

## Host Municipality Benefit Fee Agreement

THIS HOST FEE AGREEMENT (this "Agreement") is made this 11th day of September 2013 between the Township of Swatara (the "Township"), a first class Township located in the County of Dauphin, Commonwealth of Pennsylvania, and the Lancaster County Solid Waste Management Authority (the "Authority"), a municipal authority organized and existing under the Municipality Authorities Act of the Commonwealth of Pennsylvania.

**Background.** The Authority has entered into an Asset Purchase Agreement for the acquisition of Harrisburg Materials Energy and Resource Recovery Facility (the "HRRF") from The Harrisburg Authority ("THA"). The HRRF's incinerator and ash Landfill Area A are located in the City of Harrisburg and ash Landfill Area B ("Area B") and certain HRRF access roadways are located partially in the City of Harrisburg and partially in the Township. HRRF Landfill Area B received a permit from the Pennsylvania Department of Environmental Protection ("DEP") in September, 1978. Section 1301 of Pennsylvania's Municipal Waste Management Act ("Act 101") provides for a host municipality benefit fee (the "Host Fee") for solid waste deposited into a landfill within the host municipality and Pennsylvania Code Section 273.314 requires quarterly payment of the Host Fee. Since the effective date of Act 101, September 26, 1988, the owner of the HRRF has paid the Township a Host Fee of \$0.90 for each ton of solid waste deposited in Area B, based on an estimate of the portion of cells B-1, B-2 and B-3 of Area B which are within the Township. THA has been engaged in "mining" of Area B to remove ferrous metal and other recyclable materials. After acquisition of the HRRF, the Authority intends to continue recyclable materials recovery efforts, remove the existing City of Harrisburg public works facility to allow for a less steep Area B slope, improve roadway access the HRRF, and investigate the filing of an application with DEP to reconfigure Area B to allow the Authority to resume depositing solid waste into Area B while maintaining the proper slope. Section 1301(c) of Act 101 empowers a host community to enter into a specific agreement concerning the Host Fee. The parties desire to set forth their mutual understanding concerning Area B and the Host Fee.

With the foregoing background incorporated by reference, and intending to be legally bound, the Township and the Authority agree that upon the acquisition by the Authority of the HRRF the following terms and conditions shall become effective:

1. The Authority shall pay the Township \$1.00 per ton as a Host Fee for all ash generated at the HRRF and deposited in the existing B-1, B-2, and B-3 cells of Area B, even if such solid waste is merely replacing solid waste removed from Area B.
2. If the Authority constructs an ash handling facility next to the incinerator, and not within the Township, and transports ash directly off site, then no Host Fee would be owed to the Township for such ash.
3. If the Authority successfully obtains a DEP permit for a reconfigured Area B to allow the Authority to resume depositing solid waste in Area B, then the Authority shall pay a \$1.00 Host Fee for each ton deposited in the reconfigured Area B, divided between the City of

Harrisburg and Township based on the respective percentages of the area into which new solid waste is being deposited located within each municipality. After DEP approves the permit for the reconfigured Area B, the Authority shall provide the Township with a map showing the portion in each municipality and the percentage of the reconfigured Area B in each municipality.

4. The Authority's use of the portion of the HRRF site within Township for the purposes described above is a legal preexisting non-conforming use under the Township Zoning Ordinance.

5. On for before the 25<sup>th</sup> day of each month, the Authority shall make payment to the Township of the Host Fee, accompanied by a monthly report to of the weight of total solid waste processed at the HRRF, the weight of ash transported off the HRRF site, the weight of ash deposited in Area B, the weight of ash removed from Area B, and the amount of the Host Fee owed the Township. The Township shall be entitled to inspect the Authority's records relating to the Host Fee during normal business hours upon reasonable advance notice.

6. The term of this Agreement shall be twenty years from the date the Authority acquires the HRRF.

Approved by the Board of Commissioners of the

TOWNSHIP OF SWATARA on 11 September, 2013

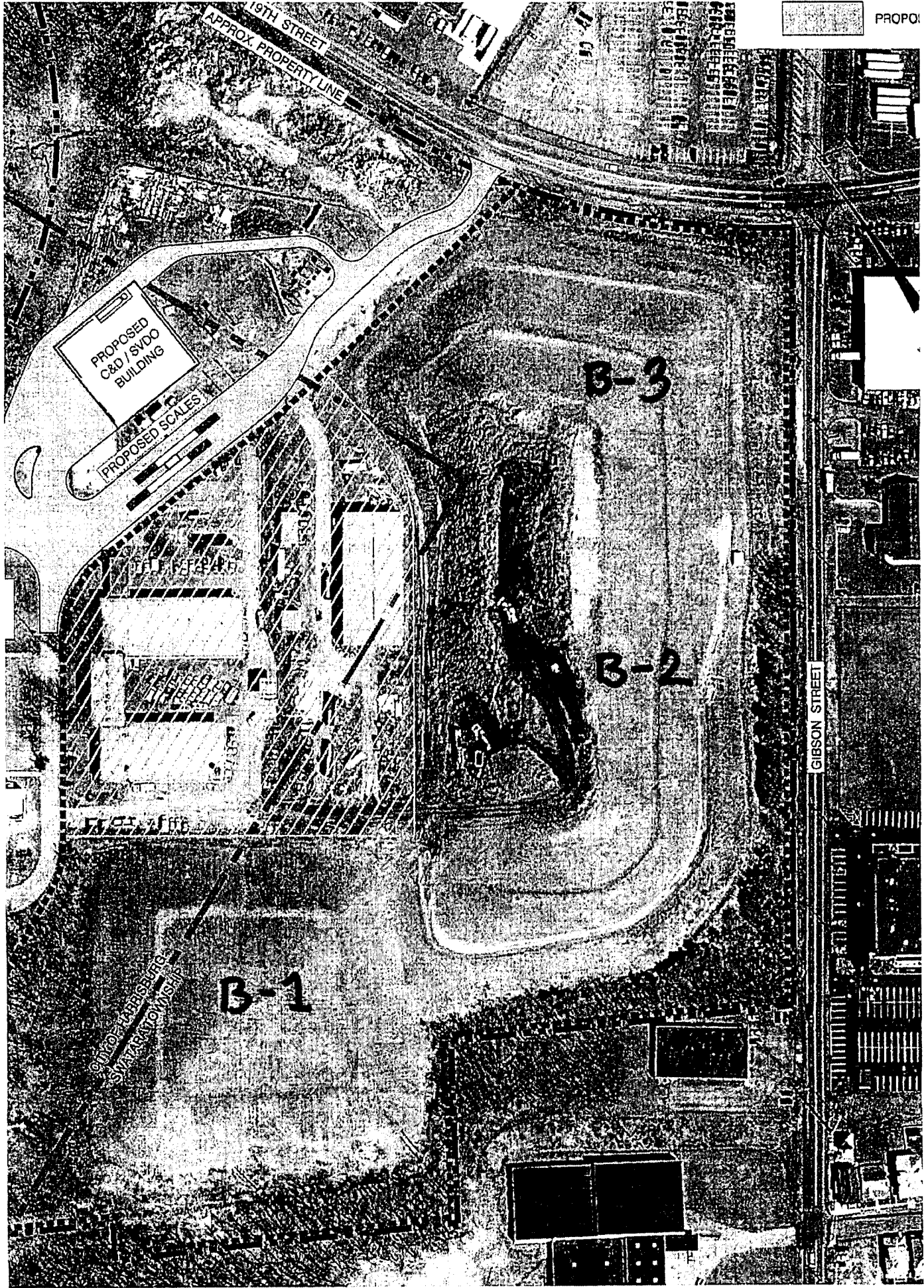
By: Andrew D. May

Attest: DM Rubini

Approved by the Board of the LANCASTER COUNTY SOLID WASTE MANAGEMENT AUTHORITY on 13 September, 2013

By: [Signature] CEO

Attest: [Signature]



19TH STREET  
APPROX PROPERTY LINE

PROPO

PROPOSED  
C&D / SVDC  
BUILDING

PROPOSED SCALES

B-3

B-2

B-1

SWANSON AVENUE  
SWANSON TOWNSHIP

GIBSON STREET