



Executive Committee
Resolution #06-42

RESOLUTION OF THE COUNTY BOARD
WILL COUNTY, ILLINOIS

AUTHORIZING THE WILL COUNTY EXECUTIVE TO EXECUTE HOST AGREEMENT
BETWEEN THE COUNTY OF WILL AND WASTE MANAGEMENT OF ILLINOIS, INC.

WHEREAS, Waste Management owns and operates the Laraway Recycling and Disposal Facility located in Elwood, Illinois, and

WHEREAS, Olin Corporation owns property adjacent to Laraway Recycling, and a large pile of uncovered gypsum material currently exists on the Olin Property, and

WHEREAS, Waste Management plans to file an application with the County of Will for local approval for an expansion of Laraway Recycling and to include the Olin Property as part of the expanded Laraway Recycling facility, and

WHEREAS, Section 39.2 of the Illinois Environmental Protection Act expressly acknowledges a local government's power to negotiate and enter into a Host Agreement with an applicant for site location of a pollution control facility, and

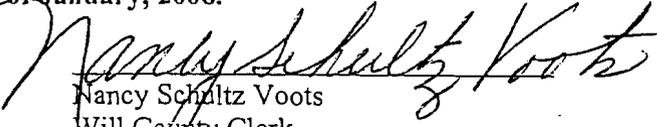
WHEREAS, Waste Management desires to provide certain benefits to the County of Will and assume various obligations, as set forth in the Host Agreement attached hereto (Attachment No. 1), if the expansion obtains all required governmental approvals.

NOW, THEREFORE, BE IT RESOLVED, that the Will County Board hereby authorizes the County Executive to execute the Host Agreement between the County of Will and Waste Management of Illinois, Inc. in substantially the form attached hereto as Attachment No. 1, subject to final review and approval by the Will County State's Attorney's Office.

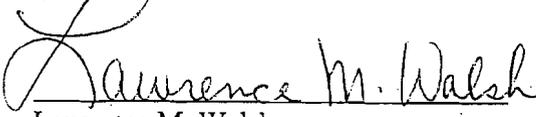
BE IT FURTHER RESOLVED, that the preamble of this resolution is hereby adopted as if fully set forth herein.

Adopted by the Will County Board this 19th day of January, 2006.

Vote: Yes 20 No 1 Pass 0 (SEAL)


Nancy Schultz Voots
Will County Clerk

Approved this 10th day of Feb., 2006.


Lawrence M. Walsh
Will County Executive

HOST AGREEMENT

This Host Agreement is made this 17th day of February, 2006 by and between the County of Will ("County") and Waste Management of Illinois, Inc. ("Waste Management").

Recitals

WHEREAS, Waste Management owns and operates the Laraway Recycling and Disposal Facility ("Laraway") located on property commonly known as 21101 W. Laraway Road, Elwood, IL 60421, and further depicted on Exhibit A hereto.

WHEREAS, Olin Corporation owns property adjacent to Laraway also depicted on Exhibit A hereto and referred to herein as the "Olin Property;"

WHEREAS, a large pile of uncovered gypsum material currently exists on the Olin Property, in the area depicted on Exhibit A ("Gypsum Stack");

WHEREAS, Waste Management plans to file an application with the County for site location approval for an expansion of Laraway, which would include the Olin Property as part of the expanded Laraway facility ("Laraway Expansion");

WHEREAS, Section 39.2 of the Illinois Environmental Protection Act (the "Act") expressly acknowledges a local government's power to negotiate and enter into a Host Agreement with an applicant for site location of a pollution control facility;

WHEREAS, Waste Management desires to provide certain environmental enhancements and protections, including covering the existing Gypsum Stack on the Olin Property, as well as to provide other benefits to the County with respect to the Laraway Expansion, if the expansion obtains all required governmental approvals;

WHEREAS, the County is desirous of obtaining certain environmental enhancements and protections, including the covering of the Gypsum Stack located on the Olin Property, as well as certain other benefits as set forth herein, provided that the County shall have no obligation to grant site location approval of the expansion unless and until, through the local siting hearing process, it finds that the expansion of Laraway meets or exceeds all criteria set forth in 415 ILCS 5/39.2;

WHEREAS, if the County grants siting approval for the expansion of Laraway, the Illinois Environmental Protection Agency ("IEPA") issues a permit for the development and operation of the expanded facility and the expanded facility is constructed and begins to receive waste, then Waste Management is willing to afford certain benefits, as herein set forth, to the County;

WHEREAS, the expansion of Laraway and the covering of the Gypsum Stack on the Olin Property would be of great benefit to the citizens of the County; and

WHEREAS, the expansion of Laraway is consistent with the County Solid Waste Management Plan (as amended).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Waste Management and the County agree as follows:

Definitions

1. "Act" - shall mean the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.
2. "Authorized Waste" – shall mean those waste materials Waste Management may accept in the Laraway Expansion pursuant to Section 2.1 hereof.
3. "End Use Property" – shall mean that property depicted in Exhibit E hereof.
4. "Gypsum Stack" – shall mean the large pile of uncovered gypsum material that currently exists on the Olin Property.
5. "IEPA" – shall mean the Illinois Environmental Protection Agency.
6. "IPCB" – shall mean the Illinois Pollution Control Board.
7. "Laraway" – shall mean the Laraway Recycling and Disposal Facility located at 21101 W. Laraway Road and further depicted on Exhibit A hereto.
8. "Laraway Expansion" – shall mean the expansion of Laraway to include the Olin Property (and the Gypsum Stack(s) thereon).
9. "Laraway Expansion Footprint" – shall mean that area to be filled with Authorized Waste.
10. "Olin Property" – shall mean the property depicted in Exhibit A to the west of Laraway.

Agreements

ARTICLE 1 TERM

The term of this Agreement shall commence on the date of this Agreement and shall terminate after all closure and post closure care obligations imposed under

applicable Illinois law for the Laraway Expansion have been satisfied. The Agreement will also terminate in the event Waste Management notifies the County that it will no longer pursue an expansion of Laraway. However, Waste Management shall pay and satisfy all costs, expenses and amounts incurred by the County prior to termination of this agreement.

ARTICLE 2 OPERATIONS

Section 2.1 Authorized Waste

The Laraway Expansion shall not knowingly accept, treat and/or dispose of: (i) any waste which is defined as "hazardous" by the Act, rules or regulations of the IEPA or the IPCB; (ii) "municipal waste" as defined by the Act (except construction and demolition debris); (iii) liquid waste; or (iv) medical waste. Waste Management may accept all other waste materials for landfill disposal, including construction and demolition debris at the Laraway Expansion ("Authorized Waste").

Section 2.2 Community Relations/Complaint Resolution

As of the date of commencement of development of the Laraway Expansion, and for the balance of the operating life of the Laraway Expansion, Waste Management shall assign and designate a telephone number and representative which shall be responsible for receipt of complaints which may arise from the public relative to the operation of the facility as outlined in this Agreement. All such complaints and inquiries received from the public shall be responded to and addressed promptly. Waste Management shall also keep a log of the date and time such complaint, inquiry or communication was received, the nature of the complaint, inquiry or communication, the name of the person initiating such contact, the date and time which response was made to such complaint, inquiry or communication, as well as the method in which any such complaint, inquiry or communication was addressed and/or resolved.

Section 2.3 Landfill Design and Operating Standards

The Laraway Expansion shall be sited, designed, developed, constructed, operated, closed and maintained in post closure care so as to comply with all applicable provisions of the Act, rules and regulations of the IEPA, as well as the conditions and requirements of any permits issued by applicable governmental agencies and all other applicable rules and regulations now in effect or enacted hereafter.

Section 2.4 County Access and Inspection Rights

Waste Management shall provide the County and its agents with access to the Laraway Expansion during its hours of operation for the purpose of inspecting the facility's compliance with this Agreement and all applicable laws and permits,

upon advance telephonic notice. In exigent or emergency circumstances, the County and its agents shall have immediate access to the Laraway Expansion and all records pertaining to its operation. Waste Management shall designate a contact person who may be contacted if the County or its agents desire access pursuant to this provision. The County and its agents agree to abide by all safety related rules and regulations pertaining to visitors at the facility.

ARTICLE 3 ENVIRONMENTAL ENHANCEMENT PROJECT

In order to prevent future water infiltration, to improve the Gypsum Stack aesthetically and environmentally, and to allow for its use for passive recreational activities, Waste Management will install a low permeability cover on top of the Gypsum Stack which will include a 40 mil geomembrane and bio-remediated soils, earthen materials or other materials approved by the IEPA as alternative soil material. The side slopes of the Gypsum Stack will be covered with earthen materials (or approved alternatives) only. Although the time of completion of the cover will be dependent upon the amount of soil material accepted by Waste Management for bio-remediation at the Laraway Expansion, Waste Management will complete the capping of the top of the Gypsum Stack within three (3) years of commencing disposal operations at the Laraway Expansion. All remediation activities with respect to the Gypsum Stack will be conducted in accordance with plans and specifications approved by the IEPA. The final two feet of earthen materials used to cover the Gypsum Stack will not be comprised of bio-remediated soils unless the bio-remediated soils to be used meet the residential use standards contained in Title 35, Part 742 of the Illinois Administrative Code. In addition, at the time the Laraway Property is offered to the County for end use purposes pursuant to Article 6 herein, the Gypsum Stack (as well as all associated areas in and around the Gypsum Stack which are the subject of remedial action as set forth herein) shall comply with all then applicable state and/or federal risk-based environmental standards for use of the Laraway property for recreational purposes.

ARTICLE 4 OTHER ENVIRONMENTAL PROTECTIONS

Section 4.1 Compliance with Laws

Waste Management shall comply, at all times in connection with the operation of the Laraway Expansion, with all laws, ordinances, rules and regulations of any applicable Federal, State or local governmental agency or authority relating to the operation of the Laraway Expansion.

Section 4.2 Indemnification/Reimbursement

Waste Management agrees to indemnify, hold harmless and defend the County of Will, its agents, servants, and employees, and each of them against and hold them harmless from and against any and all lawsuits, claims, demands,

liabilities, losses and expenses (including court costs, litigation expenses and attorney's fees) for or on the account of any injury to the County or to any other person or any death at any time resulting from such injury, or any damage to property or the environment, or any other damage of any type, kind or sort (including damage to County) which may arise or which may have been alleged to have arisen out of or in connection with the development, construction, operation, closure and post closure activities of the Laraway Expansion and Waste Management's actions in connection with the remediation of the Gypsum Stack pursuant to Article 3 hereof.

Waste Management agrees to reimburse the County for all reasonable and necessary costs incurred by those outside attorneys/professions/consultants retained by the County to assist it in negotiation of this Host Agreement, as well as the conducting of any pre-filing review which may occur with respect to the proposed Laraway expansion. In addition, Waste Management shall (consistent with the Will County Siting Ordinance) agree to reimburse the County for any and all costs and expenses incurred by the County relating to its consideration of any application for site location approval which may be subsequently filed by Waste Management in connection with the Laraway Expansion described herein, through final resolution of such request for local site location approval.

Section 4.3 Claims

Promptly after the County discovers an injury, damages, or other event of non-compliance covered by the indemnification provision set forth in Section 4.2 above, or after receipt by the County hereto of notice of any claim, action, suit or proceeding by any Person who is not a party to this Agreement (collectively, an "Action") which is subject to indemnification hereunder, the County (the "Indemnified Party") shall give reasonable notice to Waste Management (the "Indemnifying Party"). At the sole expense and liability of the Indemnifying Party and within a reasonable time after the giving of such notice by the Indemnified Party, the Indemnifying Party shall: (i) notify the Indemnified Party in writing of the Indemnifying Party's intention to assume the defense of such action and (ii) retain at its sole expense legal counsel reasonably satisfactory to the Indemnified Party to conduct the defense of such Action. The Indemnified Party shall cooperate with the Indemnifying Party in the defense, compromise or settlement of any such Action as the Indemnifying Party may reasonably request. If the Indemnifying Party so assumes the defense of any such Action, the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of the Indemnified Party. The Indemnified Party shall not settle or compromise any such Action for which it is entitled to indemnification hereunder without the prior written consent of the Indemnifying Party, unless the Indemnifying Party shall have failed, after reasonable notice thereof, to undertake control of, manage, resolve and address such action in the manner provided for in this Agreement. The Indemnifying Party shall not settle or compromise any such Action in which any relief other than the payment of money damages is sought against the Indemnified Party unless the Indemnified Party consents in writing to such compromise or settlement.

Section 4.4 Insurance

Waste Management shall purchase and maintain such insurance as is necessary to fully protect Waste Management and the County from any and all claims which may rise out of or in any way result from Waste Management's operations, conduct or activities regarding the Laraway Expansion, in the type and minimum amounts set forth in Exhibit B (which is attached hereto and incorporated herein by this reference). So as to ensure maintenance of adequate levels of future insurance coverage for the term of this Agreement, Waste Management shall adjust and increase such levels of insurance coverage outlined above as necessary during each five (5) year period included in this Agreement to account for increases in the CPI-U-US Price Index over the preceding five (5) years. Waste Management agrees that with respect to the above-required insurance, the County shall:

- (a) Be named as additional insured as its interest may appear;
- (b) Be provided with ninety (90) days advance notice, in writing, of any proposed policy change;
- (c) Be provided with Certificates of Insurance delivered by the Operator to the following offices prior to commencing construction activities regarding the Laraway Expansion:

Will County Executive
 Will County Office Building
 302 North Chicago Street
 Joliet, Illinois 60432

Will County Director
 Waste Services Division
 Will County Land Use Development
 58 East Clinton Street, Suite 500
 Joliet, Illinois 60432

Section 4.5 Domestic Water Well Protection Plan

Waste Management shall implement the Domestic Water Well Protection Plan attached hereto as Exhibit C for domestic water wells located within 1,000 feet of the area that will be filled with Authorized Waste ("Laraway Expansion Footprint").

Section 4.6 Residential Property Value Guarantee Program

Waste Management shall implement the Property Value Guarantee Program attached hereto as Exhibit D for residences located on parcels within 1,000 feet of the Laraway Expansion Footprint.

Section 4.7 Laraway Road

In the event Waste Management obtains all approvals required to commence operations in the Laraway Expansion, the County Engineer will perform an assessment of whether Laraway Road should be improved to maintain Class II IDOT

standards for 80,000 pound vehicles. The assessment shall be made in accordance with then applicable Illinois Department of Transportation Standards. If the County Engineer, with the consent and approval of the Public Works & Transportation Committee, determines that improvements are required, Waste Management agrees to pay its equitable portion of the improvements costs based on its actual and projected use of Laraway Road, compared to the actual and projected uses of Laraway Road by other owner/operators who would benefit from such improvements. The equitable allocation for any road improvement costs will be determined separately for each portion of Laraway Road to be improved, i.e. Laraway Road between Patterson and Brandon, Laraway Road between Brandon and West Line Vulcan Quarry and Laraway Road between West Line Vulcan Quarry and Rte-53.

ARTICLE 5 HOST BENEFIT FEES

Section 5.1 Contaminated Soils. The host fee for all non-hazardous contaminated soils accepted at the Laraway Expansion for bio-remediation or landfilling shall be computed in accordance with the following schedule:

| <u>Annual Volume</u> | <u>Per Ton Host Fee</u> |
|------------------------|-------------------------|
| 0 - 500,000 Tons | \$1.00 |
| 500,001 – 600,000 Tons | \$1.25 |
| 600,001 – 700,000 Tons | \$1.50 |
| 700,001 – 800,000 Tons | \$1.75 |
| Over 800,001 Tons | \$2.00 |

By way of example and illustration, in the event the Laraway Expansion receives 650,000 tons of contaminated soil in the first year of operation, Waste Management will pay \$1.00 per ton for the first 500,000 tons of contaminated soils accepted, \$1.25 per ton for the next 100,000 tons and \$1.50 per ton for the last 50,000 tons.

Section 5.2 Other Authorized Waste

Waste Management shall pay a host fee to the County for all other Authorized Waste accepted for landfilling equal to the then applicable host fee payable to the County at the County's Prairie View Recycling & Disposal Facility ("Prairie View"). Upon the closure of Prairie View, the then applicable host fee for all other Authorized Waste accepted at the Laraway Expansion shall be subject to annual adjustments pursuant to Section 5.3 hereof, with the first adjustment being one year after Prairie View's closure.

Section 5.3 Annual Adjustments

The host fees for contaminated soils shall be adjusted annually by the percentage of increase during the previous year in the Revised Consumer Price Index for All Urban Communities published from time to time by the United States Department of Labor Statistics ("CPI") provided that in no event shall the applicable increase be more than four percent (4%) in any one year. The first adjustment for the host fees for contaminated soils shall be one year after the Laraway Expansion commences operation. The first adjustment for host fees for all other Authorized Waste shall be one year after the closure of Prairie View, except as set forth in Section 5.2 above. If the revised Consumer Price Index shall cease to be published, the County and Waste Management shall designate a comparable index which shall then be used for determining the annual rate of adjustment.

Section 5.4 Host Fee Supplement

In the event the County does not impose the maximum permanent waste disposal surcharge/fee authorized by Section 5/22.15(j) of the Act (or its successor) (the "Statutory Surcharge") on waste materials disposed of at the Laraway Expansion that are subject to the Statutory Surcharge, Waste Management agrees to pay a per ton host fee supplement to the County equal to the maximum Statutory Surcharge the County is authorized to impose under the Act, less the amount of Statutory Surcharge the County actually imposes. For example, as of the date hereof, the County is authorized to impose a Statutory Surcharge of \$1.27 per ton on the disposal of certain waste materials (excluding pollution control waste), as defined by the Act, and waste from certain recycling, reclamation and re-use processes. In the event the County imposes a Statutory Surcharge of only \$1.00 per ton, Waste Management will pay an additional host fee of \$0.27 per ton on the disposal of waste materials that are subject to the Statutory Surcharge. In no event will Waste Management be required to pay a duplicate Statutory Surcharge and a duplicate host fee supplement on the same waste materials.

Section 5.5 Records

Waste Management shall keep complete and accurate books and records relating to the determination of the Host Fee payable to the County, in an auditable form. Waste Management shall permit the County's designated representatives access to such books and records for inspection and photocopying, during Laraway's normal business hours. The County shall maintain as confidential the information contained in such books and records, but shall be permitted to disclose such information to employees and consultants which the County, in its sole discretion, deems appropriate in order to monitor compliance with this Agreement. In the event that such inspection reveals any underpayment(s) of the Host Fee, Waste Management shall promptly pay to the County the amount(s) of such underpayment(s), together with interest at 1.5% per month from the time any such Host Fee was due and owing to the County, and reimburse the County for its costs and expenses of such inspection and, if necessary, collection, including any

professional and technical fees in connection therewith. In the event that such inspection reveals any overpayment(s) of the Host Fee, Waste Management may credit the amount of such overpayment(s) against the payments of Host Fee in subsequent quarters.

Section 5.6 Quarterly Payments

The Host Fee shall be paid on a quarterly basis. The quarterly payments shall be calculated on a calendar year basis; that is, they shall be calculated for the three month periods ending on the last day of March, June, September and December of each year during the term of this Agreement and any extension thereof. The payment shall be made not later than 30 days after the last day of each quarter.

Section 5.7 Annual Payments to the County During First Five Years of Operation

Waste Management agrees to pay to the County annual payments of \$100,000 for five years to be used at the County's discretion, with the first payment to be made within thirty (30) days of commencing operation in the Laraway Expansion, with the next four payments to be made on or before the anniversary date of the first payment.

Section 5.8 Annual Payments to Community Organizations During the First Five Years of Operation

Waste Management agrees to pay to Will County for the benefit of community organizations selected by County Board Representatives for the District in which the Laraway Expansion is located, subject to the approval of the Will County Board, annual payments aggregating \$50,000 each year for five years, with the first payment to be made within thirty (30) days of commencing operation in the Laraway Expansion and the next four payments to be made on or before the anniversary date of the first payment.

Section 5.9 Pre-payment of Host Benefit Fees

Waste Management agrees to pre-pay the amount of One Million Dollars (\$1,000,000) of host fees within thirty (30) days of commencing operation in the Laraway Expansion. Waste Management shall reduce the per ton host fees otherwise payable to the County pursuant to Sections 5.1 and 5.2 hereof by Fifty Percent (50%) until such time as the pre-paid amount has been recovered. By way of example and illustration, if the host fees payable on "Other Authorized Waste" pursuant to Section 5.2 hereof are \$3.20 per ton when the Laraway Expansion commences operations, Waste Management will pay 50% of that amount (\$1.60) to the County and shall retain a similar amount (\$1.60 per ton) and Waste Management will also retain 50% of the then applicable host fees for contaminated soils (Section

5.1 hereof) until, in the aggregate, Waste Management has retained \$1,000,000 in fees to recover the prepaid amount.

ARTICLE 6 END USE

Within six (6) months of Laraway being certified as being closed by the IEPA, Waste Management will make available at no cost to the County or the Will County Forest Preserve District (pursuant to a fee transfer, a 99-year lease, easement or end use agreement, such form of use and/or enjoyment of the subject property to be determined at the County's sole election and discretion) the property depicted in Exhibit E hereto ("End Use Property") for recreational uses, subject to reasonable restrictions imposed on areas that have been landfilled, and further subject to Waste Management's needs to access the End Use Property for post-closure care purposes.

ARTICLE 7 DEFAULT AND REMEDIES

Section 7.1 Defaults

The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by Waste Management:

- (i) The failure of Waste Management to make payment of any Host Fee payment required to be made by Waste Management under this Agreement after ten (10) days written notice thereof;
- (ii) The failure of Waste Management to properly maintain insurance required pursuant to the terms and conditions of this Agreement;
- (iii) The failure of Waste Management to correct or remedy promptly and in the proper and required manner any actual violation by Waste Management of any law, statute, rule, regulation, permit or ordinance relating to the development, operation, closure/post closure care of the Laraway Expansion. For purposes of this Agreement, Waste Management shall be deemed to have acted promptly if it corrects or commences correction of the violation in question within the time allowed by law, or within the time otherwise allowed by a court, tribunal or a governmental agency of competent jurisdiction.
- (iv) The failure of Waste Management to observe or perform any of the other covenants, terms, conditions or provisions of this Agreement to be observed or performed by Waste Management, where such failure shall continue for a period of thirty (30) days after written notice thereof from County to Waste Management; provided, however, that if the nature of

Waste Management's default is such that more than thirty (30) days are reasonably required for its cure, and the County agrees in writing that this is the case, and such acknowledgment in writing shall not be unreasonably withheld, then Waste Management shall not be deemed to be in default if Waste Management commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

- (v) The making by Waste Management of any general assignment, or general arrangement for the benefit of creditors; the filing by or against Waste Management of a petition to have Waste Management adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Waste Management, the same is dismissed within sixty (60) days of filing); the appointment of a trustee or receiver to take possession of substantially all of Waste Management's assets located at, or serving, the Premises or of Waste Management's interest in this Agreement (where possession is not restored to Waste Management within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Waste Management's assets located at Laraway or of Waste Management's interest in this Agreement (where such seizure is not discharged within thirty (30) days).

Section 7.2 Remedies

In the event of any default or breach by Waste Management hereunder, County may, in its sole discretion at any time thereafter, by written notice and without limiting County in the exercise of any right or remedy which County may otherwise have by reason of such default or breach, either pursuant to the terms of this Agreement, and/or otherwise by operation of law, elect to terminate this Agreement, in which event County may recover from Waste Management all damages it has or may incur through the date of such termination by reason and as a consequence of Waste Management's default, including but not limited to, attorney's fees, court costs and litigation expenses. In addition, in the event of a default by Waste Management under the terms of this Agreement or a breach of any provision of this Agreement by Waste Management, and in the further event that the County brings legal proceedings to enforce and protect its rights and remedies under this Agreement, Waste Management shall pay all reasonable attorney fees, court costs and expenses of litigation incurred by the County should it prevail.

ARTICLE 8
MISCELLANEOUS

Section 8.1 Assignment

Waste Management shall not assign its rights or obligations under this Agreement to any other party without the consent of the County, which consent shall not be unreasonably withheld.

Section 8.2 Notice

Any notice to be given hereunder by either party to the other shall be in writing and be sent by personal delivery, by overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated when delivered or as two (2) business days from the date of mailing, whichever is earlier. Notices shall be addressed as set forth below, but each party may change its address by written notice to the other in accordance with this Section 8.2:

To the County:

County Executive
302 North Chicago Street
Joliet, IL 60432

and

State's Attorney of Will County
121 North Chicago Street
Joliet, IL 60432

To the Company:

Laraway Recycling & Disposal Facility
21101 W. Laraway Road
Elwood, IL 60421

and

Waste Management Midwest Group
720 E. Butterfield Road
Lombard, Illinois 60148
ATTN: Area General Counsel

Section 8.3 Agreement Controls

This Agreement constitutes the entire understanding of the parties hereto relating to the subject matter hereof.

Section 8.4 Captions

Captions of the Articles, Sections and paragraphs of this Agreement are for convenience of reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

Section 8.5 Governing Law and Forum for Litigation

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any litigation filed by the Company or County against the other party and involving this Agreement shall be filed in a court of competent jurisdiction in Will County, Illinois.

Section 8.6 Severability

The provisions of this Agreement shall be deemed to be severable, and the invalidity or unenforceability of any provision shall not affect the validity and enforceability of the other provisions hereof.

Section 8.7 Binding Effect

This Agreement shall inure to the benefit of and be binding upon the respective parties hereto, their successors and permitted assigns. The Agreement shall continue in full force and effect even if Laraway is annexed into a municipality.

Section 8.8 Force Majeure

Neither party hereto shall be deemed to be in default or to have breached any provision of this Agreement as a result of any delay, failure in performance or interruption of services resulting directly or indirectly from acts of God, acts of civil or military authority, civil disturbance, war, acts or orders of any governmental entity, riots, or other causes which are beyond the control of such non-performing party.

Section 8.9 No Third-Party Beneficiaries

Except as provided in this Agreement, nothing is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties and their respective successors and assigns, nor shall any provision give any third persons any right or rights of action against any party to this Agreement.

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

COUNTY OF WILL

By: Lawrence M. Walsh

Its: County Executive

WASTE MANAGEMENT OF
ILLINOIS, INC.

By: Dennis M. Witt

Its: Vice President

EXHIBIT A

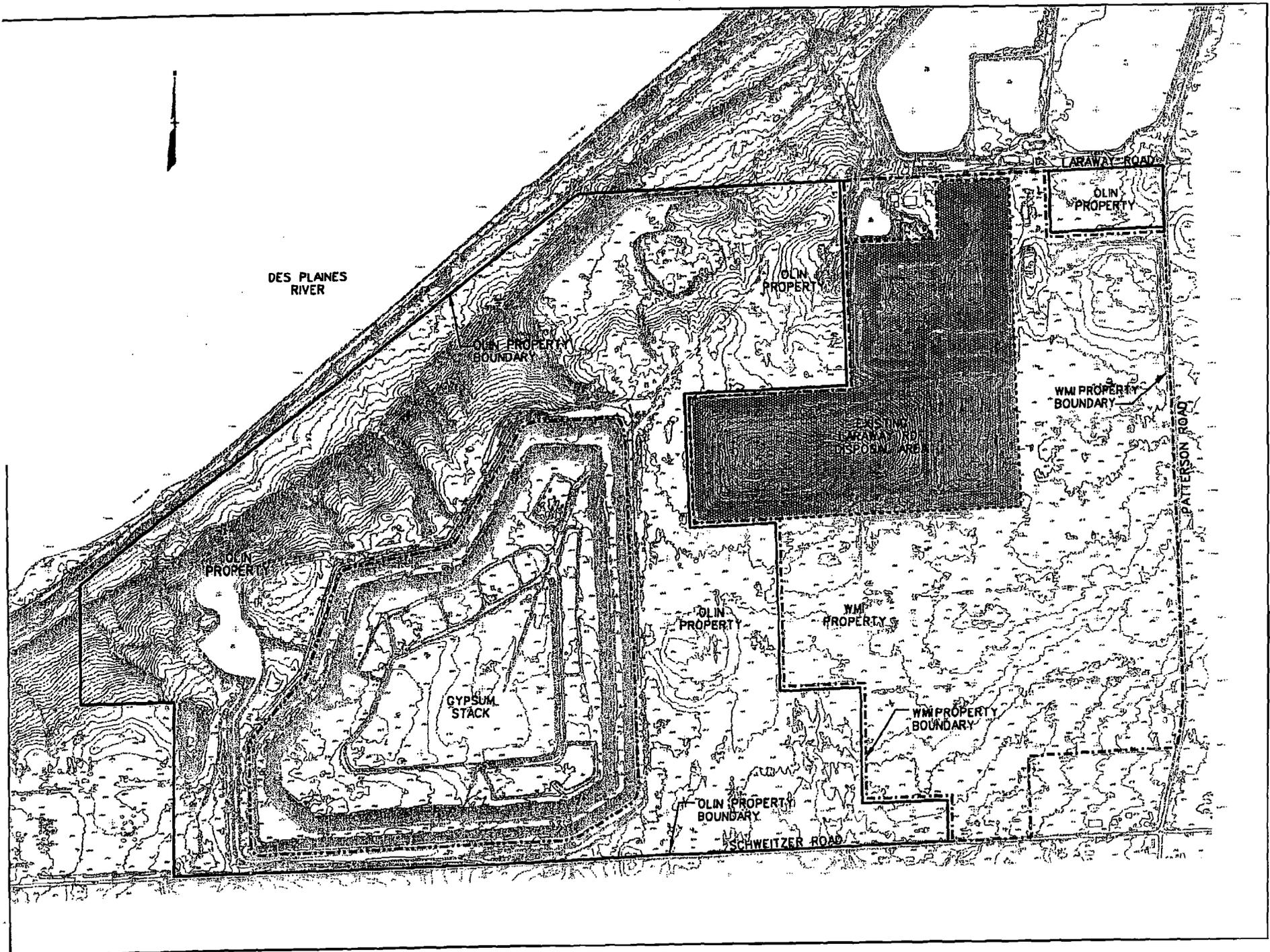


Exhibit B

Insurance Requirements

1. Commercial General Liability (CGL) insurance in an amount not less than \$1,000,000 per occurrence and a combined limit of \$2,000,000.
2. Automobile Liability insurance in an amount not less than \$1,000,000 per accident for bodily injuries and property damage.
3. Workers Compensation insurance as required by Illinois law and regulations.
4. Environmental Impairment and Liability Insurance in the amount of not less than \$5,000,000 per occurrence.

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Exhibit C

Domestic Well Protection Plan

If, at any time after the date that Waste Management first accepts waste at the Laraway Expansion until Waste Management concludes all active landfilling operations, any water supply wells currently in use as a residential drinking water supply located within 1,000 feet of the Laraway Expansion Footprint (hereinafter "Covered Wells"), are contaminated by the Laraway Expansion, Waste Management agrees to provide an alternate potable water supply to that owner, which may include a new well to replace the contaminated well, within twenty-four (24) hours of notification to Waste Management from the owner of the contaminated well that the well, based upon the laboratory analysis of samples submitted to an accredited laboratory and professional engineering judgment laboratory, has been contaminated by the Laraway Expansion. Should the aforesaid laboratory analysis show that water from any Covered Well is in violation of the United States Environmental Protection Agency ("USEPA") or IEPA health advisory, that water supply shall not be considered to be contaminated until thirty (30) days subsequent to the date Waste Management is notified of the laboratory analysis with results documenting such exceedance. Immediately thereafter, the obligations of this paragraph shall become applicable and Waste Management shall be obligated to provide an alternate potable water supply. During that 30 days, Waste Management shall provide the owner of the well with bottled or trucked in potable water. Waste Management shall not be responsible to provide an alternative potable water supply for any wells that Waste Management can prove were not contaminated by the Laraway Expansion.

Exhibit D

Residential Property Value Guarantee Program

1. Waste Management shall mail the attached notice (Exhibit D-1) and three copies of the Agreement to Guarantee Property Value (Exhibit D-2) to all owners of residences within 1,000 feet of the Laraway Expansion Footprint within thirty (30) days after Waste Management receives Siting Approval from Will County for the Laraway Expansion.
2. Each Eligible Property Owner shall have sixty (60) days from the date that Waste Management mailed the Agreements to sign and return two (2) copies of the Agreements to Waste Management.
3. Waste Management shall sign and return one (1) of the Agreements to each residential property owner within thirty (30) days after receipt of the signed Agreements from that property owner.
4. The notice and the Agreements referred to above shall be sent by Waste Management by certified mail return receipt requested.

Exhibit D-1

Re: Agreement to Guarantee Property Value of

Dear Property Owner(s):

As you may know, Will County has granted siting approval under Illinois law to Waste Management of Illinois, Inc. ("Waste Management") in connection with Waste Management's expansion of its Laraway Recycling & Disposal Facility.

The purpose of this letter is to notify you that Waste Management is offering to you, as a single family residential dwelling owner within 1,000 feet of the expansion, an opportunity to enter into an Agreement to Guarantee Property Value of your property (the "Agreement"). Enclosed are three copies of this Agreement. If you desire to accept the protections set forth in the Agreement, please sign two copies and return them to Waste Management at 21101 W. Laraway Road, Elwood, IL 60421.

Thank you for your consideration of the foregoing.

Sincerely,

Encl.

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Exhibit D-2

AGREEMENT TO GUARANTEE PROPERTY VALUE

This Agreement ("Agreement") made and entered into on this ____ day of _____, 20__ by and between Waste Management of Illinois, Inc., a Delaware corporation having its principal offices at 720 E. Butterfield Rd., Lombard, IL 60148 ("Guarantor"), and _____, residing at _____, Illinois _____ ("Property Owners").

RECITALS

WHEREAS, Property Owners own property in proximity to the Guarantor's landfill known as the Laraway Recycling & Disposal Facility (the "Landfill"); said property has the following legal description:

[Insert legal and street address] (the "Property")

WHEREAS, Guarantor desires to expand the Landfill and has, pursuant to §39.2 of the Illinois Environmental Protection Act, obtained local siting approval from Will County for the expansion; and

WHEREAS, Guarantor desires to alleviate concerns about the preservation of property values of single family residential properties located in proximity to the Landfill; and

WHEREAS, Property Owners are desirous of preserving the equity in their Property.

IT IS HEREBY AGREED AS FOLLOWS:

1. EFFECTIVE DATE OF AGREEMENT. This Agreement, when signed, shall become effective and binding on Guarantor upon the issuance by the Illinois Protection Agency ("IEPA") of a permit to the Guarantor for development and operation of the expansion of the Landfill.

Notwithstanding the foregoing, if an administrative agency or court of competent jurisdiction rules or holds that the IEPA permit for the Landfill expansion has been in excess of or in violation of said governmental body's authority or otherwise unlawful, then Guarantor's obligations under this Agreement shall be null and void.

2. EXERCISE OF GUARANTEE. In the event that the Property Owners wish to exercise the guarantee set out in this Agreement, they shall notify Guarantor of same in writing by certified mail and thereafter they shall make a good faith effort to sell said Property for two hundred and seventy (270) days. This good faith effort to sell can be done in either of two ways: (1) they may advertise and attempt to sell their Property without the employment of a real estate broker, or (2) they may enter into a residential listing contract with a licensed real estate broker.

However, in either event, the asking price of said Property as advertised or set out in the listing contract shall be mutually agreed to by the Property Owners and the Guarantor. If the parties are unable to agree as to the price of the Property, then the property Owners shall hire, at their expense, a qualified professional appraiser who shall be instructed to determine the fair market value of the Property as follows:

- a. assume that no expansion of landfilling activities were being undertaken or would be undertaken at the Landfill site;
- b. Any comparables selected by the appraiser shall be located a sufficient distance away from the Landfill site so that the selling price was not, in the opinion of the appraiser, influenced by the presence of the Landfill site;
- c. The use and Zoning Classification of the Property on the effective date of the Agreement shall be the sole factors to be used by the appraiser in determining the highest and best use of the Property;
- d. A full narrative appraisal shall be prepared;
- e. The appraisal shall be prepared in full compliance with any and all state standards and state regulations which pertain to the preparation of an appraisal of the Property except those standards and regulations which are specifically preempted by these instructions; and
- f. The appraiser shall note the condition of the premises, both interior and exterior, at the time of the appraisal.

If Guarantor accepts the appraised value, then the Property Owners shall attempt to sell their Property in either of the two described above at the appraised value.

If the Guarantor does not accept the appraised value, it may retain, at its own expense, a qualified professional appraiser who shall be similarly instructed to determine the fair market value of the Property, assuming that no expansion of landfilling activities were being undertaken or would be undertaken at the Landfill. In such event, the Property Owners may then elect and shall attempt to sell their Property in either of the two ways described above at an asking price equal to the arithmetic average of the two appraised values.

Notwithstanding the foregoing, if either the Property Owners or the Guarantor does not accept the arithmetic average of the appraised values; then the non-accepting party may instruct the two previously selected appraiser to choose a third qualified professional appraiser to appraise the Property using the same instructions as previously given to the other appraisers, and the Property

Owners shall attempt to sell their Property at an asking price equal to the arithmetic average of the three appraised values. The appraisal fee for the third appraiser shall be paid by Guarantor. For the purpose of this section, "qualified" shall mean a person who is licensed by the State of Illinois, not related to the Property Owners and who is a member of at least one National appraisal association.

If the Property Owners elect to attempt to sell their Property themselves, they shall place a "For Sale" sign on the property and shall advertise the Property for sale in the classified section of a newspaper of general circulation in the Will County area, not less than once per week for the 270-day period. Guarantor may supplement this advertising and undertake attempts to find a purchaser for said Property during this period.

Alternately, if the Property Owners elect to use a broker, they shall give Guarantor notice of the broker whom they wish to list with prior to the execution of any listing contract and shall obtain Guarantor's approval of said broker, Guarantor's approval not to be unreasonably withheld. If it has objections, the Guarantor shall so state those objections in writing to the Property Owners. The broker shall be licensed in Illinois, not related to the Property Owners, and shall be a member of the Board of Realtors Multiple Listing Exchange, unless such MLS membership is waived by Guarantor. Both Guarantor and Property Owners shall act in good faith concerning any attempt to obtain the fair market value of said Property.

Said listing contract shall extend for a term of 270 days and shall specifically provide: (1) that the broker shall list the Property in the multiple listing exchange and shall agree to keep said property so listed until the occurrence of either the sale of the Property or the expiration of the listing contract, and (2) that the broker shall not be entitled to any commission or other payments whether for broker's costs or otherwise in the event Guarantor purchases said Property at any time after the expiration of the listing contract. The Property Owners shall cooperate with the broker in obtaining a purchaser pursuant to the terms as set in said listing agreement and shall make, in good faith, all reasonable efforts necessary to conclude a sale pursuant to said terms. No provision hereunder shall be construed to grant Guarantor any option to purchase rights or rights of first refusal as against any potential third party purchaser during the term of the listing contract.

3. OFFERS TO PURCHASE. The Property Owners agree to provide the Guarantor with a copy of every Offer to Purchase which they receive for their Property and agree not to accept the same until the Guarantor has given its approval. The Guarantor may approve of any Offer to Purchase at a price below the agreed-upon asking price established by the procedure set out in Section 2. In such event, the Guarantor agrees to pay to the Property Owners at the closing the difference in cash between the selling price out in the Offer to Purchase and sales price as established in Section 2.

Similarly, the Guarantor may request that the price set out in the Offer to Purchase be countered and in the event that the potential buyers accept the Counter Offer, the Guarantor agrees

to pay to the Property Owners at the closing the difference in cash between the selling price set out in the Counter Offer and the asking price established in Section 3.

4. GUARANTEED PURCHASE AFTER 270 DAYS. If the Property Owners have attempted to sell their Property under either of the methods provided in Section 3 for a period of at least 270 days, then Property owners may request, in writing, that the Guarantor purchase their Property. However, Guarantor shall have no obligation to purchase the Property until 270 days have expired from the issuance by the IEPA of a permit to Guarantor for the expansion of the Landfill and the issuance of all necessary approvals, permits, etc., as may be required by Will County to establish and operate the Landfill. It is the intention of the Guarantor to avoid panic selling prior to the licensing of the Landfill, and the Property Owners agree that any attempts which they make to sell their Property prior to the time that the Guarantor receives the aforesaid permits, licenses, permissions and approvals for the Landfill, will not be considered in meeting the requirement for sales attempts for 270 days. Guarantor, upon request, will notify the Property Owners in writing of the date when it has received the aforesaid permits, licenses, permission and approvals for the Landfill.

Property Owners shall provide proof of advertising for sale or a copy of the listing contract and an affidavit of good faith attempt to sell said Property. Provided the Property Owners have complied with the foregoing procedure, the Guarantor shall purchase the Property at the price established by the procedure set out above in Section 2, subject to the conditions set out below.

5. EVIDENCE OF TITLE. Upon fifteen (15) days after making such written request for Guarantor to purchase their property, Property Owners shall provide to the Guarantor a commitment for a title insurance policy to be issued in the name of the Guarantor in the amount of the purchase price as provided above. After receipt of such commitment, the Guarantor shall have thirty (30) days to notify the Property Owners of any defects in title which make the same unmerchantable. Any such defects shall be cured at the expense of the Property Owners. If any defect cannot be cured and the Guarantor is unwilling to waive the same, then the Guarantor shall have no obligation to purchase said property.

6. DOCUMENTS REQUIRED FOR CLOSING; PRORATIONS; CLOSING COSTS. In the event that the Property Owners have merchantable title, the closing shall occur within sixty (60) days after the Property Owners give written notice to the Guarantor, or within sixty (60) days after the Property Owners cure any defects in the title to make it merchantable. The Property Owners shall convey said real estate to the Guarantor by good and sufficient Warranty Deed, free and clear of all liens and encumbrances, except municipal and zoning ordinances; recorded easements; recorded building and use restrictions and covenants. Property Owners shall warrant and represent that they have neither notice nor knowledge of any;

- a. Planned or commence public improvements which may result in special assessments or otherwise materially affect the property;

- b. Government agency or court order requiring repair, alteration or correction of any existing condition;
- c. Underground storage tanks or structural, mechanical, or other defects of material significance affecting the Property, including but not limited to inadequacy for normal residential use of mechanical systems, waste disposal systems and well, unsafe well water according to state standards, and the presence of any dangerous or toxic materials or conditions affecting this Property; and
- d. Wetland or shoreland regulations affecting the Property.

Further, the Property Owners shall pay at closing all conveyancing costs typically paid by a seller, including but not limited to: title costs, real estate transfers tax and recording fees. The Property Owners shall also execute, at closing, a standard affidavit as to the liens and possession and shall provide lien waivers from all contractors, subcontractors and materialmen, if any, who have provided services or materials for said Property. Real estate taxes for the year of closing shall be prorated based upon the real estate taxes assessed and levied for the prior year and if the residential Property is a part of a larger tax parcel, then the tax probation shall be based upon the taxes for the improvement, plus the percentage of the taxes which approximates the percentage of the land comprising the Property compared to the total land included in the tax parcel. The Property Owners shall be responsible for and shall pay all utilities through the date of closing. Possession and physical occupancy of the premises shall be given to the Guarantor at closing. Prior to closing, the Property Owners shall give the Guarantor, or its agent, the right to inspect the Property for the purchase of determining the existence of any damage to the premises which may have occurred between the date of the first appraisal and the date of the closing. The Property Owners shall be responsible for all damage in excess of normal wear and tear and any claim for such damage shall be presented to the Property Owners prior to closing; or such claim shall be waived. Property Owners shall repair such damage prior to closing or the reasonable cost of such repair shall either be deducted from the sale price, or, at Property Owners' option, be escrowed from the sales proceeds with a non-party pending judicial determination of any dispute regarding liability therefore or cost thereof.

7. TERMINATION OF GUARANTOR'S OBLIGATIONS. This Agreement shall terminate and Guarantor shall have no obligation to purchase or guarantee the purchase price once waste is no longer being disposed of at the Landfill. For this Agreement "waste is no longer being disposed of" shall occur when: (1) the disposal of waste at the Landfill has been permanently terminated as the result of an order, judgment, or decree issued by a federal, state, or local agency, court, or unit of government having jurisdiction under administrative code, statute, law, or ordinances; (2) any agency having jurisdiction fails to issue or revokes any license, permit, or approval needed by the Guarantor to operate the Landfill; (3) the Landfill has reached its approved

design capacity; or (4) the Guarantor voluntarily elects to permanently cease disposing of waste at the Landfill despite the fact that there is remaining capacity.

8. ASSIGNMENT OR TRANSFER. Neither this Agreement nor the rights under it may be assigned, conveyed, or otherwise transferred by the Property Owners. The guarantee given by Guarantor to guarantee the Property value and to purchase the Property is personal, and does not run with the land, however, said Agreement shall inure to the benefit of the Property Owners, their personal representatives, trustees, guardians, custodians or their heirs; but, in all events, shall terminate as described above in Section 7.

It is expressly understood that the parties, by entering into this Agreement, do not waive any rights they may have at law or in equity except as expressly stated herein and that as to construction or enforcement of this obligation, the laws of the State of Illinois shall apply.

GUARANTOR:
Waste Management of Illinois, Inc.

ATTEST:

By: _____

Its: _____

Its: _____

PROPERTY OWNERS:

WITNESS:

EXHIBIT E

