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ORDINANCE NO. 5-2013

COUNTY OF DAUPHIN

MUNICIPAL WASTE MANAGEMENT ORDINANCE

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA, RESCINDING ORDINANCE 5-2005, AUTHORIZING AND APPROVING THE COUNTY'S MUNICIPAL SOLID WASTE MANAGEMENT PLAN AS REQUIRED BY ACT 101, PROVIDING FOR THE COMPREHENSIVE MANAGEMENT, INCLUDING THE PROCESSING, DISPOSAL AND RECYCLING OF MUNICIPAL SOLID WASTE AND CONSTRUCTION AND DEMOLITION WASTE GENERATED IN THE COUNTY, AUTHORIZING A DELEGATION AND ASSUMPTION OF CAPACITY ASSURANCE RESPONSIBILITIES AGREEMENT, A COOPERATION AGREEMENT BETWEEN THE COUNTY AND THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY, AND AN RACP COOPERATION AGREEMENT.

WHEREAS, the County of Dauphin, Pennsylvania (the "County"), is a county of the Commonwealth of Pennsylvania; and

WHEREAS, on June 27, 2003, the County issued a Request for Proposals (the "2003 RFP") for long-term municipal waste disposal capacity sufficient to dispose of all Regulated Municipal Waste in the County; and

WHEREAS, following all procedures, notice, and comments required by Act 101 (53 P.S. § 4000.1 *et seq.*), the County awarded the disposal contract to The Harrisburg Authority ("THA") for use of the Harrisburg Resource Recovery Facility (the "HRRF") for the disposal of all Regulated Municipal Waste; and

WHEREAS, in 2004 the County submitted to the Pennsylvania Department of Environmental Protection ("Department") its 2004 Non-substantial Plan Revision of its Waste Management Plan which designated the HRRF as the Designated Facility for the disposal of Regulated Municipal Waste; and

WHEREAS, as of July 17, 2004, the 2004 Non-substantial Plan Revision was approved by operation of law; and

WHEREAS, the 2004 Non-substantial Plan Revision to its Waste Management Plan provided for the designation of Facilities for the processing and disposal of Bypass Waste; and

WHEREAS, on September 27, 2005, after completion of all required procedures, public notice and comment required by Act 101, the County submitted its 2005 Substantial Plan Revision of its Waste Management Plan to the Department which provided for capacity assurance for Construction and Demolition Waste ("C&D Waste") such that C&D Waste would be a "Regulated Waste" of the County; and

WHEREAS, on October 19, 2005 the Department approved the 2005 Substantial Plan Revision of its Waste Management Plan; and

WHEREAS, on November 2, 2005 the County adopted Ordinance No. 5-2005 adopting the 2005 Substantial Plan Revision and authorizing the implementation and enforcement of the 2005 Substantial Plan Revision to its Waste Management Plan; and

WHEREAS, the Lancaster County Solid Waste Management Authority (LCSWMA) is a public body organized and existing under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, the LCSWMA has, pursuant to an open and public process, overseen by the Receiver for the City of Harrisburg and THA, and closely monitored by the County, proposed to enter into an agreement with THA to purchase the HRRF; and

WHEREAS, the County intends that the HRRF remain the Designated Facility for the processing, transfer, and disposal of County Regulated Municipal Waste (the "Designated RMW Facility") as set forth in the 2004 Non-substantial Plan Revision and the 2005 Substantial Plan Revision of its Waste Management Plan; and

WHEREAS, LCSWMA also owns the Lancaster Resource Recovery Facility and the Frey Farm Landfill, both of which have been designated Bypass Facilities by the County pursuant to the Plan and Ordinance No. 5-2005; and

WHEREAS, in accordance with the determination of the benefit to the public of the use of a publicly-owned Facility for the processing and disposal of Regulated Municipal Waste, the County desires to continue to designate a publicly owned Facility as the Designated RMW Facility for the processing and disposal of Regulated Municipal Waste as set forth in the 2005 Substantial Plan Revision of its Waste Management Plan; and

WHEREAS, the facilities owned and/or to be owned by the LCSWMA, including the Lancaster Resource Recovery Facility, the Frey Farm Landfill, and the HRRF, are and will each be a publicly owned waste processing, transfer, and disposal Facility; and

WHEREAS, in order to provide for the administration and operation of the Facility owned, or to be owned, by the LCSWMA within the County, it is necessary and desirable to enter into an agreement with LCSWMA for use of this Facility for the processing and disposal of Regulated Municipal Waste; and

WHEREAS, written agreements between a county and other persons for municipal waste planning and implementation of a county-approved Waste Management Plan are explicitly authorized by Section 303(d) of Act 101 (53 P.S. § 4000.303(d)); and

WHEREAS, the County has determined that it is in the best interests of the citizens of the County, and consistent with the 2005 Substantial Plan Revision of its Waste Management Plan, to enter into an agreement with LCSWMA in which LCSWMA will be authorized to provide for the processing, transfer, and disposal of Regulated Municipal Waste at the HRRF and other solid waste Facilities owned by the LCSWMA, to submit to the Department a 2013 Non-substantial Plan Revision to the County's Waste Management Plan to update waste generation data and to provide a ten year projection of waste disposal needs within the County; and

WHEREAS, the County has determined to provide for regional cooperation concerning the acquisition and operation of its Designated RMW Facility by LCSWMA and will authorize the execution and delivery of a certain Cooperation Agreement by and between the County and LCSWMA providing, *inter alia*, certain financial cooperation for the acquisition of the Designated RMW Facility conditioned upon the receipt of approval from the Commonwealth of Pennsylvania, Department of Community and Economic Development of the Twenty-four Million Dollar guaranty for which the Cooperation Agreement provides;

NOW, THEREFORE, it is hereby enacted and ordained by the County of Dauphin as follows:

Section 1. Definitions.

The following terms when capitalized shall have the meanings set forth below when used in this Ordinance:

"Act 101" The Municipal Waste Planning, Recycling and Waste Reduction Act, Act of July 28, 1988, P.L. 528, No. 101, as now or hereafter amended.

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"C&D Waste" Construction and Demolition Waste defined in 25 Pa. Code §271.1 as solid waste resulting from the construction or demolition of buildings and other structures, including, but not limited to, wood, plaster, metals, asphaltic substances, bricks, block and unsegregated concrete. The term does not include the following if they are separate from other waste and are used as clean fill:

(i) Uncontaminated soil, rock, stone, gravel, brick and block, concrete and used asphalt.

(ii) Waste from land clearing, grubbing and excavation, including trees, brush, stumps and vegetative material.

"Commissioners" The Board of Commissioners of the County of Dauphin, Commonwealth of Pennsylvania.

"Construction and Demolition Waste Processing/Disposal Agreement(s)" The Agreements between the County and those Facilities designated by the County to process and/or dispose of Regulated C&D Waste.

"Cooperation Agreement" The Cooperation Agreement by and between the County and LCSWMA providing for regional cooperation concerning the acquisition and operation of the Designated RMW Facility by LCSWMA.

"County" The County of Dauphin, Commonwealth of Pennsylvania.

"County Rules and Regulations" The rules and regulations of the County regarding the collection, storage, transportation and disposal of Solid Waste as adopted and revised from time to time by the County.

"Delegation and Assumption of Capacity Assurance Responsibilities Agreement," or "Delegation Agreement" The agreement entered into by and between the County and the LCSWMA which provides for the disposal of Regulated Municipal Waste by the LCSWMA Facilities.

"DEP" or "Department" The Commonwealth of Pennsylvania, Department of Environmental Protection.

"Designated Facility" Any facility or site identified pursuant to this Ordinance as a location to which County residents, businesses or institutions shall deliver Regulated Waste for storage, transfer, processing or disposal.

"Designated RMW Facility" The HRRF, and upon acquisition by LCSWMA the SRMC, which is the Designated Facility for the processing, disposal and transfer of Regulated Municipal Waste.

"Disposal Agreement" The September 23, 2003 Municipal Waste Combustion Processing/Disposal Agreement between the County and THA.

"Facility" or "Facilities" Any one or more Solid Waste storage, collection, transfer, processing or disposal facility site or land, structures and other appurtenances or improvements where Municipal Waste disposal, processing or beneficial use is permitted or takes place.

"Harrisburg" The City of Harrisburg, County of Dauphin, Commonwealth of Pennsylvania.

"Harrisburg Resource Recovery Facility" or "HRRF" The Harrisburg Materials Energy Recycling and Resource Recovery Facility, a waste-to-energy Municipal Waste processing and disposal Facility and associated landfill, transfer station and other facilities owned by THA. When acquired by LCSWMA, the HRRF will be known as the Susquehanna Resource Management Complex ("SRMC").

"Haulers" Persons engaged in the collection, storage or transport of Municipal Waste or Source Separated Recyclable Materials or Solid Waste.

"Household Hazardous Waste" or "HHW" Waste that would be considered hazardous under Act 97 but for the fact that it is produced in quantities smaller than those regulated as Hazardous Waste under Act 97 and is generated by Persons not otherwise covered as Hazardous Waste Generators by Act 97. Household Hazardous Waste is Unacceptable Waste.

"Lancaster County Solid Waste Management Authority" or "LCSWMA" The municipality authority created and existing under the laws of the Commonwealth of Pennsylvania.

"LCSWMA Rules and Regulations" or "SRMC Rules and Regulations" The rules and regulations of LCSWMA regarding Regulated Municipal Waste and the Designated RMW Facility as adopted and revised from time to time by LCSWMA.

"LCSWMA System" The Facilities owned by LCSWMA used or useful for the processing and disposal of Regulated Waste including, but not limited to the SRMC, the Lancaster Resource Recovery Facility, and the Frey Farm Landfill and appurtenant facilities, equipment, and vehicles

"Municipalities" Any one or more Municipalities, as the context may indicate, located within the County.

"Municipal Waste" Any garbage, refuse, industrial lunchroom or office Waste and other material, including solid, liquid, semisolid or contained gaseous material, resulting from operation of residential, municipal, commercial or institutional establishments and from community activities and any sludge not meeting the definition of Residual Waste or Hazardous Waste from a municipal, commercial or institutional water supply treatment plant, wastewater treatment plant or air pollution control facility. The term does not include C&D Waste, Source-Separated Recyclable Materials, HHW, Hazardous Waste, or Residual Waste. The term includes materials which could be recycled at the source, but are not.

"Person" Any individual, firm, partnership, corporation, association, institution, cooperative enterprise, Municipality, municipal authority, governmental entity or agency, or any other legal entity whatsoever which is recognized by law as the subject of rights and duties. The term "Person" shall include the officers and directors of any corporation or other legal entity having officers and directors.

"Plan" The Dauphin County Municipal Waste Management Plan, as now or hereafter amended.

"Registration or Registered" The registration by the County or LCSWMA of Haulers and vehicles used by Haulers for purposes of identification and to ensure that all Haulers transporting Solid Waste within the County comply with all applicable laws and regulations. Registration shall not be deemed to be the issuance of a license to operate.

“Regulated C&D Waste” Construction and Demolition Waste generated within the County and regulated by the County pursuant to the County’s Rules and Regulations.

“Regulated Municipal Waste” Municipal Waste except for water supply treatment plant and wastewater treatment plant sludges, generated within the County and regulated by the County pursuant to this Ordinance, the LCSWMA Rules and Regulations, and the County Rules and Regulations, provided that Municipal Waste generated within Swatara Township and Highspire Borough shall not be deemed to be Regulated Municipal Waste until the expiration of the initial term of their pre-existing contracts, on May 22, 2016 and May 21, 2016 respectively, and thereafter such Municipal Waste shall be Regulated Municipal Waste.

“Regulated Waste” Regulated Municipal Waste and Regulated C&D Waste.

“Solid Waste” Waste generated within the County, including the following Wastes if generated within the County: Municipal Waste, C&D Waste, Residual Waste, Sewage Sludge, Infectious/Chemotherapeutic Waste, Resource Recovery Ash Residue, Source Separated Recyclable Materials, Leaf Waste as defined in Act 101, Municipal Solid Waste, Special Handling Municipal Solid Waste, Unacceptable Waste, Hazardous Waste, and all non-liquid Waste.

“Solid Waste Management System or System” The system by which the County manages the processing and disposal of Solid Waste generated in the County pursuant to the Plan, including without limitation, equipment, vehicles, offices, staff, municipal waste combustors, landfills and the like.

“SRMC Rules and Regulations” The LCSWMA Rules and Regulations governing the use of the LCSWMA System.

“Unacceptable Waste” Except for trace amounts normally found in household or commercial waste, Unacceptable Waste is (a) any material that by reason of its composition, characteristics, or quantity is ineligible for disposal at any County Designated Facility pursuant to the provisions of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 *et seq.*, and the regulations there under, or any other applicable law, rule, or regulation (including but not limited to the following laws and the regulations, if any, promulgated under

each; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Hazardous Sites Cleanup Act, Act 108, enacted October 18, 1988; and any similar or substituted legislation or regulations or amendments to the foregoing, as well as any other laws coextensive with the foregoing); or (b) any other materials that any governmental agency or unit having appropriate jurisdiction has determined to be ineligible for disposal at any County Designated Facility; or (c) any waste that a County Designated Facility is precluded from accepting pursuant to any existing permit governing that facility; or (d) Hazardous Waste; or (e) Residual Waste; or (f) Special Handling MSW including but not limited to, friable asbestos waste, sludge, infectious/pathological waste, and chemotherapeutic waste; or (g) an individual truckload of Municipal Waste which contains white goods in quantity and/or whole automobile tires in quantity; and (h) any other materials that present an endangerment to a County Designated Facility or the public health and safety, including truckloads of leaf and yard waste.

“Waste” Materials or substances that are discarded or rejected as being spent, useless or worthless to the owner, including without limitation, Municipal Waste, C&D Waste and Residual Waste as defined in Act 101, wherever such waste is generated.

Section 2. Approval of The 2013 Non-Substantial Solid Waste Management Plan Revision.

The Board of Commissioners of Dauphin County hereby authorizes, approves and adopts the 2013 Non-substantial Solid Waste Management Plan Revision as submitted to the Department of Environmental Protection on September 17, 2013. The provisions of the Non-substantial Plan Revision, as approved, deemed approved, or approved with conditions by the Department of Environmental Protection, and to the extent such provisions modify, revise, repeal, supplement and/or replace the provisions of all prior Plans, shall constitute the Plan under Act 101.

Section 3. Approval of Delegation and Assumption of Capacity Assurance Responsibilities Agreement

The Board of Commissioners of Dauphin County hereby authorizes and approves the execution and delivery of the Delegation and Assumption of Capacity Assurance Responsibilities Agreement by and between the County and LCSWMA, as appended hereto as Appendix "A."

Section 4. Designation of Facilities

(a) The HRRF, which upon acquisition by LCSWMA shall be called the SRMC, shall be the Designated RMW Facility for the processing and disposal of all Regulated Municipal Waste.

(b) Such Facilities as shall be selected by the County pursuant to the County Rules and Regulations shall be the Designated Facilities for the processing and disposal of all Regulated C&D Waste.

Section 5. Waste Processing and Disposal.

(a) All Regulated Municipal Waste generated in the County shall be collected and delivered to the Designated RMW Facility for processing and disposal.

(b) All Regulated C&D Waste generated in the County shall be collected and delivered to those Designated Facilities approved for C&D Waste transfer, processing, and disposal.

Section 6. Regulation of Waste Haulers

(a) No Person shall transport Regulated Waste generated within the County without a license or authorization issued by the Department under the Waste Transportation Safety Act (27 Pa.C.S. Chapter 62) if the vehicle is required to obtain a license or authorization by that statute.

(b) All Haulers or other Persons who transport Regulated Municipal Waste shall register with the LCSWMA following the procedures set forth in the LCSWMA Rules and Regulations.

(c) All Haulers or Persons who transport Regulated C&D Waste shall register with the County following the procedures set forth in the County Rules and Regulations.

(d) No Person who generates, owns or possesses Regulated Waste generated within the County shall, by contract for collection services or otherwise, cause, permit or assist in the storage, collection, or transportation of any Regulated Waste generated within the County by any Person who does not hold a Department-issued License (if so required) or who is not Registered with the LCSWMA or the County, as appropriate.

(e) No Person shall use, or cause, permit or assist in the use of, any vehicle or transportable container for storage, collection or transportation within the County of any Regulated Waste unless such vehicle or transportable container displays a proof of Registration, if registration is required by the County or LCSWMA.

(f) Notwithstanding the provisions of Paragraphs (a), (b), (c), (d) and (e) above, a Person may, without Registration, store or transport to a Designated Facility, Regulated Waste which was generated at such Person's residence or as otherwise may be allowed by the SRMC Rules and Regulations or County Rules and Regulations.

(g) All Persons who store, collect, or transport Regulated Waste generated within the County shall comply with the Rules and Regulations applicable to such activity as established by the LCSWMA and the County. Violation of the County Rules and Regulations or SRMC Rules and Regulations shall be a violation of this Ordinance and subject to such penalties as may be provided by law.

Section 7. Rules and Regulations.

(a) In order to carry out the power and duty to implement the Plan and this Ordinance, the County shall adopt and the County Department of Solid Waste Management and Recycling, or such other County official as may be directed by the Commissioners, shall implement and enforce the County Rules and Regulations as if such County Rules and

Regulations were set forth in full in this Ordinance. The County may amend such County Rules and Regulations from time to time as deemed necessary and such amended County Rules and Regulations shall be equally enforceable under this Ordinance.

(b) County Rules and Regulations:

(i) May specify such requirements for the storage, handling, processing, transportation, or disposal of Regulated Waste as are deemed necessary or convenient for the protection of public health and safety and the efficient, effective, reliable and safe operation of the System;

(ii) May govern the Registration of Haulers, including the process for application for Registration and issuance, administration and revocation of Registration, Registration display requirements, equipment and vehicle requirements, and any other matters deemed necessary or convenient by the County for the protection of public health and safety and the efficient, effective, reliable and safe operation of the System; and

(iii) Shall ensure the efficient, effective, reliable and safe operation of the System. Subject to any written agreements between the County and Facilities, the County Rules and Regulations may, among other things, impose recordkeeping, reporting, or other requirements on Designated Facilities, Haulers, or other Persons in order to ensure compliance with all applicable laws and regulations. The Rules and Regulations shall include a prohibition on the delivery of Unacceptable Waste to any Facility that is not authorized to accept such waste for processing or disposal, which prohibition shall be enforceable as a violation of this Ordinance.

(c) SRMC Rules and Regulations;

In order to carry forth the power and duty to implement the Plan and this Ordinance, LCSWMA shall adopt the SRMC Rules and Regulations. The SRMC Rules and Regulations:

(i) Shall be established by LCSWMA to regulate the use of the SRMC and the LCSWMA Facilities, including without limitation the regulation and Registration of

Haulers and any other Persons who deliver Regulated Waste to the SRMC and the LCSWMA Facilities;

(ii) Shall be deemed to be rules and regulations issued under the authority of the County and shall be enforceable by the County to the same extent as the County Rules and Regulations; and

(iii) Shall be enforceable by the County and LCSWMA, and the County hereby delegates to LCSWMA its rights, powers and authority and authorizes LCSWMA to act in the name of the County to enforce the provisions of the SRMC Rules and Regulations as if such Rules and Regulations were set forth in full in this Ordinance.

Section 8. Approval of Cooperation Agreement.

The Board of Commissioners of Dauphin County hereby authorizes and approves the execution and delivery of the Cooperation Agreement by and between the County and LCSWMA, as appended hereto as Appendix "B" conditioned upon receipt by the County of approval from the Commonwealth of Pennsylvania, Department of Community and Economic Development of the Twenty-four Million Dollar guaranty for which the Cooperation Agreement provides and authorizes the execution of a certain amendment to the Cooperation Agreement.

Section 9. Approval of RACP Cooperation Agreement.

The Board of Commissioners of Dauphin County hereby ratifies the action taken by this Board by Resolution No 18-2013 dated August 14, 2013 authorizing the filing and procession of the RCAP Grant Application and the execution of the RCAP Cooperation Agreement for the acquisition by the Lancaster County Solid Waste Management Authority of certain real estate and improvements located in the City of Harrisburg and Swatara Township, Dauphin County, from The Harrisburg Authority for the operation of a Mass Burn Facility and steam production by the Facility, attached hereto as Appendix "C."

Section 10. Existing Contracts.

(a) Nothing in this Ordinance shall be construed to impair the obligations of any existing contract for the disposal of municipal solid waste, nor the effectiveness of existing municipal ordinances adopted to implement such existing contract prior to November 2, 2005.

(b) No renewal or modification of any existing contract, and no new contract for the processing or disposal of Regulated Waste shall be entered into after the initial effective date of the County's Municipal Waste Management Ordinance, which was November 2, 2005, unless such renewal or modification or new contract shall conform to the requirements of the Plan, this Ordinance and all County Rules and Regulations. Provided that, nothing in this Ordinance shall be deemed to prevent the City of Harrisburg from entering into a contract with LCSWMA for processing, transfer or disposal of Regulated Municipal Waste at the SRMC.

Section 11. No Additional Facilities.

No additional resource recovery or landfill Facility, other than the HRRF, which shall be known as the SRMC upon its acquisition by LCSWMA, shall be sited within the County unless such Facility is provided for in the Plan or otherwise complies with all applicable provisions of Section 507(a)(2) of Act 101 and all other applicable federal, state and local laws and regulations.

Section 12. Unlawful Activity.

It shall be unlawful for any Person to violate, or cause or permit or assist in the violation of, any provision of this Ordinance or of any provision of County Rules and Regulations or LCSWMA Rules and Regulations. All unlawful conduct shall also constitute a public nuisance.

Section 13. Penalties.

(a) Summary Offense. Any Person violating any provision of this Ordinance, or any provision of the County Rules and Regulations or of the LCSWMA Rules and Regulations, shall, upon conviction thereof in a summary proceeding, be sentenced for each violation to pay a fine of not more than \$1,000 and the costs of prosecution and restitution, if any, and in default of the payment of such fine and costs, to undergo imprisonment for not more than ten days. Each

violation of any provision of this Ordinance or of any provision of the County Rules and Regulations or of the SRMC Rules and Regulations, and each day that such a violation shall exist, shall constitute a separate violation and offense.

(b) Administrative Penalty Any Person who shall violate any provision of this Ordinance, or any provision of the County Rules and Regulations or of the SRMC Rules and Regulations, shall be subject to an Administrative Penalty of not more than \$1,000 per violation. Persons subject to an Administrative Penalty shall be advised of the pending assessment and afforded a reasonable opportunity to question the proposed Penalty before the Commissioners before such penalty shall become effective. The County Rules and Regulations may establish a procedure for the assessment of Administrative penalties and the appeal therefrom.

Section 14. Injunctive Relief.

In addition to any other remedy provided in this Ordinance, the County may institute proceedings to restrain any violation of, or to require compliance with, this Ordinance, the Plan and/or the SRMC Rules and Regulations or the County Rules and Regulations.

Section 15. Concurrent Remedies.

The penalties and remedies set forth in this Ordinance are in addition to, not in lieu of, any fines, penalties or remedies provided by federal, state and local laws and regulations. The existence or exercise of any remedy shall not prevent the County from exercising any other remedy provided under this Ordinance or otherwise available at law or equity.

Section 16. Severability.

The provisions of this Ordinance are severable. If any provisions of this Ordinance or its application to any Person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision or application of this Ordinance.

Section 17. Rescission

The Municipal Waste Management Ordinance, Ordinance 5-2005, enacted November 2, 2005, is hereby rescinded in its entirety and replaced by this Ordinance upon the Effective Date of this Ordinance.

Section 17. Effective Date.

This Ordinance shall become effective immediately, unless the 2013 Non-substantial Plan Revision has not been approved by the Department, in which case, it shall become effective on the earlier of the date of approval of the 2013 Non-substantial Plan Revision, or the date on which the 2013 Non-substantial Plan Revision is deemed to be approved by the Department.

ENACTED AND ORDAINED, this _____ day of _____ 2013 by the Board of Commissioners of the County of Dauphin.

**COUNTY OF DAUPHIN
BOARD OF COMMISSIONERS**

Chairman

ATTEST:

Chief Clerk

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APPENDIX A

DELEGATION AND ASSUMPTION OF CAPACITY ASSURANCE
RESPONSIBILITIES AGREEMENT

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**DELEGATION AND ASSUMPTION OF CAPACITY ASSURANCE
RESPONSIBILITIES AGREEMENT**

BETWEEN

THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY

AND

THE COUNTY OF DAUPHIN

DATED AS OF SEPTEMBER __, 2013

DELEGATION AND ASSUMPTION OF CAPACITY ASSURANCE RESPONSIBILITIES AGREEMENT

THIS DELEGATION AND ASSUMPTION OF CAPACITY ASSURANCE
RESPONSIBILITIES AGREEMENT (this "Agreement") is made as of the ____ day of
September, 2013, by and between the Lancaster County Solid Waste Management Authority
("LCSWMA"), and the County of Dauphin (the "County").

BACKGROUND

WHEREAS, the Municipal Waste Planning, Recycling and Waste Reduction Act, Act of
July 28, 1988, P.L. 528, No. 101 ("Act 101") was approved on July 28, 1988; and

WHEREAS, Act 101 gave the County (a) primary responsibility for planning for
municipal waste management within its boundaries and (b) the primary power to control the flow
of municipal waste generated within its boundaries; and

WHEREAS, pursuant to Act 101, the County implements and administers a County-wide
Municipal Waste Management Plan (as revised, the "County Plan"); and

WHEREAS, the County Plan directs all Municipal Waste subject to the flow control of
County ("Regulated Waste") to certain disposal facilities pursuant to the County's Municipal
Waste Management Ordinance; and

WHEREAS, in January 2002, the County began preparation of a plan revision to
consolidate prior revisions to the County Plan in one comprehensive planning document and
identify its efforts to reach the goal of a 35% recycling rate by January 2003 using current waste
generation calculations and demographic information (the "2002 Plan Revision"); and

WHEREAS, during the revision process, the County found that for many of the prior
years, a majority of the waste generated for disposal in the County was being processed and
disposed using municipal waste combustion capacity; and

WHEREAS, in November 2002, a draft Plan Revision was submitted to all municipalities in the County for review and comment and the County received several responses approving the draft Plan Revision, but requested that the County take additional efforts to control escalating transportation and disposal costs and, at the same time, continue its efforts to halt the proliferation of landfills in the County and beyond; and

WHEREAS, in response to those municipal comments, on December 17, 2002, the County approved the 2002 Plan Revision and directed its staff to investigate whether the County could enter into a long-term contract for Municipal Waste Combustion capacity to the County; and

WHEREAS, the County found the benefits to long-term Municipal Waste Combustion capacity include, among other reasons:

1. Assured Municipal Waste Combustion capacity would eliminate the County's dependence on new or expanded landfills for the disposal of waste, including the need for expansion of landfills in the County;
2. Historically, up to 70% of the County's Municipal Waste has been processed and disposed through Municipal Waste Combustion;
3. Use of Municipal Waste Combustion would reduce the amount of waste by up to 90% in volume and 75% in weight;
4. Since Municipal Waste Combustion facilities have the ability to provide long-term disposal capacity, the County could assure stable, long-term prices for the processing and disposal of waste;

5. Municipal Waste Combustion produces significant amounts of renewable energy in the form of electricity and steam and, pursuant to the Clean Air Act amendments, it is one of the cleanest sources of power in the world;

6. Municipal Waste Combustion could increase recycling rates in the County through front and back-end processing, and could offer the possibility of sludge, tire and residual waste disposal;

7. On average, recycling in communities with Municipal Waste Combustion facilities is 5% higher than communities that use other technologies;

As recognized by the General Assembly in Act 90 of 2002, the ash residue from 8.

8. Municipal Waste Combustion is safe for landfilling and, in fact, is being used more frequently for daily and final cover in landfills, and as aggregate in road base materials and building construction;

9. Use of Municipal Waste Combustion would minimize environmental liability under CERCLA for the generators of the waste (County residents and businesses);

10. Municipal Waste Combustion destroys harmful pathogens and bacteria and avoids groundwater pollution and migration of methane gas beyond acceptable levels;

11. Municipal Waste Combustion facilities provide higher-paying, skilled jobs; and

12. Other counties in the mid-state, such as York and Lancaster Counties, have successfully adopted similar waste management plans and objectives; and

WHEREAS, in early May 2003, County staff confirmed the benefits of the use of Municipal Waste Combustion as a means of disposal of the County's Municipal Waste and that such capacity could be assured by the issuance of a request for proposals for such capacity; and

WHEREAS, County staff recommended that the County issue a request for proposals directed to Municipal Waste Combustion facilities in and outside Pennsylvania, inviting such facilities to bid and provide capacity assurance and long-term fixed disposal prices for all Regulated Municipal Waste and, thereafter, the County could select a Municipal Waste Combustion processing/disposal contractor and amend the Plan; and

WHEREAS, the Harrisburg Materials and Energy Resource Recovery Facility (the "Designated RMW Facility" or the "HRRF") has the capacity to process and/or dispose of all the County's Regulated Municipal Waste; and

WHEREAS, in 2003, the owner of the Designated RMW Facility submitted a proposal and agreed to process and/or dispose of all Regulated Municipal Waste for a minimum term of twenty-five (25) years at a long term fixed disposal price; and

WHEREAS, the County accepted the proposal and on September 16, 2003 entered into a Municipal Waste Combustion Processing/Disposal Agreement providing for disposal and processing of the Designated RMW Facility (the "2003 Agreement") to begin in 2006; and

WHEREAS, on July 17, 2004, the 2004 Non-Substantial Plan Revision of the Dauphin County Solid Waste Management Plan (the "2004 Plan"), including the 2003 Agreement was deemed approved by the Department of Environmental Protection of the Commonwealth of Pennsylvania; and

WHEREAS, on October 19, 2005, the Substantial 2005 Plan Revision of the Dauphin County Solid Waste Management Plan (the "2005 Plan") was approved by the Department of Environmental Protection of the Commonwealth of Pennsylvania; and

WHEREAS, the Designated RMW Facility needed and began a substantial renovation and retrofit in order to fulfill the 2003 Agreement; and

WHEREAS, under Section 10.2 of the 2005 Plan the County has the duty to "monitor assured capacity" for Regulated Waste processing and disposal at the Designated RMW Facility, and accordingly, the County monitored the efforts to renovate and retrofit the Designated RMW Facility; and

WHEREAS, severe problems developed in the renovation and retrofit of the Designated RMW Facility and the County provided a guarantee of a portion of the retrofit bonds issued to finance the completion of the retrofit to project; and

WHEREAS, the original retrofit contractor proved unable to complete the task for the agreed cost; however, the retrofit project was ultimately completed by another contractor at great additional cost; and

WHEREAS, the increased level of retrofit debt upon the Designated RMW Facility made it impossible for the Designated RMW Facility to provide capacity assurance and long term fixed disposal prices; and

WHEREAS, the City of Harrisburg and the County, as guarantors of the retrofit bonds, were left with obligations to repay unsupportable levels of debt upon the Designated RMW Facility, which caused enormous financial difficulties for the City of Harrisburg, and to a lesser extent the County; and

WHEREAS, the Receiver for the City of Harrisburg (the "Receiver") and The Harrisburg Authority ("THA") engaged in a lengthy fair, open and competitive process to engage in a transaction to allow the Designated RMW Facility to assure capacity at fixed disposal prices, such potential transaction not being limited to a change in ownership, but also considering other methods of obtaining capital, such as leases or operating agreements; and

WHEREAS, as a result of these actions, on February 2, 2012, the Receiver and THA issued a Request for Qualifications for a Strategic Transaction for the Designated RMW Facility; on March 5, 2012, five entities submitted Statements of Qualification; on March 20, 2012, four of the five were deemed qualified to respond; and three of the four qualified respondents submitted proposals; and

WHEREAS, the County closely monitored the proposal process; and

WHEREAS, the result of that process was the determination by the County, THA and the Receiver that a public entity within Pennsylvania could best pay a price approaching the replacement value of the Designated RMW Facility and that LCSWMA, an experienced and financially strong adjacent solid waste authority, was the best choice to provide maximum benefit to the City of Harrisburg and Dauphin County and obtain a fair sale price for the Designated RMW Facility, and accordingly the proposal of LCSWMA was selected; and

WHEREAS, the Recovery Plan of the Receiver will provide for THA to sell to LCSWMA the Designated RMW Facility free of all existing debt; and

WHEREAS, after the purchase by LCSWMA, Dauphin County will continue to direct all Regulated Municipal Waste to the Designated RMW Facility under Dauphin County's Municipal Waste Management Ordinance; and

WHEREAS, Section 303(d) of Act 101 authorizes counties to enter into an agreement with another person, including a municipal authority, pursuant to which that person undertakes to fulfill some or all of the county's responsibilities under Act 101 for municipal waste planning and implementation of the approved county plan; and

WHEREAS, LCSWMA was established for the purpose of providing, and in the past has provided, the specialized knowledge, technical competence and administrative expertise for the effective, efficient, reliable and environmentally safe processing, combustion and disposal of Municipal Waste;

WHEREAS, the County has prepared (as a nonsubstantial revision to the 2005 Plan) the Dauphin County Municipal Waste Management Plan of 2013 (the "2013 Plan"); and

WHEREAS, the 2013 Plan provides that LCSWMA will assume and fulfill all of the County's rights, duties and obligations under Act 101 to "insure the availability of adequate permitted processing and disposal capacity for the municipal waste which is generated within its' boundaries" as required by Section 303(a) of Act 101; and

WHEREAS, the 2013 Plan will be effected and carried forth by (a) adopting the amended Dauphin County Municipal Waste Management Ordinance ("Amended Municipal Waste Management Ordinance") and (b) entering into this Delegation and Assumption of Capacity Assurance Responsibilities Agreement with LCSWMA; and

WHEREAS, the County will adopt and approve the Amended County Municipal Waste Management Ordinance approving the 2013 Plan (the "Ordinance");

NOW, THEREFORE, the County and LCSWMA, intending this to be a sealed instrument which is legally binding upon themselves and their respective successors and assigns, agree as follows:

Section 1. Definitions.

- (a) "Act 101". The Municipal Waste Planning, Recycling and Waste Reduction Act, Act of July 28, 1988, P.L. 528, No. 101, as now or hereafter amended.
- (b) "Amended Municipal Waste Management Ordinance" or "Ordinance" shall mean the ordinance to be amended by the County substantially in the form attached as Exhibit A to this Agreement.
- (c) "Acquisition Date". The date LCSWMA purchases the Designated RMW Facility from THA.
- (d) "County". The County of Dauphin, Pennsylvania.
- (e) "Designated RMW Facility". The mass burn, waste processing, steam and electric generation and ash disposal facility and solid waste transfer station located in the City of Harrisburg and Township of Swatara, County of Dauphin, Commonwealth of Pennsylvania, with an address of 1670 South 19th Street, known as the Harrisburg Materials and Energy Resource Recovery Facility, and which will be known under LCSWMA ownership as the Susquehanna Resource Management Complex.
- (f) "LCSWMA". The Lancaster County Solid Waste Management Authority, a municipal authority organized and existing under the Municipality Authorities Act of 1945, as amended.
- (g) "Municipality". A municipality within the County.
- (h) "2013 Plan". The 2013 Dauphin County Municipal Waste Management Plan, as now or hereafter amended.
- (i) "Recycling". The collection, separation, recovery and sale or reuse of metals, glass, paper, leaf waste, plastics and other materials which would otherwise be

disposed or processed as municipal waste or the mechanized separation and treatment of municipal waste (other than through combustion) and creation and recovery of reusable materials other than a fuel for the creation of energy.

(j) “Regulated C&D Waste”. Construction and demolition waste not suitable for processing in a mass burn facility.

(k) “Regulated Waste”. Regulated Municipal Waste and Regulated C&D Waste.

(l) “Regulated Municipal Waste”. Any solid waste generated or collected within the County which is garbage, refuse, industrial lunchroom or office waste and other material, including solid, liquid, semisolid or contained gaseous material, resulting from operation of residential, municipal, commercial or institutional establishments and from community activities and any sludge not meeting the definition of residual or hazardous waste under Act 97 from a municipal, commercial or institutional water supply treatment plant, wastewater treatment plant or air pollution control facility. The term does not include Source Separated Recyclable Materials or C & D Waste.

(m) “Source Separated Recyclable Materials”. Materials that (i) are separated from Regulated Waste at the point of origin in accordance with the 2013 Plan and (ii) are recycled.

(n) “SRMC Rules and Regulations”. The rules and regulations adopted and revised from time to time by LCSWMA regarding acceptance of Regulated Waste to the Designated RMW Facility and related matters.

(o) “LCSWMA System”. The municipal waste processing, combustion and disposal system, and every aspect thereof, owned or operated by or on behalf of

LCSWMA in implementation of the 2013 Plan, including without limitation, equipment, transfer stations, resource recovery facilities, landfills and the like.

Section 2. County Agreement to Adopt 2013 Plan.

(a) The County shall adopt the 2013 Plan. Under Section 502(h) of Act 101, the 2013 Plan will identify LCSWMA as the governmental entity responsible to insure the availability of adequate permitted processing and disposal capacity for Regulated Municipal Waste as required by Act 101, Section 303(a).

(b) During the term of this Agreement the County will not amend, revise, repeal, change or otherwise alter the 2013 Plan with respect to matters delegated to LCSWMA under this Agreement without the prior written consent of LCSWMA.

Section 3. County and LCSWMA Agreement Concerning Approval of 2013 Plan.

The County and LCSWMA shall use their best efforts to obtain approval of the 2013 Plan by the Department of Environmental Protection of the Commonwealth of Pennsylvania.

Section 4. County Agreement to Amend, Maintain and Enforce Ordinance.

(a) The County shall amend the existing Dauphin County Municipal Waste Management Ordinance, substantially in accordance with Exhibit A to this Agreement, which Ordinance shall provide that all Regulated Municipal Waste is to be delivered to the Designated RMW Facility and that LCSWMA is authorized to issue SRMC Rules and Regulations concerning acceptance of Regulated Municipal Waste and related matters.

(b) During the term of this Agreement, the County shall not amend, revise, repeal, change or otherwise alter the Amended Municipal Waste Management Ordinance

with respect to matters delegated to LCSWMA under this Agreement without the prior written consent of LCSWMA.

(c) During the term of this Agreement, the County shall enforce the Amended Municipal Waste Management Ordinance on behalf of itself and on behalf of LCSWMA.

Section 5. Delegation of Powers and Duties and Assumption of Responsibility by LCSWMA. Beginning on the Acquisition Date:

(a) The County hereby delegates to LCSWMA all rights, duties and obligations of the County under Act 101 to insure the availability of adequate permitted processing and disposal capacity for Regulated Municipal Waste as required by Act 101, Section 303(a); and for implementation of the 2013 Plan with respect to insuring the availability of adequate permitted processing and disposal capacity for Regulated Municipal Waste.

(b) LCSWMA hereby assumes and agrees to fulfill and carry forth all of the County's rights, duties and obligations under Act 101 to insure the availability of adequate permitted processing and disposal capacity for Regulated Municipal Waste as required by Act 101, Section 303(a), and for implementation of the 2013 Plan with respect to insuring the availability of adequate permitted processing and disposal capacity for Regulated Municipal Waste.

(c) In connection with LCSWMA's obligations under this Agreement:

(i) LCSWMA shall take all such actions and shall exercise all such powers as are necessary or appropriate to acquire, own, operate and manage the Designated RMW Facility as contemplated and required under the Amended Municipal Waste Management Ordinance and the 2013 Plan.

(ii) LCSWMA shall, from time to time, establish and charge such fees as shall be reasonable and adequate to ensure the safe, reliable, efficient, and effective acquisition, financing, operation and management of the LCSWMA System, not to exceed the fees to which the County agrees in writing.

(iii) Other than the specific delegation set forth above, the County will retain full rights and responsibilities for municipal waste management, planning and reporting, and implementing the County Plan, including but not limited to all responsibilities concerning Recycling, Source Separated Recyclable Materials and Regulated C & D Waste.

Section 6. Additional Covenants.

(a) The County and LCSWMA shall in good faith during the term of this Agreement take all such actions as may be necessary or appropriate to carry out the purposes of this Agreement.

(b) The County and LCSWMA shall enter into a Cooperation Agreement (the "Cooperation Agreement") to assist LCSWMA's financing of the acquisition of Designated RMW Facility and to grant the County the option to acquire the Designated RMW Facility from LCSWMA under certain circumstances.

(c) LCSWMA and the County shall use their best efforts to cause the acquisition of the Designated RMW Facility by LCSWMA, but if such acquisition does not occur by December 31, 2013, then this Agreement shall be null and void.

(d) If and to the extent that LCSWMA is determined by a court of competent jurisdiction not to be authorized to carry out any function or duty required by this Agreement, the responsibility to perform such function or duty shall devolve upon the County.

Section 7. Representations and Warranties. The County and LCSWMA represent and warrant that:

(a) Each has all requisite power and authority to enter into this Agreement, to engage in the transactions contemplated by this Agreement and to perform their respective obligations under this Agreement in accordance with the terms of this Agreement.

(b) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action, and the undersigned officers of the County and LCSWMA have been empowered by all necessary action to execute and to deliver this Agreement.

(c) This Agreement constitutes a valid obligation, legally binding upon the County and LCSWMA and enforceable against them in accordance with the terms of this Agreement and in the manner in which valid contractual obligations are enforced generally.

Section 8. Term. This Agreement shall be for a term (a) beginning on the earlier of the date of approval of the 2013 Plan, or the date the 2013 Plan is deemed to be approved, by the Pennsylvania Department of Environmental Protection and (b) ending on December 31, 2033, unless extended pursuant to the Cooperation Agreement.

Section 9. Assignability. LCSWMA or the County may assign or pledge this Agreement in relation to the financing of the LCSWMA System, but no other assignment of this Agreement shall be authorized or permitted without the prior written consent of the non-assigning party.

Section 10. Waiver Not to Be Construed. No waiver by either party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any other term or condition of the Agreement. Failure of either party to insist in any one or more instances upon strict performance of any of the terms, covenants, agreements or conditions of this Agreement shall not be considered a waiver or relinquishment of any such term, covenant, agreement or condition, but the same shall continue in full force and effect.

Section 11. Amendments. This Agreement shall not be modified or amended except by written instrument duly executed on behalf of the County and LCSWMA.

Section 12. Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability shall not affect the remainder of this Agreement; and this Agreement shall be construed and enforced consistent with its express purposes as if such invalid or unenforceable provision had not been contained in this Agreement.

Section 13. Duplicate Originals. This Agreement may be executed in counterparts, each of which shall be regarded for all purposes as a duplicate original.

Section 14. Indemnification. The County shall protect, indemnify and hold LCSWMA harmless from and against all liabilities, actions, damages, claims, demands, judgments, losses, expenses, suits, or attorneys fees and shall defend LCSWMA in any suit, including appeals, arising out of events or activities occurring in connection with this Agreement and which are caused by acts or omissions of the County. LCSWMA shall protect, indemnify and hold the County harmless from and against liabilities, actions, damages, claims, demands, judgments, losses, expenses, suits or attorneys fees and shall defend the County in any suit arising out of events or activities occurring in connection with this Agreement and which are

caused by acts or omissions of LCSWMA. These indemnification provisions are for the protection of the parties only and shall not establish any rights or liabilities in any other persons.

Section 15. Notices. All notices required under this Agreement shall be in writing and sent by certified or registered mail return receipt requested addressed as follows:

If to the County, to:

Dauphin County Board of Commissioners
County Administrative Building
2 South Second Street
Harrisburg, PA 17101

with copies to:

Dauphin County Solicitor
County Administrative Building
2 South Second Street
Harrisburg,, PA 17101 and

If to LCSWMA, to:

Lancaster County Solid Waste Management Authority
1299 Harrisburg Pike
Lancaster, PA 17603

With copies to:

Alexander Henderson, III
Hartman Underhill & Brubaker, LLC
221 East Chestnut Street
Lancaster, PA 17602

DRAFT

EXHIBIT A

DRAFT

PROPOSED FORM OF SOLID WASTE MANAGEMENT ORDINANCE

DRAFT

APPENDIX B

COOPERATION AGREEMENT

COOPERATION AGREEMENT

This Cooperation Agreement (this "Cooperation Agreement") is entered into as of the ____ day of ____, 2013, by and between the **LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY ("LCSWMA")**, and Pennsylvania municipal authority, and **COUNTY OF DAUPHIN** (the "County"), a Pennsylvania third-class county.

Background

LCSWMA and the County have entered into a Delegation and Assumption of Capacity Assurance Responsibilities Agreement (the "Delegation Agreement"). A true and correct copy of the Delegation Agreement is attached to this Cooperation Agreement as Exhibit "A" and incorporated by reference as if set forth in full in this Cooperation Agreement. Capitalized terms not defined in Section 25 or elsewhere in this Cooperation Agreement shall be defined as set forth in the Delegation Agreement and the Amended Waste Management Ordinance of the County.

Regional cooperation in providing for solid waste management needs of both the County and Lancaster County is beneficial to the public. The Delegation Agreement provides for regional cooperation in assurance of adequate permitted processing and disposal capacity for municipal solid waste. This Cooperation Agreement provides for regional financial cooperation concerning the Designated RMW Facility. The County and LCSWMA intend that LCSWMA acquire the Designated RMW Facility under the terms of a Purchase Agreement (the "Purchase Agreement") among LCSWMA, THA and the Receiver. The acquisition will enable LCSWMA to fulfill its responsibilities under the Delegation Agreement. The Purchase Agreement generates a reasonable purchase price for the Designated RMW Facility. The Purchase Agreement is a key component of the Recovery Plan of the Receiver under which the County will not have any remaining obligation under the County's guaranty of certain bonds issued by THA in connection with the Designated RMW Facility.

In order for the Purchase Agreement to generate a purchase price sufficient to retire a significant portion of the Designated RMW Facility debt and enable a successful Recovery Plan, it is necessary for, among other things, all Regulated Municipal Waste to be delivered, processed and disposed by LCSWMA. To protect the County, LCSWMA has agreed to certain not to exceed per Ton Regulated Municipal Waste gate disposal charges ("Tip Fees") as set forth in this Cooperation Agreement. The County will not guarantee the Acquisition Bonds issued by LCSWMA to finance the acquisition of the Designated RMW Facility. In lieu of such guarantee, to enable LCSWMA to finance the Purchase Agreement, the County has agreed to certain financial cooperation in the operations of the Designated RMW Facility as set forth in this Cooperation Agreement. Without the Delegation Agreement, this Cooperation Agreement, and the Redevelopment Assistance Capital Grant (the "RACP Grant") to be provided by the Commonwealth of Pennsylvania, the Designated RMW Facility has very limited value. LCSWMA would not close under the Purchase Agreement with THA at the price stated in the Purchase Agreement without the agreements and RACP Grant.

With the foregoing background incorporated by reference, and intending to be legally bound by this Cooperation Agreement, LCSWMA and the County agree as follows:

Section 1. Conditions Precedent. Closing under the Purchase Agreement, and all the transactions and documents contemplated by the Purchase Agreement, is a condition precedent to the respective obligations of the County and LCSWMA under this Cooperation Agreement and the Delegation Agreement. The Term shall not commence unless each of the following conditions has been met:

(a) the Recovery Plan shall have been approved by the Commonwealth Court, all appeal periods having expired;

(b) the 2013 Plan, as defined in the Delegation Agreement, shall have been approved, or deemed to have been approved, by DEP;

(c) the City of Harrisburg shall have entered into an agreement with LCSWMA agreeing to exercise Waste Flow Control to designate the Designated RMW Facility as the facility for the disposal, processing and transfer of Regulated Municipal Waste generated within the City of Harrisburg for the Term;

(d) each party shall have received an opinion of counsel to the other party, in customary form regarding Section 28 or 29 of this Cooperation Agreement, as applicable;

(e) no action, suit, proceeding or official investigation shall have been commenced by any Person or federal, Commonwealth or local governmental authority or agency in any federal, Commonwealth or local court, that seeks to enjoin, assess civil or criminal penalties against, assess civil damages against or obtain any judgment, order or consent decree with respect to the County or LCSWMA as a result of participation or intended participation in any transaction contemplated by this Cooperation Agreement if any such action, suit, proceeding or investigation would, if adversely determined, materially affect this Cooperation Agreement, or the performance by the Parties of their respective obligations under this Cooperation Agreement or the transactions contemplated by this Cooperation Agreement;

(f) no change shall have occurred after the Contract Date in any applicable federal, Commonwealth or local law, or any applicable federal, Commonwealth or local rule, regulation or ordinance thereunder, or in the interpretation thereof by any applicable regulatory authority, that would make the execution or delivery by the County or LCSWMA of this Cooperation Agreement, or would make compliance by the County or LCSWMA with the terms and conditions of this Cooperation Agreement or the consummation by the County or LCSWMA of the transactions contemplated by this Cooperation Agreement, a violation of such law, rule, regulation or ordinance; and

(g) LCSWMA shall have obtained the necessary federal, state and local permits or approvals necessary for the operation of the Designated RMW Facility, and all applicable permits and licenses necessary for the processing and disposal of Solid Waste at the Designated RMW Facility, or, in the alternative, shall have a reasonable expectation that such permits and approvals will issue in due course and shall have entered into an Operating Agreement with THA allowing LCSWMA to operate under the authority of THA's permits and approvals.

Section 2. Satisfaction of Conditions Precedent.

(a) The Parties shall exercise good faith and due diligence in satisfying the conditions precedent set forth in this Cooperation Agreement and each Party shall give prompt notice to the other Party when the foregoing conditions precedent to its obligation have been respectively satisfied or waived in writing by the Party whose obligation is conditioned thereon.

(b) Neither Party shall be relieved of its obligations under this Cooperation Agreement by the failure to satisfy any condition precedent to the extent that the satisfaction of such condition is within such Party's control.

Section 3. Term. The term of this Cooperation Agreement (the "Term") shall commence upon closing under the Purchase Agreement (the "Commencement Date") and continue until the twentieth (20th) anniversary of closing under the Purchase Agreement (the "End Date") or earlier Termination Date. Delivery and acceptance of waste under this Cooperation Agreement shall commence on the Commencement Date, which is expected to be on or about October 16, 2013, and shall continue during the Term.

Section 4. Termination before Commencement. If the Acquisition and the Commencement Date have not occurred on or before December 31, 2013, then, if all of the conditions precedent set forth in this Cooperation Agreement are not satisfied or are not waived by the Party whose obligations are conditioned thereon, then either Party may, by notice in writing to the other Party, terminate this Cooperation Agreement as of the date of such notice, and this Cooperation Agreement shall be null and void *ab initio*. Nothing in this Section 4 shall be deemed to relieve the Parties of their obligations pursuant to Section 2.

Section 5. Termination after Commencement. On and after the Commencement Date, the Parties may terminate this Agreement only to the extent provided in Sections 20 and 21 as applicable.

Section 6. Capacity Delegation and Facility Designation. During the Term:

(a) the County and LCSWMA shall maintain and fulfill their respective obligations under the Delegation Agreement;

(b) the County shall direct all Regulated Municipal Waste to the Designated RMW Facility and the LCSWMA System;

(c) the County shall continue its current Waste Flow Control efforts and shall use best efforts to enforce such Waste Flow Control within the boundaries of the County, including but not limited to enforcing the 2013 Plan and the Amended Municipal Waste Management Ordinance, provided however that the City of Harrisburg shall have primary responsibility for enforcement of Waste Flow Control with respect to Regulated Municipal Waste generated within the City; and

(d) subject to the terms and conditions of this Cooperation Agreement, the SRMC Rules and Regulations, as adopted and revised by LCSWMA from time to time (the

"SRMC Rules and Regulations"), shall govern delivery of Solid Waste to the Designated RMW Facility and acceptance, processing, disposal and transfer of Solid Waste by the Designated RMW Facility.

Section 7. RACP Grant.

(i) In connection with acquisition and improvement of the Designated RMW Facility, LCSWMA has prepared a RACP Business Plan and RACP Application for an Eight Million Dollar (\$8,000,000) RACP Grant administered by the Office of the Budget. The County will execute the Application as the Applicant with LCSWMA as the Sub-applicant. LCSWMA will provide all information and effort necessary at LCSWMA's sole cost to prepare and process the Application.

(b) The County will execute the Grant Agreement as Grantee with LCSWMA as the sub-grantee. All RACP grant funds will pass through the County to LCSWMA. LCSWMA will provide all effort necessary at LCSWMA's sole cost to administer the RACP grant funds and respond to any audit or other requirements of the Redevelopment Capital Assistance Program.

(c) In the event any use of the RACP Grant funds is found to be ineligible, or any other problem with the RACP Grant arises, LCSWMA will indemnify and hold harmless the County from any claims of the Commonwealth of Pennsylvania concerning the RACP Grant, including but not limited to reasonable attorney's fees and costs in connection therewith in defense of suits, actions, claims and demands.

(d) The County and LCSWMA will execute the RACP Grant Cooperation Agreement in substantially the form attached as Exhibit "B" approving the acquisition of the Designated RMW Facility, outlining the respective responsibilities of the County as Applicant the LCSWMA as sub-Applicant/administrator, and obligating the County and LCSWMA to comply with RACP terms and conditions of the RACP Grant Agreement.

Section 8. Not to Exceed Tip Fees.

(a) During the term of this Cooperation Agreement, the Tip Fees charged by LCSWMA for Regulated Municipal Waste (other than Regulated Municipal Waste generated within the City of Harrisburg) shall not exceed the amounts set forth in this paragraph (the "Tip Fee Limit") unless the County directs LCSWMA to charge a higher Tip Fee under Section 9(e) or Section 14 (f) or unless higher Tip Fees are required under this Cooperation Agreement under Section 15. The per Ton Tip Fee Limit each calendar year shall be: 2013 -- \$77.09; 2014 through 2016-- \$80; 2017 through 2019 -- \$85.00; and 2020 -- \$90.00. For calendar years 2021 through 2033 the Tip Fee Limit shall be changed on January 1st by the amount of the change in the Consumer Price Index from the previous January 1st. The Tip Fee Limit is inclusive of all current governmental fees upon the processing and disposal of waste, including any Host Fee. The County acknowledges and agrees that the Tip Fees and processing and disposal services provided by LCSWMA are actual and necessary costs for necessary services for the County's obligations under Act 101. LCSWMA shall give notice of the change in the Tip Fee due to the change in the Consumer Price Index as soon as the index is made available.

(b) To the extent provided in Section 9(e) and Section 14 (f), the County may increase the Tip Fee Limit once per calendar year with six (6) months advance written notice to LCSWMA.

(c) The Tip Fee Limit shall not apply to Tip Fees for Regulated Municipal Waste generated within the City of Harrisburg, which will be governed by a separate agreement between the City of Harrisburg and LCSWMA.

(d) Under the SRMC Rules and Regulations LCSWMA may charge Tip Fees in its reasonable discretion for Special Wastes and other matters. Tip Fees for C&D Waste shall be determined in accordance with the County's C&D Waste program procedures.

Section 9. Ash Disposal.

(a) During the first fifty-four (54) months of the Term, LCSWMA shall be fully responsible for all costs of transportation and disposal of ash ("Ash") generated by the Designated RMW Facility. Beginning on the fifty-fifth (55th) month of the Term, the County shall pay a monthly fee (the "Ash Fee") to LCSWMA. The monthly Ash payment shall equal the per Ton Ash Fee times the Tons of Ash generated during fifty-fifth (55th) month and each month thereafter, excluding Ash generated by processing of Solid Waste generated in Lancaster County. The weight of Ash generated by Lancaster County Waste shall be determined by multiplying the total Tons of Ash times a fraction the numerator of which is Tons of Lancaster County Waste processed and the denominator of which is total Tons of Solid Waste processed. The Ash Fee has two components: disposal and transportation.

(b) The disposal component of the Ash Fee shall initially be twelve dollars (\$12.00) as of 2013. The initial disposal component shall be adjusted by the change in the annual Consumer Price Index on January 1 of each year. It is anticipated that when the Ash Fee begins to be paid in fifty-fifth (55th) month of the Term, the disposal component of the Ash Fee will have been annually adjusted by the Consumer Price Index five (5) times to determine the disposal component.

(c) The transportation component of the Ash Fee will be the actual costs to LCSWMA for transporting Ash. The transportation component is estimated at thirteen dollars (\$13.00) per Ton in 2013. LCSWMA will bid Ash transportation services at the beginning of the forty-ninth (49th) month of the Term and provide the County with full information concerning the bid process and results. If LCSWMA determines that it would be less expensive to use LCSWMA forces to haul Ash, LCSWMA will provide the County with a breakdown of LCSWMA's costs and charges for transportation, including the return on invested capital, and offer the County a choice of paying the transportation costs through the bid process above or a lower Ash Fee based on transportation by LCSWMA.

(d) Upon closing under the Purchase Agreement, LCSWMA shall immediately commence an internal analysis of methods mitigating some of the Ash Fee by other disposal methods, including steps to make it possible to expand the on-site Ash Landfill within five (5) years. If LCSWMA's internal analysis concludes that it is reasonably likely that it is environmentally and economically feasible to expand the Ash Landfill, LCSWMA's staff shall

prepare cost estimates for four phases of Ash Landfill expansion: (i) design, (ii) permitting, (iii) construction, and (iv) operation, with an estimated range of a lower Ash Fee based on all costs of design, permitting, construction, and operation of new Ash Landfill cells, including but not limited to a reasonable return on invested capital, operation of the Ash Landfill, and on-site movement of Ash from the Designated RMW Facility to the Ash Landfill. If the County directs LCSWMA to proceed, LCSWMA shall engage an engineering firm to perform the design and cost estimate work for the Ash Landfill. The expense of the engineering firm's design and cost estimate work shall be paid fifty percent (50%) by the County and fifty percent (50%) LCSWMA. If at the completion of the design phase, the County directs LCSWMA to proceed, LCSWMA shall engage an engineering firm to perform the permitting work for the Ash Landfill. The expense of the engineering firm's permitting work shall be paid fifty percent (50%) by the County and fifty percent (50%) LCSWMA. If at the completion of the permitting phase, the County directs LCSWMA to proceed, LCSWMA shall construct and operate the expanded Ash Landfill, and the Ash Fee shall be adjusted so to be sufficient to, over the expected life of the expansion, with a reasonable return on invested capital, allow LCSWMA to reimburse the County for the County's share of the engineering design and permitting costs paid by the County, cover LCSWMA's share of the engineering design and permitting costs, cover construction costs, and pay the operating costs of the Ash Landfill, including on-site movement of Ash from the mass burn facility to the Ash Landfill.

(e) After the first fifty-four (54) months of the Term, the County may pursuant to Section 8(b) authorize an increase in the Tip Fee Limit on account of Ash Fee costs, provided that no such increase shall occur prior to the first day of the fifty-fifth (55th) month after the Commencement Date. If the County increases the Tip Fee Limit, LCSWMA shall increase the Tip Fee up to the Tip Fee Limit and each month thereafter LCSWMA shall calculate the additional revenues received from Regulated Municipal Waste due to the increase in the Tip Fee Limit and the monthly Ash Fee shall be reduced by an equal amount.

(f) LCSWMA will invoice the Ash Fee ten (10) days after the end of each month, and the County shall pay the Ash Fee within thirty (30) days of receipt of the invoice.

Section 10. Recycling.

(a) The County and LCSWMA are committed to the importance of Recycling in municipal waste management. Under the 2013 Plan and the Delegation Agreement the County is responsible for a county's duties under Act 101 with respect to Recycling and Source Separated Recyclable Materials.

(b) In order to assist in Recycling, LCSWMA will provide reasonable access during normal business hours to the Dauphin County Recycling Center (the "DCRC") located upon the Designated RMW Facility site. DCRC personnel and visitors shall comply with the reasonable directives of LCSWMA concerning DCRC access and use. As part of the Purchase Agreement, the existing DCRC ground lease (the "Ground Lease") from THA to the County shall be assigned to and assumed by LCSWMA and shall continue until the end of the Term so long as the DCRC is being used by the County for recycling purposes. Upon the termination of the Ground Lease, ownership of the DCRC building shall transfer to LCSWMA at no cost to

LCSWMA, provided that LCSWMA reimburses the County for any return of DEP grant funds required due to transfer of ownership of the DCRC building.

(c) As increased Recycling rates decrease the tonnage of Regulated Municipal Waste delivered to the Designated RMW Facility, the Tip Fee Limit may be adjusted pursuant to Section 14(f).

Section 11. Governmental Approvals. The County shall obtain approval from DEP of the 2013 Plan. The County shall adopt all necessary supporting ordinances and resolutions regulating the flow of municipal solid waste to the Designated RMW Facility and any and all other necessary amendments, ordinances, or other municipal or governmental actions necessary to fully comply with the statutory or regulatory requirements to fulfill this Cooperation Agreement, the Delegation Agreement and the Purchase Agreement.

Section 12. County System Fee. The continuing operation of the County Department of Solid Waste Management and Recycling (the "County Department") notwithstanding, the County shall eliminate any Dauphin County fee (currently \$4.90 per Ton) applicable to Solid Waste disposal or processing. No County System Fee or other fee upon Solid Waste delivered to the Designated RMW Facility shall be imposed by the County during the Term.

Section 13. Subordinated Loan. As provided in the Purchase Agreement, in addition to the Acquisition Bonds, LCSWMA will borrow certain additional funds (the "Subordinated Loan") in the amount of Twenty Four Million Dollars (\$24,000,000) used as part of the purchase price for the Designated RMW Facility.

(a) The Subordinated Loan will be interest only for the Term. LCSWMA will be responsible for interest of Two Hundred and Forty Thousand Dollars (\$240,000) per annum on the Subordinated Loan, payable semi-annually during the Term, and the balance of the interest will be the responsibility of the County. Semi-annually, at least twenty (20) days prior to the due date, LCSWMA will invoice the County for the County's share of the interest and the County will pay the County's share of the interest at least ten (10) days prior to the due date. LCSWMA will pay the interest on or before the due date.

(b) The Subordinated Loan will be non recourse as to the assets and revenues of LCSWMA. The principal and interest of the Subordinated Loan shall be guaranteed by the County. LCSWMA shall give the County at least fifteen (15) days prior notice of any anticipated failure to make payment of any part of the Subordinated Loan when due.

(c) The principal of the Subordinated Loan shall be repaid at the end of the Term as follows:

(i) If, prior to the end of the Term, the County takes all necessary steps, including but not limited to any appropriate Act 101 Plan Revision, to continue legally enforceable Waste Flow Control for ten (10) years after the end of the Term with County Tip Fees not less than the Tip Fees in the year preceding the end of the Term (the "Extension"), then LCSWMA will, at LCSWMA's option:

- (A) repay the unpaid principal of the Subordinated Loan; or
- (B) convey the Designated RMW Facility to the County, upon County repayment of the Subordinated Loan.

(ii) If the County legally cannot cause the Extension, then LCSWMA will, at the end of the Term, at LCSWMA's option:

- (A) repay the unpaid principal of the Subordinated Loan; or
- (B) convey the Designated RMW Facility to the County, upon County repayment of the Subordinated Loan.

(iii) If the County is legally able to cause the Extension, but fails to do so prior to the end of the Term, then the County shall repay the unpaid principal of the Subordinated Loan and LCSWMA shall retain ownership of the Designated RMW Facility.

For purposes of this Section 13(c), during the Extension, the Designated RMW Facility will accept Regulated Municipal Waste generated within the City of Harrisburg at Tip Fees equal to the Tip Fees charged to other County Regulated Municipal Waste.

Section 14. Regulated Waste Reports.

(a) As provided in the County Rules and Regulations, LCSWMA shall require each hauler of each load of Regulated Waste delivered to the Designated RMW Facility provide LCSWMA with a completed County Manifest Form. The completed County Manifest Form shall be delivered to the Designated RMW Facility scale house operator upon entering the Designated RMW Facility. LCSWMA will ensure that a County Manifest Form accompanies any load of Regulated Waste accepted by the Designated RMW Facility.

(b) LCSWMA will review each County Manifest Form, making sure it is properly completed, and process the form as necessary.

(c) On or before the twentieth (20th) day of each month, LCSWMA will provide a monthly report to the County Department setting forth the amount of Regulated Waste transported during the preceding month to the Designated RMW Facility. LCSWMA will make available to the County for review each County Manifest Form received. The monthly report will contain the date, origin, type, and quantity of Regulated Waste delivered to the Designated RMW Facility, and total monthly receipts from Regulated Municipal Waste. On January 20 of each calendar year during the Term, LCSWMA shall calculate from the monthly reports and provide to the Department an annual report ("Receipt Report") of the total receipts from Regulated Municipal Waste during the preceding calendar year which will also identify the aggregate annual reduction, if any, in the Ash Fee, by reason of an increase in the Tip Fee Limit under Section 9(e).

(d) LCSWMA's acquisition of the Designated RMW Facility was based upon certain levels of revenues from Regulated Municipal Waste. For calendar years after 2013, the

Receipt Report will identify the dollar amount by which the actual annual Regulated Municipal Waste receipts (not including any increase in such receipts by reason of an increase in the Tip Fee Limit under Section 9(e) of this Cooperation Agreement) are less than (a "Shortfall") or greater than (an "Excess") the Regulated Municipal Waste revenues ("RMW Revenues") set forth in this paragraph. The RMW Revenues for each calendar year shall be: 2014 and 2105 -- \$10,132,000; 2016 -- \$10,932,000; 2017 through 2019 -- \$11,615,250; and 2020 -- \$12,298,500. For calendar years 2021 through 2033 the RMW Revenues shall be changed on January 1st by the amount of the change in the Consumer Price Index from the previous January 1st. RMW Revenues shall be prorated for any partial year. In consideration of LCSWMA entering into this Agreement including the matters set forth in the Background paragraph to this Cooperation Agreement, provided that LCSWMA has not reduced Tip Fees below the Tip Fee Limit, then, in the event that, after calendar year 2013, there is a Shortfall in RMW Revenues, the County shall reimburse LCSWMA for the Shortfall.

(e) For purposes of calculating the Shortfall, the County shall be deemed to begin with a \$800,000 nominal credit. The nominal credit shall be increased by the amount of any Excess in any calendar year. On or about January 30 of each calendar year beginning in 2015, LCSWMA shall provide the County with an invoice indentifying the Shortfall through the end of the previous calendar year, taking into account: (i) the initial \$800,000 credit, (ii) any previous uncredited Excess, and (iii) any previous Shortfall payments. The County shall pay any remaining net Shortfall within thirty (30) days of receipt of the invoice. The \$800,000 credit and Excess credits are purely nominal, for the purpose of calculating any Shortfall, and are never to be paid by LCSWMA to the County.

(f) As increased Recycling rates cause a decrease in the annual Tonnage of Regulated Municipal Waste delivered to the Designated RMW Facility, the County may, pursuant to Section 8(b), increase the Tip Fee Limit so as decrease or eliminate any Shortfall.

Section 15. Adjustment to the Tip Fee Limit for Change in Law and Uncontrollable Circumstances.

(a) As the Tip Fee Limit is inclusive of all current governmental fees upon the processing and disposal of waste, including any Host Fee, the Tip Fee Limit shall be increased or decreased by the amount of any increases or decreases in such governmental fees due to Change in Law. For purposes of this Section 15 of this Cooperation Agreement, "Change in Law" means the occurrence after the Commencement Date of an event described in paragraph (i) below unless such event is excluded pursuant to paragraph (ii) or paragraph (iii) below.

(i) Change in Law means any of the following:

(A) the enactment, adoption, promulgation or modification of any federal, state or local law, ordinance, code, rule or regulation; or

(B) the order or judgment of any federal, state or local court, administrative agency or other governmental body; or

(C) the imposition of any conditions on the renewal (or the suspension, termination, interruption, revocation, modification, denial or failure of renewal) of any governmental license, approval or permit necessary for the operation or maintenance of the Designated RMW Facility as contemplated under this Cooperation Agreement; or

(D) the adoption, promulgation, modification or interpretation in writing by the governmental agency or unit having appropriate jurisdiction of a written guideline or policy statement of the governmental agency or unit having appropriate jurisdiction.

(ii) Any event described in paragraph (a) above shall not be a Change in Law unless:

(A) the event changes the cost or ability of LCSWMA to carry out its obligations under this Cooperation Agreement; and

(B) the event affects the delivery of Solid Waste to the Designated RMW Facility, the operation or maintenance of the Designated RMW Facility, or transport, storage or disposal of Ash, as contemplated under this Cooperation Agreement, and

(C) the event established requirements which are more burdensome than or in addition to:

(D) the most stringent requirements in effect on the Commencement Date; and

(E) any requirements (except requirements to comply with future laws, ordinances, codes, rules or regulations) contained in any existing governmental licenses, approvals or permits with respect to the Designated RMW Facility.

(iii) an event which would otherwise be a Change in Law pursuant to paragraph (a) and paragraph (b) above shall not be a Change in Law if:

(A) the event is caused by the fault of LCSWMA, or

(B) the event is a change in federal, state, local or any other tax law, ordinance, code, rule or regulation or similar tax legislation, or by the Internal Revenue Service or the United States Treasury Department or other governmental agency in interpretation of existing tax laws and regulations promulgated or proposed with respect to existing federal, state, local or other tax laws, and does not discriminate against Persons who operate mass burn, resource recovery or Solid Waste disposal facilities; or

(C) the event is the failure to obtain a permit unless such failure is directly caused by one of the events set forth in paragraph (i)(A) or (i)(C) above.

(b) In the event that Uncontrollable Circumstances give rise to increased costs of operation or maintenance or require unanticipated capital investment in the Designated RMW Facility, LCSWMA may increase the Tip Fee Limit by the amount of the increased costs upon

notice to the County containing a detailed accounting and justification for a proposed Tip Fee Limit increase to compensate for the increased cost.

(i) Within thirty (30) days of receiving such notice, if the County disputes the Tip Fee Limit increase or the amount thereof, the dispute shall be resolved by good faith negotiations between the Parties. If no resolution has been reached after thirty (30) days of good faith negotiation between the Parties, then the dispute shall be resolved by arbitration pursuant to Section 23. Tip Fees shall not be increased until the amount of the Tip Fee Limit increase has been determined either by agreement of the County and LCSWMA or arbitration and ninety (90) days prior written public notice has been given.

(ii) For purposes of this Section 15 "Uncontrollable Circumstance" means any act, event or condition, other than a labor strike, that has had, or may reasonably be expected to have, a direct material adverse effect on the rights or the obligations of LCSWMA under this Cooperation Agreement, or a direct material adverse effect on the operation of the Designated RMW Facility, or on the transport, storage or disposal of Ash, or on the delivery of Solid Waste to the Designated RMW Facility, if such act, event or condition is beyond the reasonable control of, and without the fault of LCSWMA. Such acts or events shall include, but shall not be limited to, the following:

(A) an act of God (except reasonably expected weather conditions for the geographic area of the Designated RMW Facility), hurricanes, tornados, epidemic, landslide, lightning, earthquake, flood, fire or explosion or similar occurrence; or an act of the public enemy, war, blockade, insurrection, riot, general unrest, or restraint of government and people, civil disturbance or similar occurrence;

(B) the order, or injunction and/or judgment of any federal, Commonwealth or local court, administrative agency or governmental body with jurisdiction over the performance of LCSWMA's obligations under this Cooperation Agreement; excepting decisions interpreting federal, Commonwealth and local tax laws; provided that such order or judgment shall not be the result of the negligent or willful action or inaction of LCSWMA relying thereon and neither the contesting in good faith of any such order or judgment nor the failure to so contest shall be construed as a willful or negligent action or inaction of such LCSWMA; and

(C) a Change in Law.

Such acts or events shall not include failure to obtain a permit or license, or failure to obtain renewal, amendment or modification of a permit or license, which events shall not be an Uncontrollable Circumstance unless due to Change in Law.

Section 16. Maintenance of Designated RMW Facility. During the Term, LCSWMA shall operate and maintain the Designated RMW Facility in accordance with industry standards, subject to ordinary wear and tear, and shall maintain all permits necessary to operate the Designated RMW Facility.

Section 17. Necessary Documents and Agreements. Provided that the conditions precedent to the Purchase Agreement are fulfilled, LCSWMA and the County shall execute the documents and instruments required by this Cooperation Agreement, the Delegation Agreement and the Purchase Agreement.

Section 18. Events of Default by LCSWMA. The following shall constitute Events of Default on the part of LCSWMA:

(a) The repeated failure or refusal by LCSWMA to fulfill all or any of LCSWMA's obligations under this Cooperation Agreement or the Delegation Agreement after written notice from the County of such failure with a reasonable opportunity to cure;

(b) (i) LCSWMA's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property, or (ii) a bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding instituted by or against LCSWMA under the laws of any jurisdiction, which proceeding has not been dismissed within thirty (30) days, or (iii) any action or answer by LCSWMA approving of, consenting to, or acquiescing in, any such proceeding, or (iv) the levy of any distress, execution or attachment upon the property of LCSWMA which shall substantially interfere with LCSWMA's performance under this Cooperation Agreement;

(c) The failure of LCSWMA to operate the Designated RMW Facility for a continuous period of one hundred and eighty (180) days. Operation as a transfer station is sufficient.

Section 19. Events of Default by the County. The following shall constitute Events of Default on the part of the County:

(a) The repeated failure or refusal by the County to fulfill all or any of its obligations under this Agreement (other than the obligation to pay money when due) or the Delegation Agreement after written notice from LCSWMA of such failure, with a reasonable opportunity to cure,

(b) (i) The County's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property, or (ii) a bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding instituted by or against the County under the laws of any jurisdiction, which proceeding has not been dismissed within thirty (30) days, or (iii) any action or answer by the County approving of, consenting to, or acquiescing in, any such proceeding, or (iv) the levy of any distress, execution or attachment upon the property of the County which shall substantially interfere with the County's performance under this Cooperation Agreement; and

(c) The failure on the part of the County to pay all or any amounts owed to LCSWMA under this Cooperation Agreement, within thirty (30) days following the date of receipt of written notice from LCSWMA that such amounts are due.

Section 20. Remedies of the County.

(a) An Event of Default under Section 18 shall entitle the County to institute a legal proceeding seeking specific performance of this Cooperation Agreement, and LCSWMA agrees that with respect to such action brought against LCSWMA by the County, that the award of damages at law is not an adequate remedy for an Event of Default under Section 18, nor the equivalent of the performance of LCSWMA's obligations under this Cooperation Agreement, provided however that the ability to institute an action for specific performance does not preclude an action at law for damages, including consequential damages.

(b) If, within a period of thirty (30) days after LCSWMA shall have received notice from the County that an Event of Default has occurred under Section 18, and LCSWMA has neither remedied, nor has commenced and continued to pursue with due diligence, a remedy for any such Event of Default, the County may terminate this Cooperation Agreement upon thirty (30) days' prior written notice to LCSWMA unless such Event of Default is cured within such thirty (30) day period, or such longer period as may be reasonably required.

Section 21. Remedies of LCSWMA.

(a) An Event of Default under Section 19 shall entitle LCSWMA to institute a legal proceeding seeking specific performance of this Cooperation Agreement, and the County agrees that with respect to such actions brought against the County by LCSWMA, that the award of damages at law is not an adequate remedy for an Event of Default under Section 19 of this Cooperation Agreement, or the equivalent of the performance of the County's obligations under this Cooperation Agreement, provided however that the ability to institute an action for specific performance does not preclude an action at law for damages, including consequential damages.

(b) If, within a period of thirty (30) days after the County shall have received notice from the County that an Event of Default has occurred under Section 19, and the County has neither remedied, nor has commenced and continued to pursue with due diligence, a remedy for any such Event of Default, nor has commenced an appropriate proceeding to dispute the existence of an Event of Default, LCSWMA may terminate the Cooperation Agreement upon thirty (30) days' prior written notice to the County unless such Event of Default is cured within such thirty (30) day period, or such longer period as may be reasonably required.

Section 22. Manner of Termination Payment. Within thirty (30) days following the termination or expiration of this Cooperation Agreement for any reason, the Parties shall use best efforts to reconcile all amounts then due and payable to either Party under the terms of this Cooperation Agreement. The total amount of the net outstanding unpaid balance which either Party may owe the other, the County or LCSWMA as the case may be, shall, within sixty (60) days after termination or expiration of this Cooperation Agreement, be paid by the applicable Party. This Section 22 shall survive the termination of this Cooperation Agreement.

Section 23. Dispute Resolution.

(a) In the event any controversy, claim or dispute between LCSWMA and the County shall arise with respect to the provisions of this Cooperation Agreement or the

transactions contemplated by this Cooperation Agreement, the County and LCSWMA shall resolve the dispute in accordance with this Section 23.

(b) LCSWMA and the County agree to endeavor first to resolve any such dispute by mediation before resorting to arbitration or litigation. A dispute shall be submitted to mediation by written notice to the other Party and any such mediation shall be conducted in accordance with the following:

(i) The Parties shall try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator shall be selected by agreement of the Parties. If the Parties cannot otherwise agree on a mediator, a mediator shall be designated by the American Arbitration Association at the request of a Party. Any mediator so designated must be acceptable to all Parties.

(ii) The mediation shall be treated as a settlement discussion and therefore shall be confidential. The mediator may not testify for any Party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings.

(iii) Each Party shall bear its own costs in the mediation. The fees and expenses of the mediator shall be shared equally by the Parties.

(iv) If a Dispute has not been resolved within ninety (90) days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute will be settled by arbitration as set forth below.

(c) The dispute shall be, unless otherwise agreed to by the parties, exclusively referred to, and finally determined by, arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association by three (3) arbitrators. The appointment of the arbitrators shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The prevailing party shall be entitled to collect its arbitration costs, attorneys' fees, expert fees or any other costs arising from arbitration from the other party in accordance with the provisions permitting the award of the same under the Commercial Arbitration Rules of the American Arbitration Association. Any award of the arbitrators may be entered as a judgment in any court of competent jurisdiction.

Section 24. Immunity. Nothing in this Cooperation Agreement shall be deemed a direct or indirect waiver of or limitation to any sovereign or governmental immunity, with respect to third parties, applicable to LCSWMA or the County or impose liability, with respect to third parties, on LCSWMA or the County from which it would otherwise be immune under applicable law.

Section 25. Definitions. For purposes of this Cooperation Agreement, the following words and phrases shall be given the respective interpretations and meanings set forth below.

"Acquisition Bonds" means the bonds to be issued by LCSWMA, secured by the revenues of the LCSWMA System, and used to acquire the Designated RMW Facility under the terms of the Purchase Agreement.

"Act 101" shall have the meaning set forth in the Delegation Agreement.

"Amended Municipal Waste Management Ordinance" shall have the meaning set forth in the Delegation Agreement.

"Ash" has the meaning set forth Section 9(a) of this Agreement.

"Ash Fee" has the meaning set forth Section 9(a) of this Agreement.

"Ash Landfill" means the ash landfill located on the site of the Designated RMW Facility.

"Commonwealth" means the Commonwealth of Pennsylvania and each of its appropriate administrative, contracting and regulatory agencies, departments, bureaus and offices.

"Consumer Price Index" shall mean all Urban Consumers (Area: U.S. City Average; Item: All Items) as maintained by the U.S. Department of Labor, Bureau of Labor Statistics or by a mutually-agreeable similar index if such index is no longer available.

"Contract Date" means the date of execution of this Cooperation Agreement as set forth at the head of this Cooperation Agreement.

"County Department" shall have the meaning set forth in Section 12 of this Agreement.

"Delegation Agreement" shall have the meaning set forth in the first background paragraph of this Cooperation Agreement.

"DEP" means the Department of Environmental Protection of the Commonwealth of Pennsylvania.

"Designated RMW Facility" shall have the meaning set forth in the Delegation Agreement.

"End Date" means the 20th anniversary of the Commencement Date, as set forth in Section 3.

"Event of Default" means any one or more of those events described in Sections 18 and 19 of this Cooperation Agreement.

"LCSWMA" means the Lancaster County Solid Waste Management Authority or its successor.

"Party" or "Parties" means LCSWMA and/or the County.

"Person" or "Persons" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"RACP Grant" shall have the meaning set forth in the third Background paragraph of this Cooperation Agreement.

"Receiver" means the Receiver for the City of Harrisburg, as set forth in the Delegation Agreement.

"Recovery Plan" means the Receiver's recovery plan for the City of Harrisburg.

"Regulated Municipal Waste" as defined in the Delegation Agreement, means Regulated Waste, excluding C&D Waste.

"Shortfall" has the meaning set forth in Section 14(d) of this Cooperation Agreement.

"SRMC Rules and Regulations" as set forth in the Delegation Agreement, means the LCSWMA Rules and Regulations, as they may be revised from time to time by LCSMWA, applicable to Regulated Municipal Waste and the Designated RMW Facility.

"Special Handling Waste" means Solid Waste for which any governmental agency or unit having appropriate jurisdiction requires special approval (other than that generally required for Solid Waste) prior to disposal in a permitted Solid Waste disposal facility.

"Term" shall mean the period from the Commencement Date until the Termination Date, inclusive.

"THA" means The Harrisburg Authority.

"Tip Fee" means the per ton gate rate for Solid Waste acceptance charged by LCSWMA.

"Tip Fee Limit" has the meaning set forth in Section 8 of this Cooperation Agreement.

"Ton" means two thousand (2,000) pounds.

"Waste Flow Control" means the authority, by law, ordinance, regulation, resolution, or other legally binding provision or legally binding official act of the County or the County to direct all Solid Waste generated within the boundaries of the County or the County to one or more designated Solid Waste processing or disposal facilities.

Section 26. Terms Generally. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," except as the context may otherwise require. The words "approval" and "consent" shall be

deemed to be followed by the phrase "which shall not be unreasonably withheld or unduly delayed" except as the context may otherwise require.

Section 27. Notices Generally. Unless specifically provided elsewhere in this Cooperation Agreement, at least fifteen (15) days prior written notice shall be required to be given of any breach of, or failure to fulfill any requirement of, this Cooperation Agreement by a Party, in order to allow the Party receiving such notice to cure any such breach or to allow such Party time to prepare for, question or contest the fact that any such requirement of this Cooperation Agreement has not been fulfilled.

Section 28. Representations of the County. The County represents to LCSWMA that:

(a) the County is duly organized and existing in good standing under the laws of the Commonwealth and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Cooperation Agreement;

(b) the County has the requisite power, authority and legal right to enter into and perform its obligations set forth in this Cooperation Agreement, and the execution, delivery and performance of this Cooperation Agreement by the County (i) has been duly authorized, (ii) does not require the approval of any other governmental officer or body, other than those permits or approvals contemplated to be obtained before the Commencement Date, (iii) will not violate any judgment, order, law or regulation applicable to the County, and (iv) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the County under any agreement or instrument to which the County is a party or by which the County or its assets may be bound;

(c) this Cooperation Agreement has been duly executed and delivered by the County and constitutes a legal, valid and binding obligation of the County for the Term, fully enforceable in accordance with its terms; and

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

Section 29. Representations of LCSWMA. LCSWMA represents to the County that:

(a) LCSWMA is duly organized and existing in good standing under the laws of the Commonwealth of Pennsylvania and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Cooperation Agreement;

(b) LCSWMA has the requisite power, authority and legal right to enter into and perform its obligations set forth in this Cooperation Agreement, and the execution, delivery

and performance of this Cooperation Agreement, (i) has been duly authorized, (ii) does not require the approval of any other governmental officer or body, other than those permits or approvals contemplated to be obtained before the Commencement Date, (iii) will not violate any judgment, order, law or regulation applicable to LCSWMA or any provisions of LCSWMA's articles of incorporation or by-laws, and (iv) does not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of LCSWMA under any agreement or instrument to which LCSWMA is a party or by which LCSWMA or its assets may be bound;

(c) this Cooperation Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of LCSWMA for the Term, fully enforceable in accordance with its terms; and

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

Section 30. Interest on Payments. All payments not made on the applicable due date shall bear interest from such date until the date payment is made at the lower of (a) the maximum rate permitted by Commonwealth law, or (b) the prime rate of The Chase Manhattan Bank, N.A., or in the event the Chase Manhattan Bank, N.A. no longer publishes a prime rate, the similar rate of a comparable bank.

Section 31. Compliance with Laws. LCSWMA shall comply with all laws and regulations and permits issued thereunder in connection with the Designated RMW Facility.

Section 32. Assignment. This Cooperation Agreement may be assigned by either Party for financing purposes, or to a successor governmental body, agency or authority. This Cooperation Agreement may not be otherwise assigned by either Party without the prior written consent of the other Party, which shall not be unreasonably withheld. This Cooperation Agreement shall be binding upon and inure to the benefit of the respective successors, permitted assigns, administrators and trustees of the County and LCSWMA. The Cooperation Agreement shall inure to the benefit of and be binding upon LCSWMA and the County and their respective successors and permitted assigns.

Section 33. Notices. All notices, demands, requests and other communications under this Cooperation Agreement shall be deemed sufficient and properly given if in writing and delivered in person or by recognized carrier service to the following addresses or sent by certified or registered mail, postage prepaid with 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 on which United States mail is not delivered:

(a) If to LCSWMA:

The Lancaster County Solid Waste Management Authority
1299 Harrisburg Pike
Lancaster, Pennsylvania 17603-2515
Attention: Chief Executive Officer

with a copy to:

Alexander Henderson, III, Esquire
Hartman Underhill & Brubaker, LLC
221 East Chestnut Street
Lancaster, PA 17602

(b) If to the County:

Dauphin County Board of Commissioners
County Administrative Building
2 South Second Street
Harrisburg, PA 17101

with a copy to:

Dauphin County Solicitor
County Administrative Building
2 South Second Street
Harrisburg, PA 17101

with a copy to:

Thomas F. Smida, Esq.
Mette Evans & Woodside
3401 North Front Street
P.O. Box 5950
Harrisburg, PA 17110-0950

Either Party may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice under this Cooperation Agreement signed on behalf of the notifying Party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such Party by a duly authorized officer or employee.

Section 34. Relationship of the Parties. Except as specifically set forth in this Cooperation Agreement, neither Party shall have any responsibility to perform services for or to assume contractual obligations which are the obligation of the other Party; and nothing in this Cooperation Agreement shall constitute either Party as a partner, agent or representative of the other Party, or be deemed to create any fiduciary relationship between the Parties.

Section 35. Waiver. Unless otherwise specifically provided by the terms of this Cooperation Agreement, no delay or failure to exercise a right resulting from any breach of this Cooperation Agreement shall impair such right or shall be construed to be a waiver of such right, but such right may be exercised from time to time and as often as may be deemed expedient. To be effective any waiver must be in writing and signed by the Party granting such waiver. If any representation, warranty or covenant contained in this Cooperation Agreement is breached by either Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive, either expressly or impliedly, any other breach under this Cooperation Agreement.

Section 36. Section Captions; References. The table of contents, article and section headings and captions contained in this Cooperation Agreement are included for convenience only and shall not be considered a part of this Cooperation Agreement or affect in any manner the construction or interpretation of this Cooperation Agreement. Except as otherwise indicated, all references in this Cooperation Agreement to Sections and Articles are to sections and articles of this Cooperation Agreement.

Section 37. Severability. In the event that any provision of this Cooperation Agreement shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the Parties shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Cooperation Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination implement and give effect to the intentions of the Parties as reflected in this Cooperation Agreement, and the other provisions of this Cooperation Agreement, as so amended, modified, supplemented or otherwise affected by such action, shall remain in full force and effect.

Section 38. Amendment. No amendment, modification or change to this Cooperation Agreement shall be effective unless same shall be in writing and duly executed by the Parties.

Section 39. No Other Agreements. All negotiations and agreements prior to the date of this Cooperation Agreement, including but not limited to the Memorandum of Understanding signed by legal counsel, are superseded by this Cooperation Agreement. This Cooperation Agreement shall constitute the entire agreement between the County and LCSWMA with respect to the disposal services contemplated by this Cooperation Agreement. This Cooperation Agreement constitutes the full and entire understanding and agreement between the parties hereto with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, except as contained herein. LCSWMA and the County further agree that this Cooperation Agreement shall not be modified, except by a written instrument signed by both LCSWMA and the County. All exhibits attached to this Cooperation Agreement are incorporated by reference and are a part hereof.

Section 40. Execution of Documents. This Cooperation Agreement may be executed in any number of duplicate originals, any of which shall be regarded for all purposes as an original and all of which shall constitute but one and the same instrument.

Section 41. Force Majeure. Neither LCSWMA nor the County shall be responsible for delays or failures in performance resulting from matters beyond their reasonable control, including, without limitation, acts of God, strikes, lockouts, labor disruptions, riots, war, terrorist strikes, utility or supply interruptions, vandalism, epidemics, changes to governmental regulations, fire, flood or other casualty, communication line failures, power failures or surges, earthquakes, etc.

Section 42. Cost of Enforcement. If either LCSWMA or the County is required to engage in any proceedings, legal or otherwise to enforce its rights under this Cooperation Agreement, the prevailing party shall be entitled to recover from the other, in addition to any other sums due, its reasonable attorneys' fees, costs, and disbursements involved in said proceedings to the extent such party has prevailed.

Section 43. Survival. Section 16, Section 20, Section 21, Section 22 and Section 24 shall survive termination or expiration of this Cooperation Agreement.

Section 44. Governing Law and Jurisdiction. This Cooperation Agreement and its validity, interpretation, performance, and enforcement shall be governed by the internal laws of the Commonwealth of Pennsylvania, notwithstanding any conflict-of-law rules. Any disputes hereunder shall be litigated exclusively in the state or federal courts having jurisdiction over such disputes in Dauphin County, Pennsylvania, by non-jury trial, and LCSWMA and the County each hereby agree to such exclusive jurisdiction and waive all rights to a jury trial. The County and LCSWMA also each hereby agree that all service of process, including any instrument to initiate suit, shall be effective if served in accordance with Pennsylvania law.

Section 45. Waivers. No waiver by any party of any condition, or the breach of any term or covenant contained in this Cooperation Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition.

Section 46. Interpretation. Headings contained in the Cooperation Agreement are for convenience of reference only and are not to be considered in construing the respective language of those documents. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context indicates is appropriate. The word "including" when used herein is intended to be exemplary and inclusive of the word or phrase it modifies, and is not intended to be exclusive or limiting.

Section 47. Mutual Drafting. Both the County and LCSWMA have been represented or have had the opportunity to be represented by counsel in connection with this Cooperation Agreement, and thus this Cooperation Agreement shall not be construed against either party by reason of such party or its counsel having drafted this Cooperation Agreement.

IN WITNESS WHEREOF, the County and LCSWMA have caused this Cooperation Agreement to be executed in their respective names, have caused this Cooperation Agreement to be attested, all by their duly authorized officers and representatives, and have caused this Cooperation Agreement to be dated as of the date and year first written above.

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COUNTY OF DAUPHIN

Dated: _____

By: _____, Chairman

By: _____

By: _____

Attest:

Chief Clerk

LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY

Dated: _____

By: _____, Chairman

Attest: _____, Secretary

DRAFT

Exhibit "A"

Delegation and Assumption of Capacity Assurance Responsibilities between the Lancaster
County Solid Waste Management Authority and the County of Dauphin

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Exhibit "B"

Redevelopment Assistance Capital Program Grant Cooperation Agreement among the County of Dauphin, the Lancaster County Solid Waste Management Authority, and the Office of the Budget of the Commonwealth of Pennsylvania

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APPENDIX C

RCAP COOPERATION AGREEMENT

**RACP COOPERATION AGREEMENT BETWEEN
THE COUNTY OF DAUPHIN, PENNSYLVANIA AND
THE LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY**

THIS RACP COOPERATION AGREEMENT (this "Cooperation Agreement"), entered into as of the ____ day of August, 2013, between the County of Dauphin, a third class county of the Commonwealth of Pennsylvania (the "County") and the Lancaster County Solid Waste Management Authority, a municipal authority organized and existing under the Pennsylvania Municipality Authorities Act (the "Authority") concerning their respective obligations to the Commonwealth of Pennsylvania (the "Commonwealth") and each other with respect to a Redevelopment Assistance Capital Program grant.

WITNESSETH:

WHEREAS, the Authority and the County desire that the Authority acquire and improve an existing mass burn, waste processing, steam and electric generation and ash disposal and solid waste transfer station facility situated at 1670 South 19th Street, City of Harrisburg and Township of Swatara (the "Project"), at an estimated cost of One Hundred and Thirty-Eight Million Dollars (\$138,000,000); and

WHEREAS, the Project has heretofore received an allocation of funds in the Commonwealth capital budget under the Commonwealth's Redevelopment Assistance Capital Program (the "RAC Program") for funding (the "Grant") in the aggregate amount of Eight Million Dollars (\$8,000,000) to be applied for and toward a portion of the costs of the Project; and

WHEREAS, the County desires to be the applicant, and the Authority desires to be the sub-applicant, in submitting the RAC Program application for the Grant; and

WHEREAS, the County desires to be the grantee and the Authority desires to be the sub-grantee and the administrative agency for the Grant under and pursuant to a Grant agreement (the "Grant Agreement") by and between the County and the Commonwealth, acting by and through the Office of the Budget; and

WHEREAS, the Grant Agreement will set forth the conditions under which the Commonwealth agrees to make the Grant available to the County and the Authority as grantee and sub-grantee respectively, toward costs and expenses with respect to the Project eligible to be funded under the RAC Program, including, *inter alia*, the condition that the Authority shall enter into a cooperation agreement with a local taxing entity that authorizes the Project and obligates the local taxing entity to reimburse the Commonwealth for the Commonwealth's share of any expenditures with respect to the Project determined by the Commonwealth to be ineligible costs under the RAC Program; and

WHEREAS, the County qualifies as a local taxing entity, within the meaning of the Grant Agreement; and

WHEREAS, the Authority has requested the County to undertake the reimbursement obligation required by the Grant Agreement in order to support the Project.

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the County and the Authority as a result of the Grant, the parties, intending to be legally bound, do covenant and agree for themselves, their respective successors and assignees, as follows:

1. This Agreement shall commence upon the date of execution by the last signatory and shall end at such time as all conditions of the Grant have been satisfied.
2. The County confirms its support for the Project and approval for the Authority to participate as sub-applicant and sub-grantee with respect to the Project Grant Application, Grant Agreement and Grant.
3. The Authority shall prepare an appropriate Project business plan and application ("Application") for the RAC Program at the Authority's sole cost and expense. The County shall execute the Application as applicant and the Authority shall execute the Application as sub-applicant.
4. The Grant Agreement for the Project shall be executed by the County as grantee and by the Authority as sub-grantee.
5. The Authority shall administer the Grant, and be responsible for RAC Program oversight and compliance, as required by the RAC Program guidelines and the Grant Agreement, on behalf of the County.
6. The Authority shall provide the County with any necessary information to facilitate compliance with all Program and Grant requirements as contained in the RAC Program guidelines and the Grant Agreement.
7. Upon request by the Authority, the County shall requisition the Commonwealth for disbursements of the Grant in accordance with the Commonwealth's approved disbursement schedule. Supporting invoice documentation shall be provided by the Authority to the County, to evidence eligible Project costs authorized by the Commonwealth.
8. Upon receipt of disbursements from the Commonwealth, the County shall make disbursements of the Grant to the Authority, in compliance with the terms of the Grant and in accordance with this Agreement.
9. The County shall reimburse the Commonwealth for expenditures disbursed to the Authority that are ineligible for funding under the Grant.
10. The Authority shall reimburse the County for any amounts which the County pays over to the Commonwealth pursuant to the immediately preceding paragraph 9.
11. In addition to the reimbursement obligations of the immediately preceding paragraph 10, the Authority shall protect, indemnify and save harmless the County from any and all suits, actions, claims, demands, losses, expenses and costs of every kind and nature, including but not limited to reasonable attorney's fees and costs in connection in defense of suits, actions, claims and demands, incurred by or asserted or imposed against the County or its Commissioners,

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officers, employees and agents, which arise out of the Authority's administration of, or involvement in, the Grant Agreement or Grant, or its involvement in the Project.

12. This Agreement shall be binding upon and inure to the benefit of the County and the Authority, and their respective successors and assigns, and the Commonwealth shall be deemed to be a third party beneficiary under this Cooperation Agreement.

13. This Agreement constitutes the full and complete understanding and agreement of the parties with respect to the Project Grant Agreement, including the incorporation of all requirements and the express terms of the Grant Agreement, to be attached to this Agreement as Exhibit "A" when issued.

14. If any provision of this Cooperation Agreement shall be held to be invalid, such invalidity shall not affect any other provision of this Cooperation Agreement, and the remaining provisions of this Cooperation Agreement shall be construed and enforced as if such invalid provision had not been contained in this Cooperation Agreement. The laws of the Commonwealth shall govern construction of this Cooperation Agreement.

15. This Cooperation Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF the parties to this Cooperation Agreement have set their hands and seals to this Cooperation Agreement between the County of Dauphin and the Lancaster County Solid Waste Management Authority as of the date and year first above written.

COUNTY OF DAUPHIN,
Pennsylvania

Attest:

Chief Clerk

(SEAL)

By: _____
Chairman, Board of Commissioners

By: _____
Vice Chairman Board of Commissioners

By: _____
Secretary, Board of Commissioners

LANCASTER COUNTY SOLID WASTE
MANAGEMENT AUTHORITY

Attest:

Secretary

(SEAL)

By: _____
Chairman