

APPENDIX C.2

**LAKE COUNTY AND THE SOLID WASTE
AGENCY OF LAKE COUNTY**



**HOST AGREEMENT BETWEEN VEOLIA ES ZION
LANDFILL, INC., AN ILLINOIS CORPORATION AND
LAKE COUNTY, ILLINOIS AND THE
SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**

This HOST AGREEMENT (hereinafter referred to as the "Agreement") is made this ^{28th} day of January, 2010 among Veolia ES Zion Landfill, Inc., (hereinafter referred to as "Veolia"), Lake County, Illinois (hereinafter referred to as the "Lake County") and the Solid Waste Agency of Lake County, Illinois (hereinafter referred to as the "Agency").

WHEREAS, Veolia owns certain lands located within the City of Zion, Lake County, Illinois (hereinafter referred to as "Property");

WHEREAS, the Property is legally described in Exhibit A, attached hereto and incorporated herein; and

WHEREAS, a portion of the Property is currently used and permitted by the State of Illinois for a landfill (hereinafter referred to as "Existing Landfill"); and

WHEREAS, the Property includes approximately 26.47 acres (hereinafter referred to as "Expansion Property") which is not part of the Existing Landfill; and

WHEREAS, Veolia desires to expand the Existing Landfill vertically on a portion of the Existing Landfill and horizontally onto the Expansion Property (hereinafter referred to as "Landfill Expansion"); and

WHEREAS, Veolia intends to file with the City of Zion an application for local siting approval for the Landfill Expansion under Section 39.2 of the Illinois Environmental Protection Act (hereinafter referred to as the "Act"), and

WHEREAS, Lake County has adopted a Solid Waste Plan (hereinafter referred to as the "Plan") for the County of Lake pursuant to the Illinois Solid Waste Planning and Recycling Act (415 ILCS 1.51 *et seq*); and

WHEREAS, the Agency was formed to prepare and implement the Plan; and

WHEREAS, the Plan states that, prior to filing a siting application, an applicant for an expansion of an existing landfill shall “first enter into Host Community Benefit Agreements with Lake County, SWALCO and the governing body with jurisdiction over the proposed facility;” and

WHEREAS, Veolia, Lake County and the Agency desire to enter into this Host Agreement, consistent with the Plan; and

WHEREAS, the City of Zion is the governing body with local siting jurisdiction over the proposed facility, and on June 17, 2008, Veolia entered into an Amendment of Host City Agreement with the City of Zion, consistent with the Plan; and

WHEREAS, Lake County, through its Health Department, has entered into a delegation agreement with the Illinois Environmental Protection Agency (hereinafter referred to as the “IEPA”) for the inspection of existing and closed landfills within Lake County.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the other good and valuable consideration recited in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Veolia, Lake County and the Agency agree as follows:

Section 1. Incorporation of Recitals

The above recitals are incorporated into this Agreement as though set forth herein.

Section 2. Lands Covered.

This Agreement covers the Property, which is legally described in Exhibit A, attached hereto. The Property, including the Expansion Property, is depicted in Exhibit B, attached hereto.

Section 3. Effective Date.

This Agreement shall become effective upon the signing of this Agreement (hereinafter referred to as the “Effective Date”).

Section 4. Host Benefit Fee

a. Commencing on January 1, 2012 (hereinafter referred to as the "Commencement Date"), Veolia shall pay Lake County a host benefit fee in the total sum of one dollar forty one cents (\$1.41) for each ton of solid waste permanently disposed of in the Existing Landfill and the Landfill Expansion (hereinafter referred to as "Host Benefit Fee"), provided that the Host Benefit Fee shall not apply to or be payable for the following material:

- i. Clean soil material;
- ii. Material that is used for Alternative Daily Cover or road base and consists of brick, concrete, asphalt or wood, including such material that is crushed, broken, chipped or ground (hereinafter referred to as "Alternative Use Material"), provided that: (1) for Alternative Use Material for which Veolia receives payment, Veolia shall pay a Host Benefit Fee for each ton of such material that is in excess of four thousand (4,000) tons in any calendar year; and (2) for Alternative Use Material that Veolia purchases or accepts free of charge, Veolia shall pay a Host Benefit Fee for each ton of such material that is in excess of the quantity of such material that is equal to ten percent (10%) of the total tonnage of waste and Alternative Use Material received in any calendar year.
- iii. Construction materials, including soil, sand, pipe bedding, surface water management structures, pipes, compost, mulch, clay, gravel, crushed concrete, stone and synthetic materials, used for liner, leachate drainage and collection, surface water management, gas management, and intermediate and final cover, provided that all of such materials shall be clean ("Construction Material").

Veolia may file a written request with Lake County and the Agency for approval of additional Alternative Use Material and/or Construction Material, which request Lake County and the Agency shall review and consider in good faith. Veolia's written request for such approval shall include a statement of the manner in which such additional material would have a beneficial use in the Landfill Expansion and a market value for uses other than for use within a landfill. Unless otherwise exempt from payment of the Host Benefit Fee pursuant to this Section, 4.a., those wastes that receive a Beneficial Use Determination by the IEPA under 415 ILCS 5/22.54 (enacted by Public Act 96-0489) shall not be exempt from the payment of the Host Benefit Fee. Lake County may review Veolia's books and records under Section 4.e. below for the purpose of confirming the amount of solid waste permanently

disposed in the Landfill Expansion that is not exempt from the Host Benefit Fee pursuant to this Section 4.a. A Host Benefit Fee shall not be payable to the Agency.

- b. Beginning on the first anniversary of the Commencement Date, the Host Benefit Fee shall be increased from the Host Benefit Fee of the previous year by two and one-half percent (2.50%).
- c. The fee (currently \$1.27) paid to Lake County by Veolia pursuant to Section 22.15(j) of the Act (415 ILCS 5/22.15(j)) (hereinafter referred to as the "Statutory Fee") shall be paid to the Agency in the manner as described by statute, provided that Lake County shall have first taken all necessary action to repeal its prior authorization to collect the Statutory Fee and the Agency shall have taken all necessary action to impose and collect the Statutory Fee. In the event 415 ILCS 5/15(j) is amended to provide for an increase or decrease in the Statutory Fee, the increase or decrease in the amount of fee shall have no effect upon the amount of the Host Benefit Fee paid pursuant to Paragraph a, above.
- d. The Host Benefit Fee shall be payable to Lake County on a monthly basis. Payments shall be delivered to Lake County no later than the 30th day of the month following the end of each month. Late payments shall accrue interest at the statutory rate provided in Paragraph 5/2-1303 of the Code of Civil Procedure (735 ILCS 5/2-1303)
- e. Veolia shall keep complete and accurate books and records relating to the determination of the Host Benefit Fees owed under §4 of this Agreement, in an auditable form. Veolia shall permit Lake County's designated representatives access to such books and records for inspection and photocopying, during the Landfill Expansion's normal business hours, which inspection and photocopying shall be at the expense of Lake County and the Agency and shall be no more than annually. Lake County's designated representatives shall maintain as confidential the information contained in such books and records, but shall be permitted to disclose such information to employees and consultants, which Lake County, in its reasonable discretion, deems appropriate in order to monitor the accuracy of the payments of the Host Benefit Fees in compliance with this Agreement, provided that such employees and consultants shall be subject to the obligation to keep such information confidential. In the event such inspection reveals any underpayment(s) of the Host Benefit Fee, Veolia shall promptly pay to Lake County the amount(s) of such underpayment(s), together with simple interest at the rate of nine percent (9%) per annum from the time any such Host Benefit Fees

were due and owing to Lake County, and reimburse Lake County for its costs and expenses of such inspection and, if necessary, collection, including reasonable professional and attorneys fees in connection therewith. In the event that such inspection reveals any overpayment(s) of the per ton fees, including the Host Benefit Fee and the Statutory Fee, Veolia may credit the amount of such overpayment(s) against the payments of the Host Benefit Fee and the Statutory Fee in subsequent months. Inspection of Veolia's books and records and claims for underpayment shall be made no later than three years following the year for which inspection is being made, provided that interest on any underpayment shall stop accruing one year following the year for which the inspection is being made. Claims for underpayment shall be waived if not made during said three-year period.

Section 5. Capacity Guarantee

- a. Notwithstanding that the Capacity Guarantee set forth in Section 4.06 of the Disposal Agreement between Browning-Ferris Industries of Illinois, Inc. and Solid Waste Agency of Lake County, Illinois, dated as of December 8, 1994, (hereinafter referred to as "Disposal Agreement") has been exhausted, Veolia agrees to provide to the Agency from the Effective Date to the Commencement Date disposal capacity in the Existing Landfill for Solid Waste and Special Waste originating from within the corporate boundaries of Lake County (hereinafter referred to as "Lake County Waste") in an amount up to four hundred twenty-five thousand (425,000) cubic gate yards per calendar year ("Transition Capacity Guarantee"). The Transition Capacity Guarantee shall be pro rated for the fraction of a calendar year to which the guarantee applies. If the Agency does not use the full Transition Capacity Guarantee in any calendar year or fraction thereof, the unused capacity shall be released in favor of Veolia, and the Agency shall not be entitled to use said unused capacity in subsequent years.
- b. Commencing on the date on which an operating permit is issued by the IEPA for the Landfill Expansion (hereinafter referred to as the "Permit Date"), and subject to force majeure, Veolia agrees to provide disposal capacity at the Landfill Expansion in the combined amount of 300,000 tons per year for a minimum of six (6) years after the Permit Date (hereinafter referred to as "Annual Capacity

Guarantee”). The Annual Capacity Guarantee shall be reduced on a pro rata basis if the first or last year is not a full calendar year. Furthermore, the Annual Capacity Guarantee shall be reduced proportionately if the City of Zion, through a siting condition, or the IEPA, through its permitting process, reduces the disposal capacity of the Landfill Expansion below 8,953,000 air space cubic yards.

- c. If Lake County Waste in the Landfill Expansion accounts for more than the Annual Capacity Guarantee, then the Parties agree to appropriately adjust the period of time over which the Annual Capacity Guarantee is applicable.
- d. Under any circumstances, the failure to deliver any quantity of Lake County Waste to the Landfill Expansion shall not be construed to be a breach of any obligation under this Agreement, and shall not obligate the Agency or Lake County, or their members to pay any damages, either at law, liquidated or consequential or otherwise, by reason of such failure of delivery.
- e. A Veolia engineer shall, within 60 days after the end of each calendar year, certify to the Agency and Lake County the amount of Lake County Waste and total Municipal Waste deposited at the Landfill Expansion for the prior year. Said certification shall also identify the remaining disposal capacity contained within the Landfill Expansion at the end of the calendar year. In addition, Veolia shall provide to the Agency and Lake County a copy of the capacity certification report filed by Veolia with the IEPA.

Section 6. Property Value Protection Plan

During the term of this Agreement, Veolia shall maintain the Property Value Protection Plan provision as contained in the Host City Agreement dated May 11, 1994 between Veolia and the City of Zion and as amended from time to time.

Section 7. Well Monitoring

During the term of this Agreement, Veolia shall maintain the Well Monitoring provision as contained in the Host City Agreement dated May 11, 1994 between Veolia and the City of Zion and as amended from time to time.

Section 8. Environmental Audit

At the request of Lake County or the Agency, Veolia shall prepare and certify to the Agency and/or Lake County an environmental audit pursuant to the reasonable requirements of the Agency. Such audit may be requested periodically, but no more often than one time per calendar year, as long as the Landfill Expansion remains open for the receipt of waste. This audit shall demonstrate Veolia's state of compliance with all federal, state or local environmental laws, rules or regulations applicable to the Landfill Expansion and with any conditions or requirements specified in any local siting conditions imposed by the City of Zion and shall include all supporting documents and records. In the alternative, Lake County or the Agency may perform its own periodic environmental audit no more than two times per calendar year, in which case, upon reasonable notice from Lake County or the Agency, Veolia shall provide reasonable access to the Property and all applicable documentation and records to facilitate said environmental review. Unless the Agency is aware of adverse environmental conditions at the Landfill Expansion and notifies Veolia of the same, there shall be no more than two environmental audits per calendar year, whether said audits are prepared by Veolia, Lake County or the Agency.

Section 9. Visitation of Premises

- a. During the term of this Agreement, Lake County's designated representatives (except for competitors of Veolia) shall have the right to visit the Property in the presence of a representative of Veolia if approved in advance by Veolia (which approval shall not be unreasonably withheld) and provided that such visitation shall be conducted in a manner so as to minimize interference with Veolia's performance of its obligations under this Agreement and its operation of the Property.
- b. In connection with any such visits, Lake County and the Agency shall comply, and shall cause their agents, representatives, employees or invitees to comply, with all reasonable rules and regulations adopted by Veolia, including a requirement that each Person visiting the Veolia Property shall sign a statement containing terms and conditions reasonably satisfactory to Veolia, which may require, among other things, that each Person agree to assume the risk of injury during the inspection or visit but not the risk of injury due to the intentional or negligent acts or omissions of Veolia.

- c. Sections 9.a. and 9.b. of this Agreement shall not affect the authority of the Lake County Health Department or other regulatory agencies having jurisdiction over landfill operations to conduct inspections of the Property under the terms of said department's delegation agreement with the IEPA.

Section 10. Obligations of Lake County and the Agency

As reasonably requested by Veolia, Lake County and the Agency shall assist Veolia in protecting the health, safety and welfare of its citizens by taking all reasonable steps within their power to offer technical and socio-economic advice to Veolia, where appropriate. Lake County and the Agency shall also aid in public education concerning the process for siting a pollution control facility under the Act in a manner and to the extent which Lake County and the Agency in their sole discretion, deem appropriate.

Section 11. Representations

The Parties represent that they have the requisite power, authority and legal right to enter into and perform their obligations set forth in this Agreement, and the execution, delivery and performance has been authorized by the corporate authorities thereof and constitutes a legal, valid and binding obligation of each respective Party

Section 12. Assignment

- a. Veolia commits that it will be the sole operator of the Property and will not transfer ownership of the Property or assign its rights and obligations to operate the Property, without the written approval of Lake County or the Agency, which approval shall not be unreasonably withheld. Unless Veolia retains ultimate compliance responsibility under the federal Clean Air Act, Veolia shall not transfer ownership of the gas management system for the Property (hereinafter referred to as "Gas System") or assign its rights and obligations to operate the Gas System, without the written approval of Lake County or the Agency, which approval shall not be unreasonably withheld.
- b. If Veolia decides to transfer ownership of the Property or assign its rights and obligations to operate the Property, upon written notice of said transfer request (hereinafter referred to as the "Transfer Notice"), Lake County and the Agency shall consider (a) the ability of

the transferee, both financially and operationally, to comply with the terms of this Agreement, the terms of all licenses and permits, all other applicable federal and state statutes and regulations, and local ordinances and (b) the past record of convictions or admissions of violations of the transferee (and any subsidiary or parent corporation) in the field of solid waste management and landfill gas management. Within fifteen (15) days after receipt of the Transfer Notice, Lake County and the Agency may request from Veolia such information as may be reasonably necessary to make a determination of the suitability of the transferee under (a) and (b) of this Section 12.b. The Agency and Lake County may require an additional written commitment by the transferee to assume and comply with the duties and obligations of this Agreement and any Siting Conditions. Lake County and the Agency shall have forty-five (45) days after receipt of the Transfer Notice from Veolia, or if additional information is requested by the Agency and Lake County, forty-five (45) days after receipt of such additional information, to review a proposed transfer of ownership of the Property or assignment of Veolia's rights and obligations to operate the Property. If Lake County or the Agency fails to approve or deny Veolia's request for approval within such time period, such request shall be deemed approved.

- c. If Veolia decides to transfer ownership of the Gas System or assign its rights and obligations to operate the Gas System, including ultimate compliance responsibility under the federal Clean Air Act, upon written notice of said transfer request (hereinafter referred to as the "Gas System Transfer Notice"), Lake County and the Agency shall consider (a) the ability of the transferee, both financially and operationally, to comply with the terms of this Agreement, the terms of all licenses and permits, all other applicable federal and state statutes and regulations, and local ordinances and (b) the past record of convictions or admissions of violations of the transferee (and any subsidiary or parent corporation) in the field of solid waste management and landfill gas management. Within fifteen (15) days after receipt of the Gas System Transfer Notice, Lake County and the Agency shall request from Veolia such information as shall be reasonably necessary to make a determination of the suitability of the transferee under (a) and (b) of this Section 12.c. The Agency and Lake County may require an additional written commitment by the transferee to assume and comply with the duties and obligations of

this Agreement and any Siting Conditions that are relevant to the operations of the Gas System. Lake County and the Agency shall have forty-five (45) days after receipt of the Gas System Transfer Notice from Veolia, or if additional information is requested by the Agency and Lake County, forty-five (45) days after receipt of such additional information, to review a proposed transfer of ownership of the Gas System or assignment of Veolia's rights and obligations to operate the Gas System. If Lake County or the Agency fails to approve or deny Veolia's request for approval within the time period set forth above, such request shall be deemed approved.

- d. Subsections a., b. and c. of this Section 12 shall not apply to the operations of Site 1, Phase A, and Site 1, Phase B, of the Veolia Property, which phases remain under the operation of Browning-Ferris Industries of Illinois, Inc. Site 1, Phase A, and Site 1, Phase B, are depicted in Exhibit C, attached hereto.

Section 13. Consistency With the Plan

Lake County and the Agency agree and acknowledge that the Landfill Expansion is currently consistent with the Plan. Lake County and the Agency agree to make this representation in regard to Veolia's proposal for the Landfill Expansion with respect to consistency with the Plan under the siting criterion set forth in 415 ILCS 5/39.2(a)(viii). Lake County and the Agency agree that they will not amend the Plan in a manner that would be inconsistent with said representation prior to the earlier of the date that is 180 days after the date of this Agreement, which is the date first above written, or the date which is the day after Veolia files with the City of Zion under Section 39.2 of the Act an application for local siting approval for the Landfill Expansion.

Section 14. Enforcement

The Agency, Lake County and Veolia agree that each of them shall have the rights available in law or equity to enforce the terms of this Agreement in Lake County Circuit Court. However, prior to commencing such action, a party agrees to give the complained-against party thirty (30) days written notice of any non-compliance alleged to constitute a violation of this Agreement. In return, within fifteen (15) days after receipt of such notice, the complained-against party agrees to inform the complaining party in writing of specific defenses which it asserts to the alleged

violation. The complained-against party shall have the right to correct such violation within the thirty (30) day period, provided, however, that if regulatory review and approval are necessary to correct such violation, and Veolia diligently pursues such regulatory review and approval, the time to commence correction of the violation shall include the time reasonably necessary to prepare an application for regulatory approval and the time for regulatory review. Time periods herein shall not include weekends or holidays

Section 15. Veolia Responsibilities

- a. Veolia agrees to accept and properly dispose of Lake County Waste at the Landfill Expansion site, and shall maintain the Landfill Expansion in such a manner as to meet the Annual Capacity Guarantee.
- b. Veolia shall comply with all applicable laws, regulations and permits issued thereunder in connection with the operation of the Property, including all law, regulations and permits relating to the receipt of hazardous waste. Veolia agrees that it will not request permits from IEPA for the receipt of hazardous waste to be knowingly deposited in the Landfill Expansion.

Section 16. Rejection Rights

This Agreement shall not affect or diminish the right of Veolia to reject, in accordance with its policies, procedures, agreements, rules and regulations, deliveries of waste, including Lake County Waste.

Section 17. Term

Unless sooner terminated, this Agreement shall continue in effect: (1) as long as disposal capacity remains in the Existing Landfill; (2) during the pendency of an application for local siting approval for the Landfill Expansion pursuant to Section 39.2 of the Act, the appeal period thereof, and within three (3) years after any such approval; (3) during the pendency of a request for a development or operational permit from the IEPA for the Landfill Expansion, or the appeal period thereof; or (4) as long as capacity remains in the Landfill Expansion. If none of the foregoing are applicable, Veolia may terminate this Agreement by sending a notice of termination to the Agency and Lake County.

Section 18. Indemnification

- a. Veolia agrees to protect, indemnify and hold harmless the Agency, Lake County, their members, employees or agents (hereinafter referred to as “Indemnified Parties”) from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses or suits, and reasonable attorneys’ fees, and shall defend the Indemnified Parties, including appeals, for personal injury to, or death of, any person or persons, or for loss or damage to property arising out of the negligence, willful misconduct or breach of this Agreement by Veolia. Veolia is not, however, obligated to protect, indemnify or hold harmless any Indemnified Party for loss or claim resulting from breach of this Agreement by, or the negligence or willful misconduct of, any Indemnified Party. Veolia’s aforesaid indemnity is for the exclusive benefit of the Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. This indemnity shall survive the termination of this Agreement but no claims for indemnification shall be made more than thirty days after the Indemnified Parties, or any of them, have formal notice of a claim by service of process.
- b. The Agency and Lake County agree to protect, indemnify and hold harmless Veolia, its partners and affiliates, employees or agents (“Veolia Indemnified Parties”) from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses or suits, and reasonable attorneys’ fees, and shall defend the Veolia Indemnified Parties, including appeals, for personal injury to, or death of, any person or persons, or for loss or damage to property arising out of the negligence, willful misconduct or breach of this Agreement by the Agency or Lake County. The Agency and Lake County are not, however, obligated to protect, indemnify or hold harmless any Veolia Indemnified Party for loss or claim resulting from breach of this Agreement by or the negligence or willful misconduct of any Veolia Indemnified Party. The Agency and Lake County’s aforesaid indemnity is for the exclusive benefit of the Veolia Indemnified Parties and in no event shall such indemnity inure to the benefit of any third party. This indemnity shall survive the termination of this Agreement but no claims for indemnification shall be made more

than thirty days after the Veolia Indemnified Parties, or any of them, have formal notice of a claim by service of process.

Section 19. Insurance.

Veolia shall obtain the following minimum insurance: (a) commercial general liability insurance, on a comprehensive, broad form policy, covering all activities conducted or to be conducted by Veolia on or from the Existing Landfill or Landfill Expansion, including contractual liability coverage for Veolia's indemnification obligations hereunder, premises coverage, completed operations coverage, owned and non-owned vehicles and equipment coverage, contractors protective coverage, and waiver of subrogation as against the Agency and the County (or their members, employees or agents); and (b) pollution legal liability insurance covering bodily injury and property damage liability arising out of the actual or threatened release of contaminants from the Existing Landfill or Landfill Expansion, and covering the costs of remedial action for any contaminants which have been or are threatened to be released from the Existing Landfill or Landfill Expansion. To the extent permitted by law, all or any part of any required insurance may be provided under a plan of self-insurance. Under all coverages the Agency and the County, their employees and agents shall be named as additional insured by endorsement. Limits of liability for the coverage shall not be less than \$2,000,000.00 per occurrence and \$6,000,000.00 annual aggregate. Coverage here required shall be maintained from the effective date of this Agreement until certification that the post-closure period has terminated. Veolia shall cause the Agency and the County to be provided with certificates of insurance evidencing the coverages stated herein, which certificates shall prohibit cancellation of the policies or any significant alteration of the coverages, except upon thirty days written notice to the Agency and the County, and which certificates shall state the Agency's and the County's additional insured status. The Agency or the County may, upon written request to Veolia, obtain a complete copy of any applicable policies. This Section shall survive the termination of this Agreement.

Section 20. Notices

All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or sent by

certified mail, postage prepaid, return receipt requested, at such addresses; provided, if such notices, demands, requests or other communications are sent by mail, they shall be deemed as given on the third day following such mailing which is not a Saturday, Sunday or day upon which the U.S. Postal Service does not deliver mail.

a. If to the Agency:

Executive Director
Solid Waste Agency of Lake County, Illinois
1311 North Estes Street
Gurnee, IL 60031

With copy to:

Larry M. Clark
Attorney at Law
700 North Lake Street, Suite 200
Mundelein, IL 60060

b. If to the County:

Lake County Administrator
18 North County Street, 9th Floor
Waukegan, IL 60085

With copy to:

Lake County State's Attorney
18 North County Street, Fourth Floor
Waukegan, IL 60085

c. If to Veolia:

Veolia ES Zion Landfill
c/o Landfill Manager
701 Green Bay Road
Zion, IL 60099

With copies to:

Michael K. Slattery
Senior VP and General Counsel
Veolia Environmental Services North America Corp.
200 E. Randolph St., Suite 7900
Chicago, IL 60601

And

Gerald P. Callaghan
Freeborn & Peters LLP
311 S. Wacker Drive
Suite 3000
Chicago, IL 60606

Such notices shall not be required for routine communications or payments by the Parties.

Section 21. Severability

In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the provisions of this Agreement, as so amended, modified, supplemented or otherwise affected by such action.

Section 22. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the respective successors, permitted assigns, administrators and trustees of the respective Parties.

Section 23. Covenants Run With The Land

Upon issuance by the IEPA of an operating permit for the Landfill Expansion, the Parties agree that the covenants, agreements and understandings contained in this Agreement, including without limitation the obligation to pay the Host Benefit Fee, touch and concern the Expansion Property, and that such covenants, agreements, and understandings shall run with the property, and Veolia agrees that Lake County or the Agency may prepare, and Veolia shall promptly execute duplicate originals of an instrument, in recordable form, which will constitute a memorandum of this Agreement, attaching an executed copy of this Agreement as an exhibit, and record such memorandum in the Office of the Lake County, Illinois Recorder of Deeds.

Section 24. Replacement of Disposal Agreement.

The Disposal Agreement shall remain in effect until the Commencement Date, provided that Veolia shall pay Lake County, not the Agency, the following additional amounts under the

Disposal Agreement (“Additional Amounts”): (a) for each ton of Solid Waste and Special Waste received during calendar year 2010 for which Veolia pays the Affected Area Compensation Fee under the Disposal Agreement, Veolia shall pay Lake County the additional amount of fifteen cents (\$0.15); and (b) for each ton of Solid Waste and Special Waste received during calendar year 2011 for which Veolia pays the Affected Area Compensation Fee under the Disposal Agreement, Veolia shall pay Lake County the additional amount of twenty cents (\$0.20). The Additional Amounts for 2010 and 2011 are not cumulative and shall be added only to the Affected Area Compensation Fee otherwise due for the specific calendar year under the Disposal Agreement. The Additional Amounts shall be paid monthly consistent with the procedure for payment of the Affected Area Compensation Fee under the Disposal Agreement. After the Effective Date, Veolia shall not pay to the Agency the Affected Area Compensation under the Disposal Agreement or the Additional Amounts under this Agreement but shall make such payments to Lake County. The Disposal Agreement shall automatically terminate on the Commencement Date. The Agency and Lake County agree that until the Disposal Agreement is terminated Veolia shall continue to pay Affected Area Compensation Fees and the Additional Amounts to Lake County for the same categories of Solid Waste and Special Waste for which Veolia has paid the Agency in the past. Lake County and the Agency agree that Veolia’s prior payments of Affected Area Compensation Fees to the Agency satisfy Veolia’s financial obligations under the Disposal Agreement up to the Effective Date and that Veolia’s payments of Affected Area Compensation Fees and the Additional Amounts to Lake County after the Effective Date will satisfy Veolia’s financial obligations under the Disposal Agreement until the Commencement Date.

Section 25. Reimbursement of Fees.

The Parties to this Agreement agree that the payment of the Host Benefit Fee will be made by Veolia based on the expectation that Veolia will receive all approvals that are necessary for the Landfill Expansion. In the event that all approvals are not received by Veolia for the Landfill Expansion, Lake County agrees to and shall reimburse Veolia for the difference between the Host Benefit Fees paid under this Agreement and the sum of the Affected Area Compensation Fees and the Additional Amounts that would have been paid under the Disposal Agreement if the Disposal Agreement had remained in effect after the Commencement Date. Notwithstanding the

foregoing, if Veolia terminates this Agreement pursuant to Section 17, except if the reason for termination is that there is no longer capacity in the Landfill Expansion, Veolia shall be entitled to receive reimbursement from Lake County.

IN WITNESS WHEREOF, Veolia, Lake County and the Agency have caused this Agreement to be executed in their respective names, have caused their respective corporate seals to be hereto affixed, and have caused this Agreement to be attested, all by their duly authorized officers and representatives, and Veolia, Lake County and the Agency have caused this Agreement to be dated as of the date and year first written above.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

By: Larry T. Mount

Attest:

Barbara A. Amadio
Secretary

LAKE COUNTY, ILLINOIS

By: A. Belmont

Attest:

William R. Hecker
County Clerk

VEOLIA ES ZION LANDFILL, INC.

By: J. M. [Signature]

Attest:

James A. Lewis

Exhibit A

PLAT OF SURVEY

Parcel 1:
That part of the Northeast Quarter of Section 12, Township 46 North, Range 11 East of the Third Principal Meridian lying East of the centerline of Green Bay Road, in Lake County, Illinois

Parcel 2:
The Northeast Quarter of Section 7, Township 46 North, Range 12 East of the Third Principal Meridian, in Lake County, Illinois

Parcel 3:
That part of the Northeast Quarter of Section 7, Township 46 North, Range 12 East of the Third Principal Meridian described as follows: Commencing at the Northeast corner of said Northeast Quarter; thence West along the Section line to the East line of the West 75 acres of said Northeast Quarter; thence South along the East line of said West 75 acres, 1243 feet (1243.43 feet measured); thence East 1402.5 feet (1385.48 feet measured) to the Southwest corner of FORAM'S SUBDIVISION; thence North 1244.04 feet, more or less, to the point of beginning (except that part of the above described parcel described as follows: Beginning at the Northeast corner of Section 8, also being the Northeast corner of Lot 4 in Farmer's Subdivision; thence South 0 degrees 21 minutes 58 seconds West along the West line of Section 8, 609.95 feet; thence South 89 degrees 38 minutes 02 seconds West, 180.0 feet; thence North 0 degrees 21 minutes 58 seconds West on a line parallel to the West line of Lot 4, 370.30 feet; thence West parallel to the North line of the Northeast Quarter of Section 7, 34.50 feet; thence North 0 degrees 21 minutes 58 seconds West 241.25 feet (241.39 feet measured), more or less, to the North line of said Section 7; thence East along said North line, 214.50 feet, to the point of beginning), TOGETHER WITH the West 75 acres of the Northeast Quarter of Section 7, all in Township 46 North, Range 12 East of the Third Principal Meridian, in Lake County, Illinois

Parcel 4
That part of the Northeast Quarter of Section 7 and of the Northeast Quarter of Section 8, Township 46 North, Range 12, East of the Third Principal Meridian, described as follows: to-wit: Beginning at a point on the East line of the Northeast Quarter of Section 7, aforesaid, 75 1/3 rods (1243 feet), (1244.04 feet measured) South of the North line of said Quarter Section; running thence West on a line parallel with the North line of said Quarter Section, 85 rods (1402.5 feet), (1385.48 feet measured); thence South on a line parallel with the West line of said Quarter Section, 40 rods (660 feet), (658.85 feet measured); thence East on a line parallel with the North line aforesaid, (1385.73 feet measured) to a point on the East line of said Northeast Quarter; thence North along the East line of the Northeast Quarter of Section 7, a distance of 224.78 feet measured; thence East parallel with the North line of said Quarter Section for a distance of (224.78 feet measured) to the West right-of-way line of Kenosha Road, 40 feet distant from the centerline of said road; thence North along said Westerly right-of-way line, a distance of 324.37 feet, more or less, to a point bearing South 88 degrees 21 minutes 24 seconds East from the point of beginning, also being the Southeast corner of Lot 1 in FORAM'S SUBDIVISION; thence North 88 degrees 21 minutes 24 seconds West, 232.30 feet, (233.31 feet measured), to the point of beginning, in Lake County, Illinois.

Parcel 5
Lot 1, Lot 2, Lot 3 and the South 164 feet of Lot 4 (as measured along the West line thereof) all in FORAM'S SUBDIVISION, being a subdivision in the Northeast Quarter of Section 8, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof, recorded November 26, 1958, as Document No. 1012214, in Book 1866 of Records, page 664, in Lake County, Illinois.

Additional Parcels (cross-hatched)
Lot 4 (except the South 340 feet and except the North 220 feet and except the West 60 feet) in FORAM'S SUBDIVISION, being a subdivision in the Northeast Quarter of Section 8, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof, recorded November 26, 1958, as Document No. 1012214, in Book 1866 of Records, page 664, in Lake County, Illinois

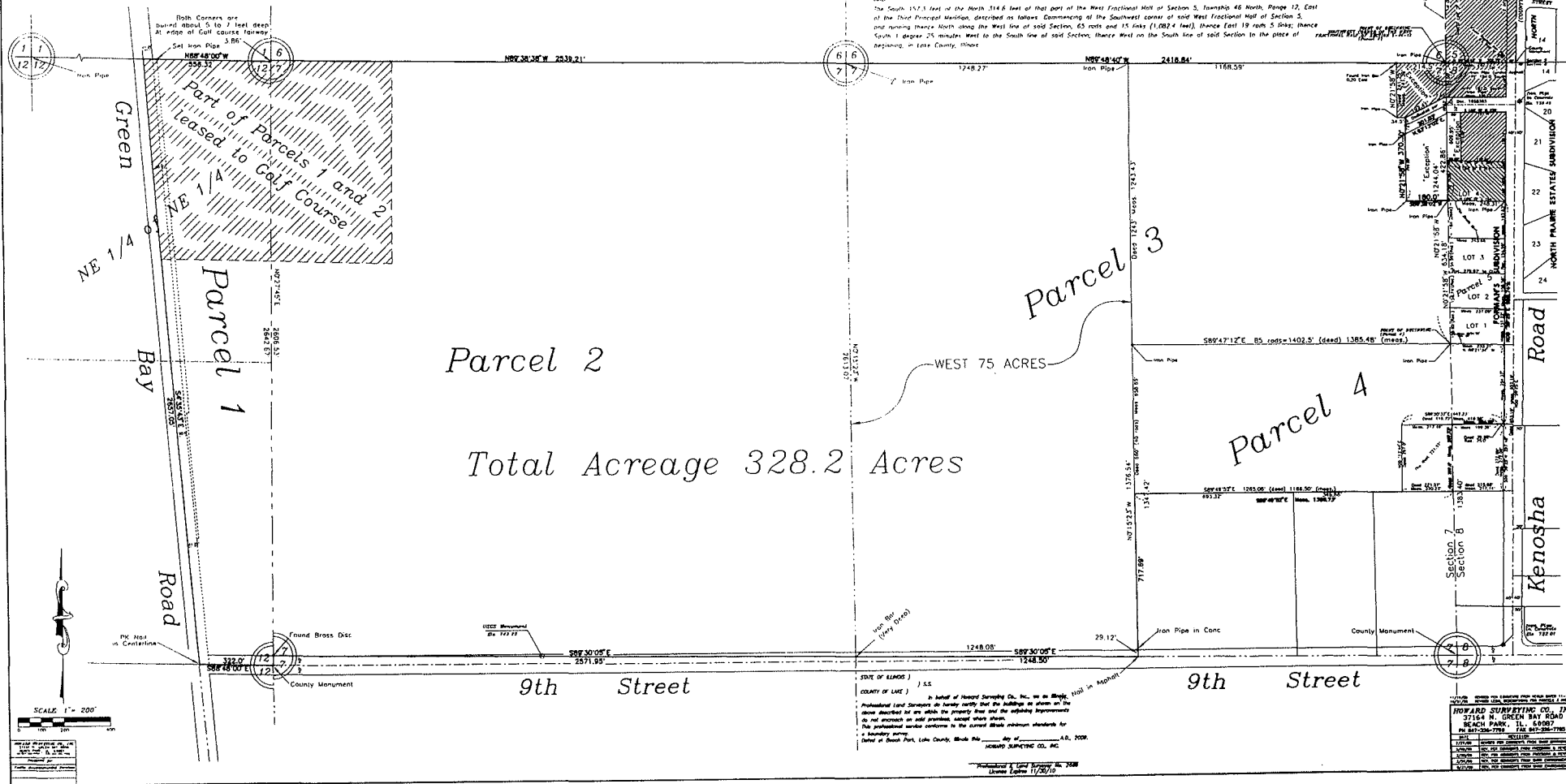
AND
The North 26 feet of the South 340 feet of Lot 4 in FORAM'S SUBDIVISION, being a subdivision in the Northeast Quarter of the Northeast Quarter of Section 8, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof, recorded November 26, 1958, as Document No. 1012214, in Book 1866 of Records, page 664, in Lake County, Illinois, together with the Northern 150 feet of the Southern 314 feet (as measured on the West line) of Lot 4 in FORAM'S SUBDIVISION, being a subdivision of part of Section 8, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof, recorded November 26, 1958, as Document No. 1012214, in Book 1866 of Records, page 664, in Lake County, Illinois.

AND
That part of the Northeast Quarter of the Northeast Quarter of Section 7, Township 46 North, Range 12, East of the Third Principal Meridian, described as follows: Beginning at the Northeast corner of the Northeast Quarter of the Northeast Quarter; thence South along the East line of said Section 7, 154.0 feet; thence West along the North line of a certain Parcel 2 of a Plat of Division recorded June 16, 1974, as Document No. 1666365, in Book 53 of Plats, page 66, 7.63 feet; thence Southwesterly along the Northwesterly line of said Parcel 2, 192.41 feet; thence West parallel to the North line of said Northeast Quarter of the Northeast Quarter of Section 7, 34.5 feet; thence North 241.25 feet, more or less, to the North line of said Section 7; thence East along said North line 214.5 feet to the point of beginning, all in Lake County, Illinois.

AND
The North 124 feet of Lot 4 in FORAM'S SUBDIVISION, being a Subdivision in the Northeast Quarter of Section 8, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof, recorded November 26, 1958, as Document No. 1012214, in Book 1866 of Records, page 664, in Lake County, Illinois.

AND
(Except the North 314.6 feet) that part of the West Fractional Half of Section 5, Township 46 North, Range 12, East of the Third Principal Meridian, described as follows: Commencing at the Southwest corner of said West Fractional Half of said Section 5, and running thence North on the West line of said Section, 65 rods and 15 links; thence East 19 rods and 15 links; thence South 1 degree and 23 minutes West to the South line of said Section, and thence West along the South line of said Section to the point of beginning, in Lake County, Illinois.

AND
The South 157.3 feet of the North 314.6 feet of that part of the West Fractional Half of Section 5, Township 46 North, Range 12, East of the Third Principal Meridian, described as follows: Commencing at the Southwest corner of said West Fractional Half of said Section 5, and running thence North along the West line of said Section, 65 rods and 15 links (1,082.4 feet); thence East 19 rods 5 links; thence South 1 degree 23 minutes West to the South line of said Section; thence West along the South line of said Section in the place of beginning, in Lake County, Illinois.



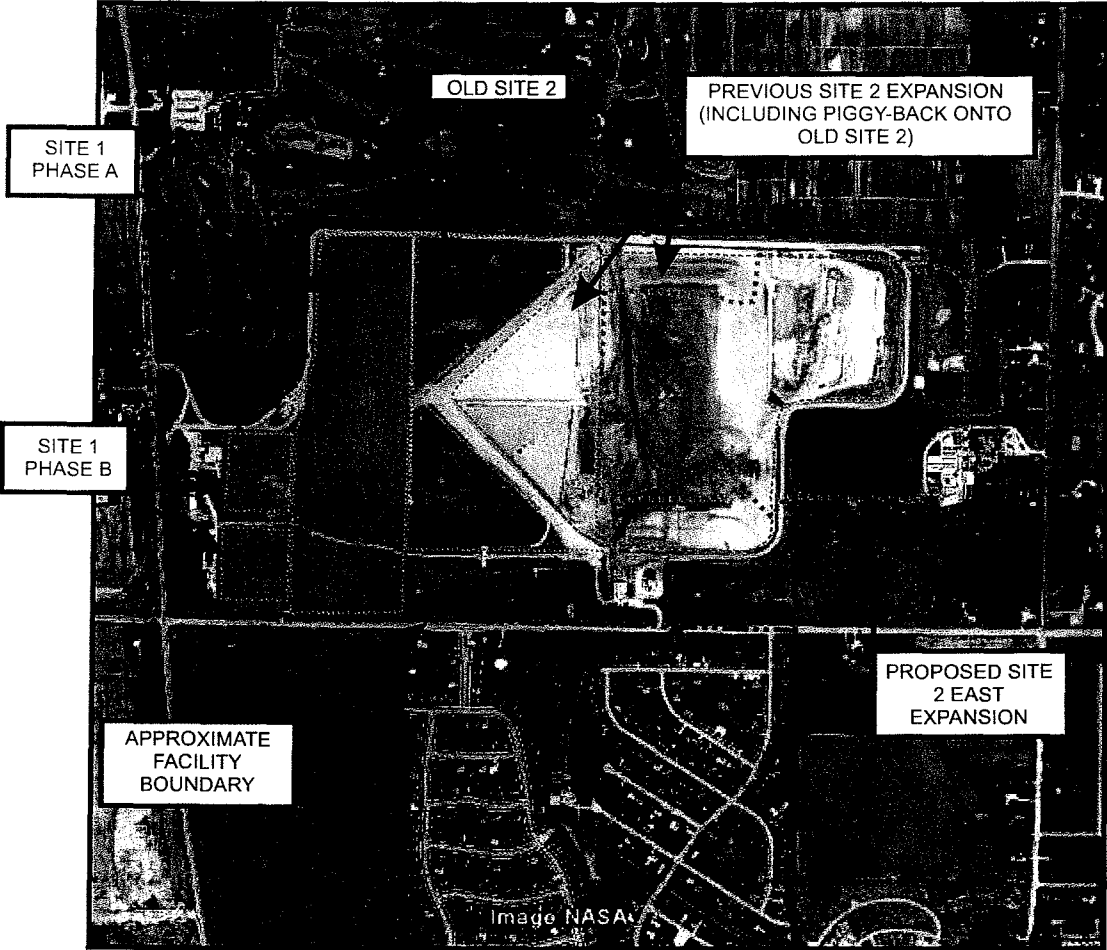
Parcel 2
Parcel 3
Parcel 4
WEST 75 ACRES
Total Acreage 328.2 Acres

HOWARD SURVEYING CO., INC.	
SEARCHED INDEXED	
SERIALIZED FILED	
NOV 15 1978	
FBI - CHICAGO	
SEARCHED	INDEXED
SERIALIZED	FILED
NOV 15 1978	FBI - CHICAGO

Exhibit B



PROJECT LOCATION



Aerial Photo From Google Earth - 2007 Europa Technologies Image NASA, 2007 Navteq

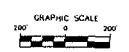


ZION LANDFILL SITE 2 EAST EXPANSION HYDROGEOLOGIC INVESTIGATION

FIGURE 2.2-2 SITE LOCATION MAP

APPROVED BY: MNF	PROJ. NO.: 122150	DATE: JULY 2009
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Exhibit C

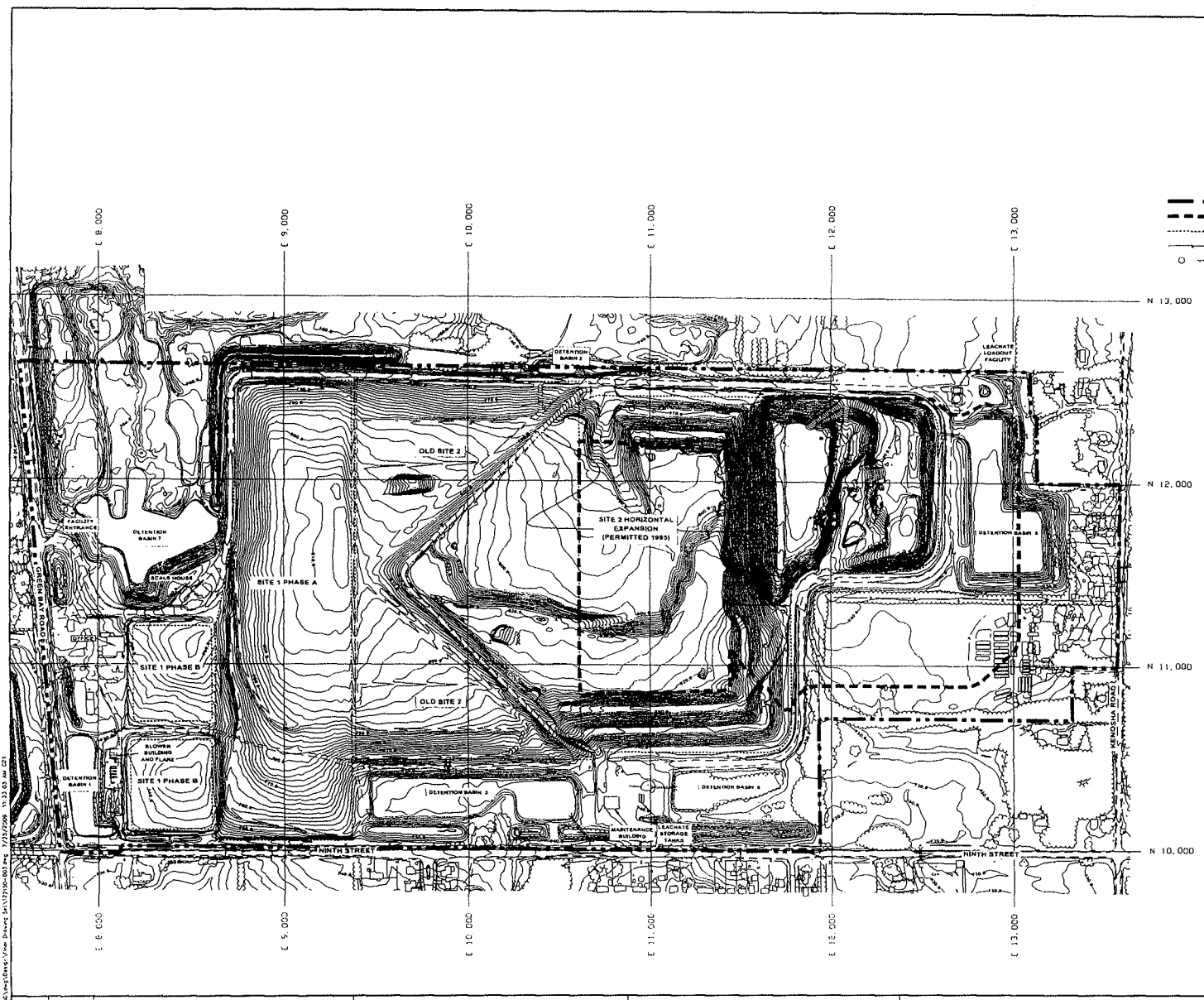


LEGEND

- APPROXIMATE PROPOSED FACILITY BOUNDARY
- - - PROPOSED EXPANSION WASTE AREA
- · · · · EXISTING PERMITTED LIMIT OF WASTE AREAS
- - - EXISTING FENCE
- VEGETATION
- > CULVERTS

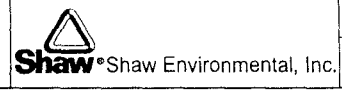
NOTES

1. EXISTING CONTOURS DEVELOPED FROM SITE AERIAL TOPOGRAPHIC SURVEY BY MARTINEZ CORPORATION ON APRIL 16, 2007.
2. FOR CLARITY, NOT ALL SITE FEATURES MAY BE SHOWN.
3. CURRENT TOPOGRAPHY MAY DIFFER FROM THAT SHOWN.
4. THE PROPOSED FACILITY BOUNDARY IS APPROXIMATELY 318.5 ACRES.
5. THE PROPOSED EXPANSION WASTE AREA IS APPROXIMATELY 80.3 ACRES (26.5 ACRE HORIZONTAL EXPANSION AND 53.8 ACRES VERTICAL EXPANSION).



Project: 122150 - Veolia Environmental Services, Inc. - Zion Landfill - Site 2 East Expansion - Topography - 122150.dwg - 12/15/09 - 11:15:00 AM - RDS

REV. NO.	DATE	DESCRIPTION



VEOLIA E.S. ZION LANDFILL-SITE 2 EAST EXPANSION
CITY OF ZION, ILLINOIS

EXISTING FACILITY TOPOGRAPHY

PROJ. NO.:	122150	DATE:	JUNE 2009
DESIGNED BY:	RDS	DRAWING NO.:	D3
DRAWN BY:	BHW		
CHECKED BY:	RDS		
APPROVED BY:	DAM		
			3 OF 22 SHEETS