are presented to SWALCO.

C. Prohibited Waste

Countryside shall perform such inspections and monitoring for hazardous waste, nuclear waste or other prohibited wastes, as are set forth in the IEPA permit for the landfill.

D. Hours of Operation

Normal operating hours shall not exceed those listed in paragraph 15(A) above. Countryside shall install security

fencing at all entrances to the Countryside Landfill to ensure that no deliveries of waste occur outside of the permitted hours of operation.

E. Correspondence

Countryside shall also forward to the Village any written communication which it receives from the Illinois Environmental Protection Agency, its delegate or any other jurisdiction, relating to the Countryside Landfill. Countryside shall also provide to the Village notice of any fine imposed upon it for such actions provided that a final determination or adjudication has been made with respect to the matter. All such written communications shall be forwarded to the Village within ten (10) days of receipt by Countryside.

F. Groundwater

Groundwater quality shall be monitored in accordance with Attachment C hereto, subject to IEPA approval. The Village shall have the right to witness all sampling, as well as to request split sampling, and to receive copies of all results.

G. Surface Water

Surface water quality shall be monitored in accordance with Attachment C hereto, subject to IEPA approval.

H. Landfill Gasses

A gas collection and management system shall be implemented in accordance with Attachment C hereto, subject to IEPA approval.

I. Leachate Collection

A leachate collection and management system shall be implemented in accordance with Attachment C hereto, subject to IEPA approval. In the event that Countryside desires to convey leachate from the Countryside Landfill to a publicly owned treatment works ("POTW") via sewer lines, the Village shall allow Countryside to connect to the Village's sanitary sewer system and discharge leachate through that system to the appropriate interceptor line and POTW, provided, that (i) the Village's sanitary sewer system has, in the opinion of the Village engineer, sufficient capacity and capability to handle such discharge; (ii) Countryside makes any necessary improvements to the Village's sanitary sewer system that the Village Engineer reasonably determines to be necessary to handle such discharge; (iii) Countryside pays all applicable

connections fees and user charges as charged to similarly situated users of the Village's systems; (iv) Countryside obtains all necessary approvals from the POTW, IEPA, and any other governmental entities other than the Village. Any leachate discharged through the Village's sanitary sewer system shall be pre-treated by Countryside prior to discharge to meet or exceed the POTW's discharge limitations. In addition, unless the Countryside property or some portion thereof is first annexed to the Village, the Village may refuse to extend sewer service to the USA property except pursuant to an intergovernmental agreement between the Village and the County of Lake specifically governing the collection, transportation, and treatment of sewage from the USA property.

J. Well Monitoring

If the IEPA issues a permit to Countryside to expand the Countryside Landfill, Countryside shall contact the owners of all potable water supply wells within 500 feet of the perimeter of the Countryside property, by certified mail, return receipt requested, seeking permission from the owners to sample their wells for background and for routine monitoring. Countryside shall monitor the wells of those consenting owners on an annual basis during the term of this Agreement, at Countryside's expense, for the purposes of determining the quality of the water for human consumption. Reports relating to such monitoring shall be provided to the Lake County Health Department, the Village, and to affected residents. Testing shall be performed based on similar testing done by a municipal water testing program for drinking water standards and shall include any additional reasonably necessary testing requested by the Lake County Health Department or the IEPA. Should it be determined that the groundwater from a well has been degraded after the date of this Agreement as a result of landfill operations, Countryside shall take appropriate steps to remediate the degradation, including if necessary providing an alternate potable water supply.

Countryside shall not be responsible for remediating any degradation that is not the result of Countryside Landfill operations.

17. Host Village Compensation

Within ten days of the effective date of this Agreement, Countryside shall pay to the Village a Host Village Compensation in the amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00), to cover the period from the effective date of this Agreement through June 1, 1997.

In addition, commencing on January 1 of the year following the date upon which Countryside receives all of the final and non-appealable operating permits and approvals required for an expansion of the landfill (the "First Calendar Year"), Countryside shall pay quarterly to the Village of Grayslake a Host Village Compensation, calculated monthly as follows:

During the first five calendar years of Host Village Compensation, as described above, Countryside shall pay to the Village Two Dollars (\$2.00) per ton (2,000 lbs.) of waste disposed of at the expanded landfill facilities located on the Countryside property contemplated by Attachment C hereto; provided, however, that the rate per ton paid by Countryside for the first 150,000 tons in the First Calendar Year shall be One Dollar and Fifty Cents (\$1.50) per ton. The Host Village Compensation shall be increased to Two Dollars and Fifteen Cents (\$2.15) per ton for calendar years six through ten; to Two Dollars and Thirty Cents (\$2.30) per ton for calendar years eleven through fifteen; and to Two Dollars and Fifty Cents (\$2.50) per ton from calendar year sixteen until such date as Countryside ceases accepting waste at the Countryside Landfill pursuant to the expansion contemplated by Attachment C hereto.

Within fifteen (15) days after the end of each calendar quarter (i.e. April 15, July 15, October 15, January 15) during the term of operation, Countryside shall provide a statement relating to the Countryside property showing the number of tons of waste disposed of at the Countryside property. Said statement shall be under oath from an official or representative having the authority to make such statement certifying the tons of waste landfilled on the Countryside property during the period for which the fee is paid.

Any Host Village Compensation payment not received by the Village by the above deadlines shall be subject to a late charge of 1% of the total Host Village Compensation per month or fraction of the month in which the payment is late.

The Host Village Compensation to be paid shall be in consideration of the Village's review of documentation or applications relating to the Countryside Landfill and of the services the Village may be required to perform from time to time as a result of, directly or indirectly, the operations of the Countryside Landfill on the Countryside property.

This Section shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns, including, but not limited to, successor owners of record, successor owners, lessees and successor lessees, and upon any successor municipal authority of the Village and successor municipalities for the longest period allowed by law.

In order to induce the Village to enter into this Agreement, and in consideration for the exchange of the covenants and conditions set forth herein, Countryside, its successors, assigns, agents, and employees, do hereby waive and release any and all right to contest, in law or in equity, the enforceability of the provisions of this Section, including the right to use enforceability as a defense to any action brought by the Village to collect the payments set forth in this Section. In the event Countryside, its successors, assigns, agents or employees attempt to raise in any action the issue of enforceability in order to avoid the payment of any of the amounts set forth in this Section, the Village shall be entitled to all its costs and expenses, including reasonable attorneys fees, incurred in such action whether the Village prevails or not. Nothing in this paragraph shall prohibit Countryside from asserting any of its rights in connection with breach of this Agreement by the Village.

In the event, for any reason, other than the Village's own actions, the payment provisions of the Section are found by a court of competent jurisdiction to be unenforceable, this Agreement shall be automatically amended, without need of action by any of the Parties hereto, to provide for the payment of fees by Countryside to the Village after the date a court of competent jurisdiction finds the payment provisions unenforceable in amounts equivalent to the following: \$2.00 per ton for the first five calendar years following receipt of all requisite, final and non-appealable operating permits and approvals for expansion of the Countryside Landfill; provided, however, that the rate per ton paid by Countryside for the first 150,000 tons in the First Calendar Year shall be \$1.50 per ton; \$2.15 per ton for calendar years six through ten; \$2.30 per ton for calendar years eleven through fifteen; and \$2.50 per ton from calendar year sixteen until such date as Countryside ceases accepting waste at the Countryside Landfill pursuant to the expansion contemplated by Attachment C hereto, rather than the amount presently set forth in this paragraph. Said payment shall be made in yearly payments over the remaining term of this Agreement after a court of jurisdiction renders its final judgment. The remedies provided in this Section are in addition to all other remedies available to the Village under the terms of this Agreement or otherwise.

The Parties agree that the Village may use the Host Village Compensation in any lawful manner that it sees fit.

18. Post Closure Remedy

Countryside agrees that, upon final closure of each section of any Countryside landfill located on the Countryside property, Countryside agrees it shall place a cap on the respective section of the landfill in accordance with federal and state regulations

and permits and to take all other actions required by such laws and regulations with respect to the closure and post-closure of the landfill.

Countryside further agrees and understands that the Village shall have no responsibility to maintain, rehabilitate, or otherwise contribute to the short or long term care of the landfill, either during the time that it accepts waste or during its post-closure care.

19. Annexation

Countryside shall not cause or voluntarily permit the Countryside Landfill or Countryside property to be annexed into any incorporated village or city except the Village during the life of this Agreement or any extensions of this Agreement, without the prior approval of the Village.

In the event that Countryside, a related entity, or EWFC desires to annex to the Village any portion of the Countryside property whether used for landfilling or any other purposes, the Village in good faith shall negotiate with the entity and attempt to reach agreement on mutually acceptable terms, including permission for the entity to connect the site to the Village's water and sanitary sewer systems; provided, however, that Village water or sewer service shall only be provided (i) subject to available capacity, (ii) on the same basis as other industrially developed properties, (iii) upon the payment of all then-applicable connection and recapture fees, (iv) upon the entity installing at its sole cost (and subject to appropriate recapture, if any) any public improvements necessary to permit the connection of the site in question, and (v) subject to such other reasonable conditions that the Village may determine to be appropriate or necessary given the site and the activities conducted thereon. Nothing in this Section shall limit the Village's discretion to refuse to annex any such property.

20. Additional Countryside Land

Countryside agrees that no Countryside additional property shall be used for any regional pollution control facilities or for any other waste disposal, handling, treatment, or recycling uses or purposes without the prior written consent of the Village. The Village acknowledges that notwithstanding the foregoing: (a) Countryside may use these additional lands for wetland mitigation purposes; (b) Countryside may use these additional lands for non-waste disposal purposes ancillary to the future expansion or re-permitting of the Countryside Landfill contemplated in paragraph 14 above; (c) Countryside may continue to use these additional lands for their current purposes; and (c) Countryside may use these additional

lands for any lawful purposes not related to waste disposal, handling, treatment, or recycling activities.

21. Terms

The rights and obligations as contained in this Agreement shall remain in effect for the life of any landfill permitted for the Countryside property and for the post-closure period.

22. Applicable Law

This Agreement will be governed by and construed according to the laws of the State of Illinois.

23. Authority to Enter into Agreement

Countryside hereby represents and warrants that the individuals executing this Agreement have been duly authorized by the corporation to act on its behalf and enter into this Agreement. Countryside agrees to provide the Village with sufficient proof of said authorization which proof shall include but not be limited to an appropriate corporate resolution authorizing the execution of this Agreement.

The Village hereby represents and warrants that the individuals executing this Agreement have been duly authorized by the Village to act on its behalf and enter into this Agreement. The Village agrees to provide Countryside with sufficient proof of said authorization which proof shall include but not be limited to an appropriate Village resolution authorizing the execution of this Agreement.

The Parties hereto acting under authorization of their respective governing bodies and organizations, when applicable, have caused this Agreement to be duly accepted and executed this 3rd day of May, 1994.

24. Amendment

During the term of this Agreement, the parties shall have the right to request an amendment to this Agreement. For any request to amend this Agreement, the requesting party shall have the burden to provide that amendment is in the best interests of the Parties or that this Agreement is causing undue hardship. The Village shall have the ability to hire experts to represent them and evaluate any amendment requested by Countryside. Countryside shall pay all reasonable out-of-pocket expenses of the Village incurred in the evaluation of the amendment request made by Countryside.

25. Notices

All notices, demands or other communications given pursuant to this Agreement shall be in writing and shall be deemed to have been fully given, made or sent (i) when served personally; (ii) one day after deposit with a reputable overnight courier service, delivery charges prepaid; or (iii) three days after deposit in the United States mail and, if deposited in the United States mail, either certified or registered with postage prepaid, addressed as follows:

To the Village:

Village Manager
Village of Grayslake
33 South Whitney Street
Grayslake, Illinois 60030

To Countryside:

Mr. Donald F. Moorehead, Jr.
Chairman and Chief Executive Officer
USA Waste Services, Inc.
5000 Quorum Drive
Dallas, Texas 75240

With copies to:

Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
Attention: Thomas V. Skinner, Esq.

Countryside Landfill
P.O. Box 342
Grayslake, Illinois 60030
Attention: Ron Kinney

Notice of a change in the foregoing address or addresses of either party may be given to the other party as above provide but shall be effective only upon receipt of such change at least ten (10) days prior to the effective date of such change.

26. Miscellaneous Provisions

(a) The paragraph captions in this Agreement are for convenience only and are not intended to limit or interpret the provisions hereof.

(b) Time is of the essence of this Agreement and all provisions hereof.

(c) This Agreement shall be legally enforceable whether executed and transmitted via original document or telecopy.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first hereinabove written.

COUNTRYSIDE LANDFILL, INC.

By: Donald L. Marshall
Its: CEO

Attest: George C. Cook
Its: VP - Landfill Ops

VILLAGE OF GRAYSLAKE

By: Peter L. Jacek
Its: Mayor

Attest: Peter L. Jacek
Its: Village Clerk

ATTACHMENTS

A. Description of Countryside Property

B. Depiction of Countryside Property

C. Countryside Siting Application

[The complete 18-volume Siting Application is on file with the Village Clerk of Grayslake and available for public review; the Table of Contents is attached hereto for convenience]

D. Depiction of Countryside Traffic Routing Plan

ATTACHMENT A

The legal descriptions for the parcels making up the "Countryside property" as defined in the Host Village Agreement between the Village of Grayslake and Countryside Landfill, Inc. dated May 3, 1994, are as follows:

EXISTING FILLED AREA

The east half of lot 1 of the northeast fractional quarter of Section 2, together with that part west of the Minneapolis, St. Paul and Sault Ste. Marie Railway (now the Wisconsin Central Limited Railroad) of lot 1 of the northwest fractional quarter of Section 1, together with the north 53 rods of the west 65 rods of the northeast quarter of the southeast quarter of Section 2, (except the south 173.17 feet thereof) all in Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

PROPOSED LATERAL EXPANSION AREAS

PARCEL 1

The south 173.17 feet of the north 53 rods of the west 65 rods of the northeast quarter of the southeast quarter of Section 2, Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

PARCEL 2

That part of the northeast quarter of the southeast quarter lying south of the north 53 rods thereof, lying west of the east 45 rods and lying north of the south 17 rods thereof in Section 2, Township 44 north, Range 10, east of the third principal meridian and the east 45 rods (except the north 53 rods thereof and except the south 17 rods thereof of the northeast quarter of the southeast quarter of Section 2, Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

PARCEL 3

The north 53 rods of the northeast quarter of the southeast quarter of Section 2, Township 44 north, Range 10, east of the third principal meridian (except the west 65 rods thereof), in Lake County, Illinois.

PARCEL 4

The north 597.8 feet of the northwest quarter of the southwest quarter of Section 1, Township 44 north, Range 10, east of the third principal meridian, (except that part thereof lying east of the westerly line of right of way conveyed to Chicago and Wisconsin Railroad Company, a

corporation of Illinois, by warranty deed dated January 7, 1886 and recorded February 9, 1886 as document 33228), in Lake County, Illinois.

PARCEL 5

The south 724.31 feet of the northwest quarter of the southwest quarter (except the south 330 feet thereof) of Section 1, Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

PARCEL 6

That part of the northeast quarter of the northeast quarter (except the north 425.00 feet thereof), of said fractional Section 2, lying southerly of the right of way of the Chicago, Milwaukee, St. Paul & Pacific Railroad, now Metra Railroad, together with that part of the northwest quarter of the northwest quarter of fractional Section 1, lying southwesterly of the right of way of the Minneapolis, St. Paul & Sault Ste. Marie Railroad, formerly the Soo Line Railroad, now the Wisconsin Central Limited Railroad, all in Township 44 north, Range 10, east of the third principal meridian, Lake County, Illinois.

PARCEL 7

The south 17 rods (except the east 45 rods thereof) of the northeast quarter of the southeast quarter of Section 2, Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

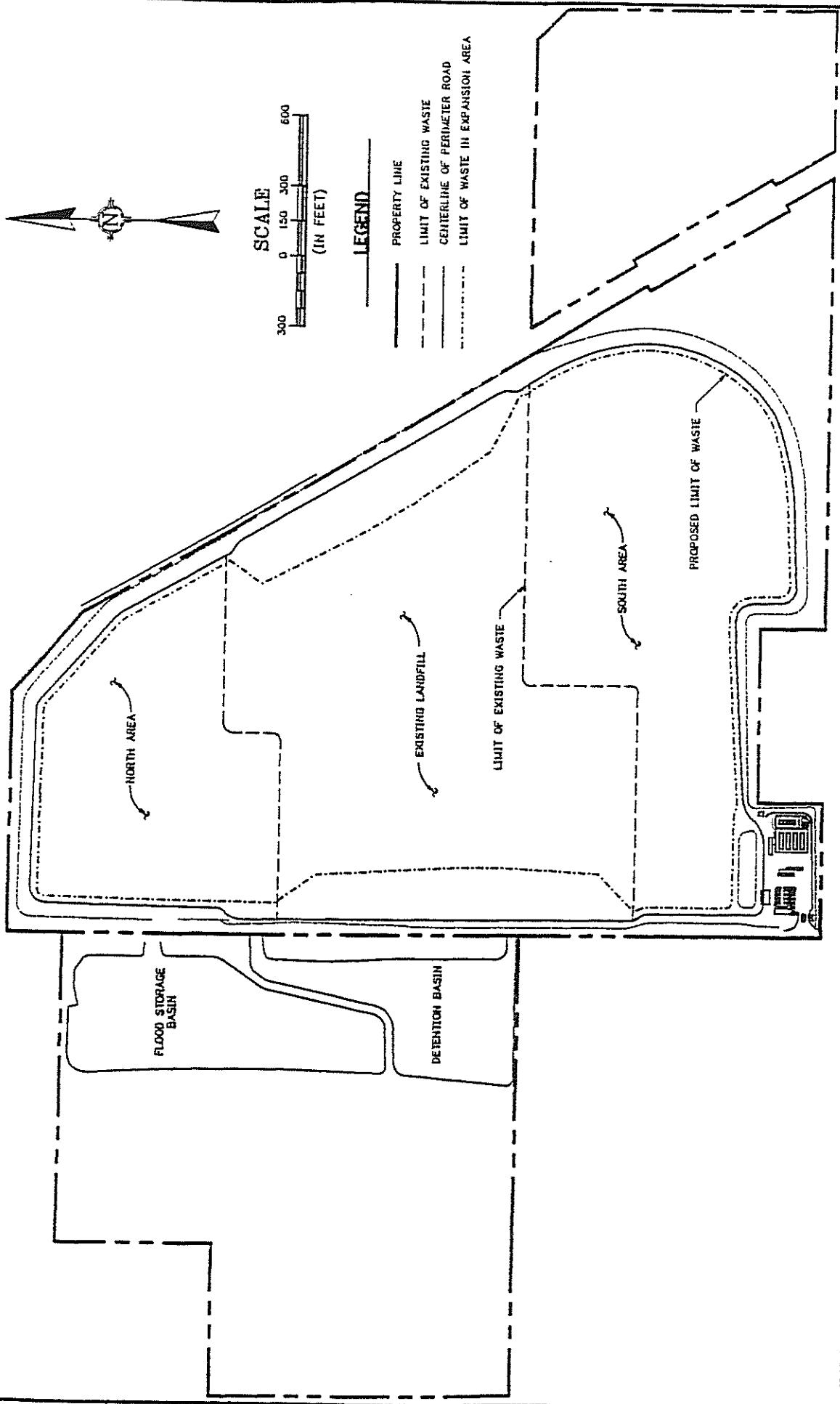
PROPERTY WEST OF ILLINOIS ROUTE 83 WHICH WILL CONTAIN SURFACE WATER RETENTION PONDS

PARCEL 1

The south half of the west half of lot 2 of the northeast quarter of Section 2, Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

PARCEL 2

Lot 1 of the northwest quarter of Section 2 (except the west 60 acres thereof) and the west half of lot 1 of the northeast quarter of Section 2, Township 44 north, Range 10, east of the third principal meridian, in Lake County, Illinois.

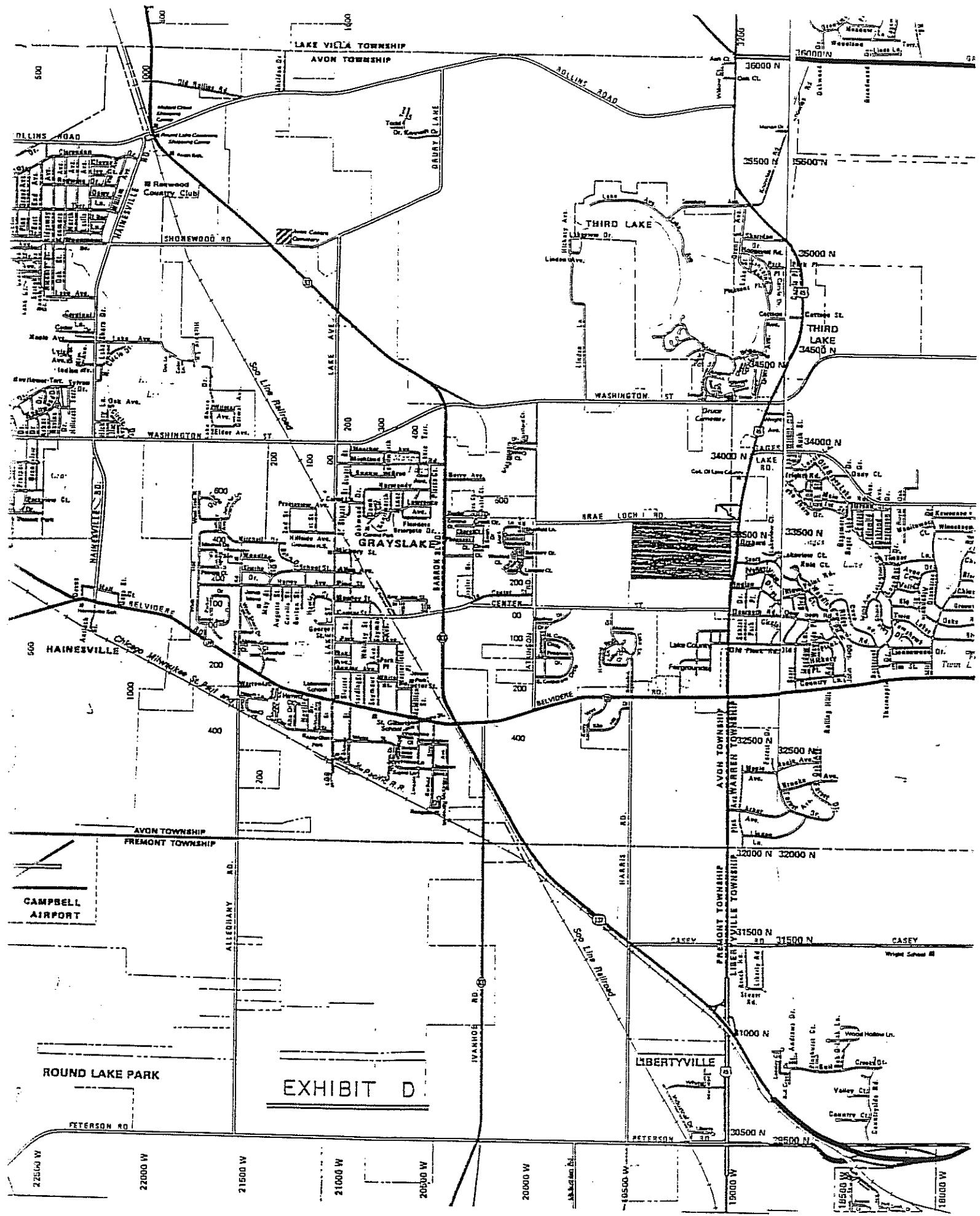


DESCRIPTION OF COUNTRYSIDE PROPERTY

FIGURE NO. ATTACHMENT B
PROJECT NO. FE2051-06
DOCUMENT NO.
PAGE NO.

GEOSYNTEC CONSULTANTS

DWG: 2051F368 199405171013 MR



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