SECOND AMENDMENT TO THE HOST COMMUNITY AGREEMENT AND LEASE

This Second Amendment to the Host Community Agreement and Lease (this "Amendment") is made as of the 22nd day of June, 2009 by and between the Township of Salem, County of Washtenaw (the "Township") and Veolia ES Arbor Hills Landfill, Inc., a Michigan corporation ("Veolia").

WHEREAS, the Township and Browning-Ferris Industries of Southeastern Michigan ("BFI") are parties to the Host Community Agreement and Lease dated March 28, 1991, as amended on September 22, 1993 (the "Host Agreement");

WHEREAS, Veolia acquired the Arbor Hills Landfill on March 31, 2000 and is the successor to BFI under the Host Agreement;

WHEREAS, Veolia and the Township desire to make certain changes to the Host Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree to amend the Host Agreement, in part, to read as follows:

1. **Expansion.** Section 3.1.1 of the Host Agreement shall be amended in its entirety as follows: Veolia agrees (i) that the development of the Expansion will be carried out in accordance with good landfill engineering practice, the requirements of Michigan PA 451, part 115 as amended and as otherwise required by law, and (ii) the Expansion will not provide for the disposal of Waste outside the Landfill Real Estate. Veolia shall not otherwise be restricted in the design, development, permitting or construction of the Expansion and as long as the Expansion is confined to the Landfill Real Estate, Veolia may design the Expansion for maximum capacity. Veolia has advised the Township that its present intention is that the Expansion will maximize the horizontal and vertical capacity of the Landfill Real Estate. In connection with Veolia’s preparation and filing of any necessary applications for zoning, siting, conditional use, licenses, permits, easements, or restrictive covenants for the Expansion, Township (and its reviewing boards and commissions) agrees to review said applications in a good faith and timely manner; provided that Veolia shall reimburse the Township for any documented out-of-pocket costs or expenses incurred by the Township’s professional consultants in connection with their review of said applications, e.g. Township planner, Township engineer, Township attorney.

2. **Real Property Transactions.** As a condition subsequent to Veolia obtaining final approval ("Expansion Approval") from the Michigan Department of Environmental Quality ("DEQ") for an expansion of the Landfill as shown on Exhibit D attached hereto (the "proposed expansion"), Veolia shall convey to the Township fee simple title to the real property described on Exhibit E attached hereto (the "Veolia Property"). Upon execution of this Amendment, Township shall convey to Veolia a permanent and exclusive easement for the use of the real properties described on Exhibit F attached hereto (the "Township Property") as part of its Landfill footprint for waste disposal (the real estate transactions are referred to herein as the "Real Property Transactions"). Upon Veolia receiving Expansion Approval, the parties shall enter into
a mutually agreeable real estate agreement whereby Veolia shall convey to the Township the
Veolia Property. The transfer of the Veolia Property shall not include any other monetary
consideration and shall close on or about ninety (90) days after final closure of the Landfill Real
Estate. Prior to closing, Veolia shall perform at its own expense an Environmental Site
Assessment (ESA) Phase I and, if recommended by the Phase I, an ESA Phase II on the Veolia
Property. In connection with Veolia’s preparation and filing of any necessary applications for
licens...s, or restrictive covenants for Veolia’s intended use of the Township Property for landfill
operations, Township (and its reviewing boards and commissions) agrees to review said applications in a good faith and timely manner; provided that Veolia shall reimburse the
Township for any documented out-of-pocket costs or expenses incurred by the Township’s
professional consultants in connection with their review of said applications, e.g. Township
planner, Township engineer, Township attorney.

3. **Mining Rights.** The parties recognize and understand that Veolia shall continue
to have the right to mine clay and other materials, for use exclusively at the Expanded Landfill,
from the Veolia Property at any time until final closure and transfer of legal title to the
Township. Veolia’s mining rights to the Veolia Property shall terminate upon the full and final
closure of the Expanded Landfill at which time possession and legal title shall be transferred to
the Township. Veolia shall design and operate the mining of materials in compliance with
current Township zoning ordinances and all other applicable laws and regulations. In
connection with Veolia’s preparation and filing of any necessary applications for mining on the
Veolia Property, Township (and its reviewing boards and commissions) agrees to review said
applications in a good faith and timely manner; provided that Veolia shall reimburse the
Township for any documented out-of-pocket costs or expenses incurred by the Township’s
professional consultants in connection with their review of said applications, e.g. Township
planner, Township engineer, Township attorney. The parties shall work cooperatively to design
an end use plan that will be beneficial to the community upon transfer of the Veolia Property to
the Township; provided however (a) such plan shall not require Veolia to design, develop,
construct or otherwise expend any monies to implement the plan, and (b) Veolia shall restore any
disturbed portions of the Veolia Property for the uses agreed upon in the plan, which may
include lakes and ponds.

4. **Waste Removal.** Veolia shall exhume any non-hazardous solid waste in the
unlined portions of the Landfill Real Estate that are covered by the proposed expansion and shall
relocate such exhume non-hazardous solid waste to the lined Expanded Landfill (commonly
known as the lined Arbor Hills West).

5. **Gated Entrance.** If granted the expansion by the MDEQ, Veolia is planning to
develop a new citizen drop off area off the Landfill Real Estate. Veolia shall consult with the
Township on the location of such area and, upon final completion of the new citizen drop off
area, Veolia shall install an automatic gated entrance to such facility for the benefit of the
Township residents. The design, construction and operation of the gated entrance shall be at
Veolia’s sole discretion and cost. Veolia’s obligations under this section 5 shall be subject to
Veolia obtaining Expansion Approval. In connection with Veolia’s preparation and filing of any
necessary applications for the new citizen drop off on the Veolia Property, Township (and its
reviewing boards and commissions) agrees to review said applications in a good faith and timely manner; provided that Veolia shall reimburse the Township for any documented out-of-pocket costs or expenses incurred by the Township’s professional consultants in connection with their review of said applications, e.g. Township planner, Township engineer, Township attorney.

Veolia agrees to install new hardware and software to convert the existing citizen pass system to electronic card pass system and to make such electronic access available to Township residents by no later than December 31, 2009.

6. Miscellaneous. Except as otherwise amended herein, all other conditions and terms of the Host Agreement shall remain in full force and effect. Upon full and final approval of the proposed expansion, the Host Agreement shall further apply to the further expanded portion of the Expanded Landfill. Terms used herein are defined as set forth herein or as otherwise set forth in the Host Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

VEOLIA ES ARBOR HILLS LANDFILLS, INC.

By: ________________________________
Its: Vice President

TOWNSHIP OF SALDM

By: ________________________________
Its: Supervisor
EXHIBIT D

[DESCRIPTION OF LANDFILL EXPANSION]
EXHIBIT B

[LEGAL DESCRIPTION OF THE VBOLIA PROPERTY]

Commonly referred to as the following Parcel, consisting of approximately 80 acres of vacant land: A-01-12-300-001.
EXHIBIT

[LEGAL DESCRIPTION OF TOWNSHIP PROPERTY]

Commonly referred to as the following parcels;  
A-01-13-400-003  
A-01-13-100-001
FIRST AMENDMENT TO HOST COMMUNITY AGREEMENT AND LEASE

This First Amendment to Host Community Agreement and Lease (this "Amendment") is made as of the 22nd day of September, 1991, by and between the Township of Salem, County of Washtenaw (the "Township") and Browning-Ferris Industries of Southeastern Michigan, Inc., a Michigan corporation ("BFI").

WHEREAS, BFI and the Township are parties to the Host Community Agreement and Lease dated March 28, 1991; and

WHEREAS, BFI and the Township wish to make certain changes in the Host Community Agreement and Lease, as set forth herein.

NOW, THEREFORE, the parties hereto agree that the following sections of the Host Community Agreement and Lease are amended in their entirety to read as follows:

3.2.5 Payment: Host Fees shall be earned commencing on April 1, 1991 and shall be paid on a calendar quarterly basis within 30 days after the last day of the quarter for which the payment is made. Late payments shall bear interest from the due date until payment thereof at the prime rate established from time to time by Comerica Bank.

3.4.2 Hours of Operation: BFI shall not carry on any operations at the Landfill on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day, and BFI shall not accept Waste on Sunday. On other days, BFI shall not accept Waste before 6:00 a.m. or after 5:00 p.m. Operations shall not be otherwise restricted. However, the above restrictions shall not apply in the event of an emergency if BFI receives approval from the Township with respect to such emergency situation.
July 17, 1995

Salem Township
9600 Six Mile Road
Salem, Michigan 48175

Attention: Township Board

Re: Host Community Agreement

Ladies and Gentlemen:

We refer to the Host Community Agreement and Lease (the "Agreement") dated March 28, 1991 between Browning-Ferris Industries of Southeastern Michigan, Inc. ("BFI") and the Township of Salem, County of Washtenaw, Michigan (the "Township"). The Agreement provides, among other things, for the payment by BFI of a fee (the "Operating Fee") to the Township relating to waste disposed of at the BFI landfill located in the Township.

The Township has conducted an audit of the payments made by BFI pursuant to the Agreement and certain issues have arisen in connection with that audit. The purpose of this letter is to deal with those issues and to facilitate the management of the Agreement for both parties.

1. There is an issue of contract interpretation relating to whether fees separately collected by BFI for the Operating Fee and for the Capacity Fee payable by BFI to the County of Washtenaw are included as revenue for the purpose of calculating the Operating Fee. The Township and BFI compromise this issue by agreeing that (i) the Capacity Fee payable to the County of Washtenaw shall be excluded from revenue in calculating the Operating Fee payable to the Township and (ii) the
Salem Township
July 17, 1995
Page

Operating Fees payable to the Township for waste accepted for disposal on or after September 1, 1994 will be included in revenues for the purposes of calculating the Operating Fee but excluded in the case of Operating Fees based upon waste accepted for disposal prior to that date.

2. The Agreement calls for the computation of revenues used in calculating the Operating Fee to be made on a cash basis. In fact, BFY has been accounting for that amount on an accrual basis as a matter of convenience and this is beneficial to the Township. It appears that the accrual basis, when reduced by write-offs, is the equivalent to the cash basis for all reasonable purposes under the Agreement and as a matter of convenience, the parties will treat the accrual basis, net of write-offs, as in full compliance with the Agreement.

If the foregoing is agreeable to you, please so indicate in the space provided below.

Sincerely yours,

BROWNING-FERRIS INDUSTRIES OF SOUTHEASTERN MICHIGAN, INC.

By: John C. [Signature]

Accepted and Agreed on
August 14, 1995
TOWNSHIP OF SALEM
By: [Signature]
3372
HOST COMMUNITY AGREEMENT AND LEASE

Host Community Agreement and Lease dated March 28, 1991
by and between the TOWNSHIP OF SALEM, County of Washtenaw,
State of Michigan (the "Township") and BROWNING-FERRIS
INDUSTRIES OF SOUTHEASTERN MICHIGAN, INC., a Michigan
corporation ("BFI")

Whereas, the Township owns certain real estate described in
Exhibit A to this Agreement (the "Township's Land"), which has
been operated by BFI as a sanitary landfill known as Arbor
Hills East Sanitary Landfill ("Arbor Hills East").

Whereas, BFI owns and operates a sanitary landfill known as
Arbor Hills West Sanitary Landfill ("Arbor Hills West") which
is located immediately west of and adjacent to Arbor Hills East.

Whereas, BFI has obtained all necessary operating permits
and licenses required by law for the operation of Arbor Hills
West.

Whereas, Arbor Hills East and Arbor Hills West combined
occupy a land area defined by Six Mile Road, Napier Road, the
CSX Railroad Tracks and the Detroit Edison property used for
power lines, as the foregoing presently exist, and as described
in Exhibit B. Such land area is referred to herein as the
"Landfill Real Estate."

Whereas, BFI has proposed to the Township an expansion of
landfill capacity which would allow additional filling on and
over the Landfill Real Estate beyond the capacity currently
permitted under Act 641 (as hereinafter defined).

Whereas, additional permits, authorizations and/or licenses
may be required to use the Expansion (as hereinafter defined)
for sanitary landfill purposes (as part of the Expanded
Landfill, as hereinafter defined) and BFI plans to obtain at
its sole cost any such additional permits, authorizations or
licenses.

Now, therefore, the parties agree as follows:

ARTICLE 1. Definitions

As used throughout all articles of this agreement, the
following terms shall have the meaning described below:

1.1 Act 641. - P.A. 641 of 1978, MCLA 299.401, et seq., as
amended.
1.2 Arbor Hills East - as defined in the first recital hereto.

1.3 Arbor Hills West - as defined in the second recital hereto.

1.4 Expanded Landfill - the area that encompasses Arbor Hills East, Arbor Hills West and the Expansion.

1.5 Expansion - the sanitary landfill to be established by DFI pursuant to this Agreement consisting of the landfill capacity to be established on the Landfill Real Estate in addition to the capacity covered by existing construction permits under Act 641 covering Arbor Hills East and Arbor Hills West.

1.6 Gas and Oil Related Payments - as defined in section 3.2.4.

1.7 Hazardous Waste - all wastes or substances which do not constitute waste acceptable for disposal under Act 641 because they are considered hazardous or toxic under applicable state or federal law.

1.8 Host Fee - as defined in section 3.2.1.
1.9 Landfill - the Expanded Landfill or any part thereof.

1.10 Landfill Gases - methane and other gases generated within a sanitary landfill.

1.11 Landfill Real Estate - as defined in the fourth recital to this Agreement.

1.12 Lease - as defined in section 2.1.

1.13 MDNR - the Department of Natural Resources of the State of Michigan and all successors thereof.

1.14 Landfill Revenues - as defined in section 3.2.2.

1.15 Operating Fee - as defined in section 3.2.1.

1.16 Protective Adjustments - as defined in section 3.2.3.

1.17 Township Board - the Township Board of Trustees of the Township of Salem, County of Washtenaw, State of Michigan.

1.18 Township Wastes - waste from all Salem Township government offices, from Salem Township owned and operated parks and from Salem Township residents that consists of
personal daily household waste, excluding demolition waste and prohibited items as published and posted by BFI.

1.19 Township's Land - the real estate described in Exhibit A.

1.20 Waste - All wastes acceptable for disposal at facilities authorized to accept waste under Act 641.

1.21 Treatment, Storage, Disposal, Release - Each shall have the most expensive meanings given to such terms under: Act 641; the Federal Resource Conservation and Recovery Act (42 USC 6901, et seq.); the Federal Comprehensive Environmental Response, Compensation and Liability Act (42 USC 9601, et seq.); the Michigan Environmental Response Act (MCLA 299.601 et seq.); the Michigan Hazardous Waste Management Act (MCLA 299.501, et seq.); as any of the foregoing may have been, or may be in the Future, amended; and any regulations promulgated under the foregoing.

ARTICLE II. Agreement Regarding Lease/Sale of the Township's Land

The Township and BFI agree as follows regarding the lease of, and option to sell, the Township Land:
2.1 **Lease/Option.** The Township hereby leases the Township's Land to BFI, and BFI leases the Township's Land from the Township. This Agreement is sometimes referred to as this "Lease." At any time during the term of this Lease, the Township shall have the right to sell the Township's Land to BFI and, upon notice by the Township to BFI of the Township's decision to sell the Township's Land to BFI, BFI shall buy the Township's Land at a price equal to $100.00, for which consideration the Township shall provide a Deed to BFI, warranting only against title encumbrances created by the Township's own acts.

2.2 **Effect of Sale.** In the event the Township sells the Township Land to BFI, under section 2.1, this lease and related obligations under this Section II, shall terminate. However, all other provisions of this Agreement shall remain in full force and effect.

2.3 **Usage.** The Township's Land may be used by BFI for the construction, operation and maintenance of the Expanded Landfill. The Township's Land may also be used by BFI for the purposes of testing for, drilling, mining, treating, collecting, operating, producing and processing Landfill Gases, oil, gas and other valuable minerals and to carry on other activities, including construction of facilities in connection therewith. The Township's Land may be used for other purposes
permitted by the Township's ordinances. Such foregoing uses shall all be in accordance with applicable law and in accordance with the provisions contained in other Articles of this Agreement.

2.4 Term. Unless earlier terminated by sale of the Township's Land under sections 2.1 and 2.2, the term of this Lease shall commence upon the execution of this Agreement and shall extend until (i) the Expanded Landfill is completely filled and rendered unusable as a sanitary landfill, (ii) the period for post closure care of the Expanded Landfill under applicable law has expired, (iii) the Expanded Landfill no longer requires care in order to protect the environment (in the good faith judgment of BFI), (iv) the Expanded Landfill is no longer producing significant quantities of Landfill Gases; and (v) no oil, gas or minerals are being produced, whichever is longer; provided that in any event, this Lease shall terminate not later than April 1, 2089.

2.5 Rent. The Operating Fee provided for elsewhere in this Agreement includes all rent to which the Township is entitled under this Lease.
ARTICLE III, Host Community Agreement

The Township agrees to be the host community for the Expansion and Expanded Landfill under the following terms and conditions:

3.1 Landfill Expansion.

3.1.1 Expansion. BFI agrees (i) that the development of the Expansion will be carried out in accordance with good landfill engineering practice, the requirements of Act 641 and as otherwise required by law, (ii) the maximum elevation of the Expansion will not exceed 1,140 feet above sea level (30 feet above the design elevation of Arbor Hills East) unless otherwise required by regulation or good engineering practice, and (iii) the Expansion will not provide for the disposal of Waste north of the existing Arbor Hills East nearer than 500 feet from the Six Mile Road right-of-way. BFI shall not be otherwise restricted in the design, development, permitting or construction of the Expansion and as long as the Expansion is confined to the Landfill Real Estate, BFI may design the Expansion for maximum capacity. BFI has advised the Township that its present intention is that the Expansion will combine the hills created by Arbor Hills West and Arbor Hills East into a single hill and expand further to the extent
feasible and consistent with good engineering practice and the requirements of law.

3.1.2 Township Approval. The Township hereby consents to being the host community for the Expansion and the Expanded Landfill and approves of the Expansion as long as it is carried out in accordance with applicable law and this Agreement. The Township, upon request, will supply to BFI a letter or letters addressed to the County of Washtenaw or to the MDNR or to such other official bodies as BFI may reasonably designate, in the form of Exhibit C hereto.

3.1.3 Inspection. BFI shall permit a representative or representatives designated by the Township, whether Township employees, contractors or other representatives, access to the Expanded Landfill at reasonable times and otherwise shall cooperate with the Township to assure that the establishment and operation of the landfill located thereon is in compliance in all material respects with applicable laws and regulations regulating landfill operations and this Agreement. Notwithstanding the foregoing, the parties recognize that it is BFI's sole duty to assure compliance with all applicable laws and regulations that may apply to the Expanded Landfill and its operation.
3.2 Host Fee

3.2.1 General Formula. BFI shall pay to the Township a fee, referred to herein as a "Host Fee," equal to the sum of: (i) (A) Two and One-Half Percent (2.5%) of the Landfill Revenues, (as the basic fee) and (B) One-Quarter of One Percent (0.25%) of Landfill Revenues (to compensate the Township on an approximate basis for delaying the effective date of this Agreement until after October 1, 1990), decreased for Protective Adjustments described in section 3.2.3 (if any) (the "Operating Fee") and (ii) Gas and Oil Related Payments (under section 3.2.4).

3.2.2 Landfill Revenues. "Landfill Revenues" shall be calculated by BFI and reported to the Township for each calendar quarter. For each calendar quarter, "Landfill Revenues" shall be:

(a) the total amount of money received (Gross Gate Revenues on a cash basis) by BFI in such quarter for the disposal of wastes in the Landfill (adjusted upward or downward, as appropriate, to correct mathematical errors made in the amount of Landfill Revenues reported in prior quarters), minus
(b) any amounts that BFI refunds in such quarter as a result of overcharges made to customers in prior quarters; plus

(c) an amount, for disposal of wastes at the Landfill in such quarter by BFI or by companies controlled by, controlling, or under common control with BFI (BFI Related Entity), based on the disposal rate established (i) for such BFI Related Entities in BFI's internal accounting procedures or (ii) for other customers of the Landfill for comparable volume and nature of waste (unless such BFI Related Entity is disposing of waste collected under an already existing contract with an independent third party and the circumstances of contracting prevent a practical comparability analysis to other customers), whichever is greater; plus

(d) an amount, for any disposal of wastes at the Landfill for which BFI receives no money (except for Township Wastes), which is equal to the amount of BFI's standard rate charged other customers for comparable volume and nature of waste; plus

(e) an amount equal to the value of other consideration (of whatever nature) that BFI receives in addition to money for the disposal of wastes at the
Landfill in such quarter (to the extent not accounted for under section 3.2.2(g)). In the event BFI and the Township cannot agree on the value of such other consideration, this amount shall equal the amount BFI charges other customers for comparable volume and nature of waste less the amount of money actually received for such disposal.

3.2.3 Protective Adjustments. The following are "Protective Adjustments" which, if applicable, shall be used in determining the Operating Fee under section 3.2.1:

(1) Any fees, charges or other payments of any kind (other than real and personal property taxes) payable by BFI to the Township because wastes are being disposed at the Landfill or because of the existence of the Landfill, except to the extent such fees, charges or payments (1) are made as a result of BFI's obligations to the Township under the Agreement or (2) are collected by the Township for the benefit of others;

(11) The cost of complying with ordinances (or parts thereof) the Township enacts in the future which affect operations of the Landfill but which (1) do not affect other residents of or other businesses operating in the Township, or (2) disproportionately affect the Landfill
compared to their effect on other residents of or other businesses operating in the Township.

3.2.4 Gas and Oil Related Payments. BFI shall pay to the Township an amount ("Gas and Oil Related Payments") equal to (i) 50% of any income received by BFI from sales of Landfill Gases, or products produced therefrom, produced by the Expanded Landfill or any part thereof reduced by the costs of extracting and processing the Landfill Gases for sale (including depreciation), (ii) 50% of rents and royalties received by BFI from a person which acquires the rights to the Landfill Gases in the Expanded Landfill and (iii) 50% of rents and royalties received by BFI from a person which acquires the rights to oil and gas produced from the Landfill Real Estate. If BFI uses Landfill Gases as fuel for its own purposes, BFI will be deemed to have purchased such Landfill Gases at the fair value thereof and the proceeds from such sale shall be subject to the provisions of this Agreement; provided that the flaring of Landfill Gases (to achieve environmental protection objectives or otherwise) shall not be deemed to be a purchase by BFI; and provided further that the use of Landfill Gases in connection with the extraction of Landfill Gases or the processing thereof shall not be deemed to be a purchase by BFI. BFI shall use reasonable efforts to maximize the revenues hereunder, subject to the following limitations: (i) BFI shall not be required to take or authorize any action which in its
reasonable judgment may interfere with the operation of the Landfill or the carrying out of operations reasonably incident thereto; (ii) BFI shall not be required to take or authorize any activity which in its reasonable judgment may create a risk of harm to the environment or interfere with the integrity of the Landfill and, without limiting the generality of the foregoing, BFI shall not be required to engage in or authorize filling, grading, excavating, drilling or mining unless BFI determines in its reasonable judgment that doing so will not risk harm to the environment and will not impair the integrity of the Landfill; and (iii) BFI shall not be required to pursue commercial development of Landfill Gases in the event of technical difficulties, lack of supply, risk of lack of long term profitability or lack of interested parties.

3.2.5 Payment. Host Fees shall be earned commencing on April 1, 1991 and shall be paid on a calendar quarterly basis within 30 days after the last day of the quarter for which the payment is made. Late payments shall bear interest from the due date until payment thereof at the prime rate established from time to time by Manufacturers National Bank of Detroit.

3.2.6 Expansion Denied. BFI intends, but is not obligated, to obtain necessary permits and/or approvals to

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construct and operate the Expansion. It is possible that such permits or approvals may be denied in whole or in part.

If, following BFI's good faith efforts to obtain such approvals and permits and following exhaustion of all available appeals, no part of the Expansion is approved and permitted, then the Operating Fee shall thereupon become $0.115 per cubic yard of Waste received for disposal at the Landfill, which shall not be adjusted. However, if any later federal or state statute, rule or regulation shall authorize the Township to charge and/or collect a greater amount from BFI, then that greater amount shall become the Operating Fee, which shall not be adjusted, in lieu of the $0.115 per cubic yard of Waste received for disposal at the Landfill;

However, if BFI subsequently reapplies for and receives permits and approvals necessary to construct and operate all or part of the contemplated Expansion the Operating Fee as stated in section 3.2.1 will thereupon be reinstated, retroactively effective to the date upon which payments first were reduced. Past underpayments shall be paid at the same time as other payments of Host Fees hereunder in equal quarterly installments over the same amount of time during which such reduced payments were made.
3.2.7 Records, Reports and Inspections. Within thirty (30) days following the end of each calendar quarter, BFI shall provide a written report to the Township stating, for such calendar quarter, the amount of Landfill Revenues and any applicable Protective Adjustments. The report shall show the calculations required under section 3.2.2 hereof. The Township may retain, at its sole expense, a representative(s) to verify the contents of the report required in the preceding sentence, and such representative(s) shall have full access to BFI's records to determine the applicability of each part of sections 3.2.1 through 3.2.7 and to evaluate any calculations made to arrive at the Host Fee, the Operating Fee and the Gas Related Payments. The Township may elect to have its representative(s) perform such verification less frequently than each quarter in which event the representative(s) may verify the contents of several prior quarterly reports at one time. So that the Township representative(s) may accomplish verification of BFI's quarterly reports, BFI shall for a period of two years after the end of each quarter maintain or upon reasonable notice provide at the Landfill office the documents relating to Landfill Revenues received in such quarter.

3.2.8 Annual Report. Within 60 days of the end of each calendar year, BFI shall provide an annual report to the Township providing all information required in the quarterly report in the preceding paragraph on an annualized basis. The
Township's representative(s) shall be granted the same verification, review, copy and analysis rights for BFI's records as they relate to any BFI annual report as are provided in section 3.2.7, upon the Township's request. The Township shall furnish a copy of any final report that may result to BFI. The findings or conclusions of the Township's representative(s) shall not be binding on the Township or BFI. Nothing in this Agreement is intended to affect any issue of admissibility of any finding or conclusion of the auditor in any subsequent litigation.

3.3 Additional Township Benefits

3.3.1 Township Waste Disposal. As long as the Landfill is accepting waste, residents of the Township shall be entitled to dispose of Township Waste at the Landfill free of charge without limit as to volume. BFI may establish and enforce reasonable rules to assure that the disposal privilege is being used only by Township residents, that they are only disposing of their own Township Waste in accordance with the terms of this Agreement and that BFI's safety and operational procedures are followed.

3.3.2 Recycling. As long as the Landfill is accepting waste, BFI will provide a location for Township residents to deposit recyclable materials free of charge. BFI
shall be entitled to establish and enforce reasonable rules in connection with use of that service.

3.3.3 **Annual Clean-Up.** As long as the Landfill is accepting Waste, BFI will, on one day of each calendar year, provide Waste containers at the Landfill and at a minimum of four other locations designated by the Township to permit the individual residents of the Township to dispose of Waste free of charge. The annual clean-up shall be subject to reasonable rules established by BFI.

3.4 **Operating Requirements**

3.4.1 **Gas Collection System.** To improve odor control, BFI will install an active gas collection system at the Arbor Hills East Sanitary Landfill following good engineering practice and in conformity with the requirements of the MDNR and will manage Landfill Gases at other parts of the Expanded Landfill in accordance with rules and requirements of the MDNR which may be applicable thereto.

3.4.2 **Hours of Operation.** BFI shall not carry on any operations at the Landfill on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day, and BFI shall not accept Waste on Sunday. On other days, BFI shall not accept Waste before 7:00 a.m. or after 5:00 p.m.
Operations shall not be otherwise restricted. However, the above restrictions shall not apply in the event of an emergency if BFI receives approval from the Township with respect to such emergency situation.

3.4.3 **No Hazardous Waste.** BFI shall not permit treatment, storage or disposal of any Hazardous Waste in the Landfill.

3.4.4 **Access to Landfill.** BFI will notify its customers to use designated access routes which will avoid heavy trucks passing through the Township's village on Six Mile Road. Access information will also be provided at the Landfill, and in the event that the Township identifies customers of BFI which are failing to use such access routes, BFI will use additional efforts to encourage those customers to use the recommended access route. BFI will require all suppliers to the Landfill using heavy trucks to follow the designated access route as specified above and will terminate the use of any supplier which repeatedly violates such access route requirements.

3.4.5 **Odor Abatement.** BFI shall install the active gas collection system provided in section 3.4.1 to this Agreement as an odor abatement measure and shall use daily...
cover as appropriate and as required by the Act 641 rules to control odors that may result from operation of the Landfill.

3.4.6 Dust Control. BPI shall implement dust control measures as required by the Act 641 rules. BPI shall maintain in its possession and in good working order a water truck. Such truck shall be operated to water roadways, both paved and unpaved, so as to maintain adequate dust control.

3.4.7 Leachate Collection System. BPI will install, maintain and operate a system for the removal of leachate from the perimeter of the Arbor Hills East Sanitary Landfill with a design approved by the MDNR. The system shall be installed after engineering approval by the MDNR on such schedule as the MDNR may require. Leachate from other areas of the Expanded Landfill shall be managed in accordance with applicable legal requirements.

3.4.8 Vegetation Control. BPI shall maintain the property so as to prevent unsightly growth of vegetation.

3.4.9 Litter Control. BPI shall promptly collect and properly dispose of all windblown litter and refuse deposits on the Expanded Landfill and which originates from or which is a result of the Expanded Landfill. BPI shall provide for daily inspection and pick-up of windblown litter and refuse.
deposits on the roads in the immediate area of the Landfill. Upon notification by Salem Township of a litter problem caused by the Expanded Landfill, BFI shall have 72 hours to collect the litter and refuse. If BFI fails to collect such litter and refuse within 72 hours of notification, Salem Township may collect the litter and refuse and bill BFI for its reasonable collection expenses.

3.4.10 Compliance; Environmental Responses. BFI shall maintain, use and operate the Expanded Landfill and all parts thereof in compliance with the common law, with this Agreement and with all applicable law and shall correct any noncompliance (whether existing now or occurring in the future). In the event any waste or substance located at the Expanded Landfill has been released or is released in the future to (or threatens to be released to) air, water, soil, groundwater, humans, animals or plant life (whether on site or off site) which requires response actions, remedial actions or clean up actions or which causes the incurring of costs by third parties for which they are entitled to be reimbursed by BFI or which causes damages to third parties, property of third parties or to natural resources, BFI shall take any and all needed response actions, remedial actions and clean up actions and shall repay any such response costs of third parties and pay any damages. BFI's obligations under this section 3.4.10.
shall not be subject to any excuse for nonperformance for force majeure circumstances.

3.4.11 End Use Plan. BFI and the Township will work together prior to completion of the Landfill to establish a mutually acceptable goal for the Landfill after closure. This goal must be compatible with the protection of the environment and the Township's master land use plan.

3.4.12 Environmental Protection. In addition to the duties and obligations set forth within this Agreement and the duties and obligations set forth in any applicable law, BFI shall at all times conduct its operation so as to avoid environmental damage, damage to natural resources and damage to the property and citizens of Salem Township. In the event of any condition or occurrence that damages or that creates a substantial threat that it will damage persons, property, natural resources or the environment, BFI shall act promptly to assure a minimization of any such damage. Without limiting the foregoing, BFI shall provide safe drinking water to any Township residents who may be adversely affected by any such condition or occurrence. BFI will provide the results of regular tests of the monitor wells of the Expanded Landfill upon request by the Township. BFI's obligations under this
shall not be subject to any excuse for nonperformance for force majeure circumstances.

3.4.13 **Noise Abatement.** BFI will use all reasonably available devices to control noise during operations outside regular business hours, and to that end, BFI will use, or will require its contractors to use, backup alarms with low volume settings, adjusted to the lowest setting for construction activities outside of normal business hours.

3.5 **Township Assurances**

3.5.1 **Indemnification.** BFI shall defend, indemnify and hold harmless the Township and its past, present and future agents, employees, elected officials, appointed officials, boards and political bodies (the "Indemnified Parties") from and against any loss, liability, cost, expense, claim or cause of action of any nature (including attorneys' fees) based upon or arising out of BFI's conduct of operations of the Landfill, waste or substances contained in the Landfill, waste or substances emanating or released from the Landfill, a failure of BFI to satisfy any legal requirements related to the foregoing and/or a failure of BFI to satisfy its duties and obligations under this Agreement, whether or not BFI otherwise has any responsibility therefore. BFI waives any right it may have now or in the future to, and in no event shall BFI, make
any claim or institute any cause of action seeking money
damages or seeking other relief which, to be satisfied, would
require expenditures of money by any of the Indemnified Parties
(including, without limitation any third-party claims or claims
for contribution) against any of the Indemnified Parties that
are based upon or arise out of BFI's conduct of operations of
the Landfill or that are based upon or arise out of any wastes
or substances ever released from, or that have been treated,
stored or disposed at, the Landfill.

3.5.2 Financial Assurances. BFI will maintain in
full force and effect all insurance, bonds, letters of credit,
or cash deposits required to be maintained by Act 641 in order
to assure completion, closure and maintenance of the Expanded
Landfill as required by law including, but not limited to, the
financial security required under existing law for a period of
30 years following closure.

3.5.3 Closure. BFI will carry out closure of the
Expanded Landfill when required by Act 641 and any other
applicable law or regulation. The closure will be carried out
in a manner consistent with a closure plan approved by the MDNR.

3.5.4 Post-Closure Maintenance. BFI will carry
out all post-closure maintenance on the Landfill necessary for
the protection of the environment as required by Act 641 and
the rules thereunder and as may be required by any other applicable law, rule or regulation.

3.5.5 Access for Inspection. Upon execution of this Agreement, BFI shall provide the Township officials and representatives, access to the Landfill for inspection and may examine the Landfill records relative to Landfill Revenues Protective Adjustments and volume of waste received at the Landfill. Access will be provided upon reasonable notice when escorted by an authorized BFI representative.

3.5.6 Closure Fund. BFI shall apply for and receive payments from the Fund established under Act 9, P.A. 1990 (as it may be amended) as permitted under such law for closure, monitoring and maintenance of the Expanded Landfill. In the event that any amounts attributable to the Expansion remain available after all payments for closure, monitoring and maintenance, then upon expiration of the thirty (30) year period specified in such law (or such other period as may be specified by amendment) BFI shall apply for the same and shall pay to the Township Twenty-Five Percent (25%) of any amount received by BFI with respect to the Expansion.
ARTICLE IV. Miscellaneous

Except as specifically provided elsewhere herein, the following provisions shall apply to all parties of the Agreement.

4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

4.2 Entire Agreement; Amendment. This Agreement and the Exhibits hereto embody the entire agreement of the parties hereto. This Agreement may not be modified except by an instrument in writing duly executed by the parties.

4.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be freely assigned, and the Township's Land or any part thereof may be sublet by BFI, provided, however, that in the event of any assignment or subletting BFI shall remain fully responsible to assure that the duties and responsibilities undertaken by it hereunder are fully performed.
4.4 **Other Agreements.** This Agreement, when signed and delivered by the parties, shall supersede and replace in all respects any and all agreements, orders, judgments and understandings among the parties (and their predecessors in interest) concerning the Expanded Landfill or any part thereof, including without limiting the foregoing: Lease and Agreement dated January 1, 1977 between the Township and BFI's predecessor, Holloway Sand and Gravel Co., the Lease Amendment dated June 14, 1986 between the Township and BFI and the Second Lease Amendment between the Township and BFI dated December 4, 1990; that certain Agreement Regarding Consent Judgment, Conditional Use Permit dated June 13, 1986 between the parties hereto; and the Consent Judgment entered on August 12, 1983 mentioned in such agreement insofar as it relates to the Landfill. The parties will instruct their respective attorneys to request that the Consent Judgment be modified to carry out this provision.

4.5 **Notices.** Any notice, communication or statement required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given when sent, if sent by registered or certified mail, postage prepaid, return receipt requested, personal delivery, or by an overnight express service which provides for receipts, to the address of the respective party set forth below, and if sent by
other means, when delivered to the respective party at the address set forth below:

If to the Township:
Township Supervisor
Salem Township
9600 Six Mile Road
Salem, MI 48175

If to BFI:
Arbor Hills Landfill
10690 Six Mile Road
Northville, MI 48167
Attn: District Manager

James Collier, Esq.
Dykema, Gossett
35th Floor
400 Renaissance Center
Detroit, MI 48243

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or requests or other communications shall be sent.

4.6 Authorization. The Township and BFI (and each person executing this Agreement) warrant to each other that it has taken all actions necessary to authorize it to execute, deliver and carry out this Agreement.

4.7 BFI's Obligations. The Township shall have no obligation to pay any part of BFI's expense incurred in carrying out BFI's obligations under this Agreement.
4.8 Term/Termination/Survival. Except as provided in Article II (which applies solely to the Lease and possible termination of same), this Agreement may not be terminated before the end of its term by either party without the express, written consent of the other party. Except as provided in Article XII (relating solely to the Lease), the term of this Agreement shall commence upon its execution and shall extend until the last of the following occurs: (i) the Expanded Landfill is completely filled and rendered unusable as a sanitary landfill; (ii) the period for post closure care of the Expanded Landfill under applicable law has expired; (iii) the Expanded Landfill no longer requires care in order to protect the environment (in the good faith judgment of NEI); (iv) the Expanded Landfill is no longer producing significant quantities of Landfill Gases; and (v) no oil, gas or minerals are being produced. Notwithstanding the foregoing sentence, the parties recognize that once the Expanded Landfill ceases to accept waste it may contain substances that could emanate from it which could be harmful to human health, animals, plants, the environment and natural resources and that certain obligations may exist under present law (for example, under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC 9601, et seq and the recent Amendments to the Michigan Environmental Response Act, NCLA 299.601 et seq) or under future laws that may be enacted, whose applicability or effect with respect to the Landfill and the
EXHIBIT A

Land in the Township of Salem, Washtenaw County, Michigan, described as:

PARCEL II:

Part of the Northeast 1/4 of Section 13, Town 1 South, Range 7 East, Salem Township, Washtenaw County, Michigan, described as beginning at the Northeast corner of Section 13, Town 1 South, Range 7 East; thence South 00° 36' 56" West 2643.62 feet along the East line of Section 13 and the centerline of Napier Road to the East 1/4 corner of Section 13; thence South 89° 30' 40" West 1202.90 feet along the East & West 1/4 line of Section 13, thence North 01° 57' 37" West 2728.69 feet to the North line of Section 13 and the centerline of Six Mile Road; thence South 89° 33' 00" East 1322.45 feet along the North Section line to the Point of Beginning, Containing 77,778 acres, Subject to the rights of the public over the East 33.00 ft. for Napier Rd. and the North 33.00 ft. for Six Mile Rd. and subject to any public or private easements of record, if any.

PARCEL III:

Part of the Northeast 1/4 and Southeast 1/4 of Section 13, Town 1 South, Range 7 East, Salem Township, Washtenaw County, Michigan, described as beginning at a point on the North line of Section 13 (also the centerline of Six Mile Road) located North 89° 23' 00" West 1322.45 feet from the Northeast corner of Section 13; thence South 01° 57' 37" East 2728.69 feet to the East & West 1/4 line of Section 13; thence North 89° 30' 40" East 1202.90 feet along said East & West 1/4 line to the East 1/4 corner of Section 13; thence South 00° 49' 00" West 1105.71 feet along the East line of Section 13 and the centerline of Napier Road to the North Right-of-Way line of the C & O Railroad Right-of-Way (99.0 feet wide, measured 99.7 feet); thence the following four courses along the North C & O Railroad Right-of-Way, on a curve to the left (Radius = 6172.68 feet, Delta = 07° 51' 01", Long Chord = North 89° 57' 39" West 845.08 feet) an arc distance of 845.74 feet, and on a curve to the left (Radius = 11,227.79 feet, Delta = 03° 12' 36", Long Chord = South 84° 30' 33" West 628.95 feet) an arc distance of 629.03 feet, and on a curve to the right (Radius = 13,350.74 feet, Delta = 01° 35' 26", Long Chord = South 83° 41' 58" West 370.61 feet) an arc distance of 370.62 feet, and South 04° 29' 50" West 260.02 feet; thence North 04° 02' 14" West 1099.95 feet along the Centerline of Michigan Consolidated Co. R.O.W. (75 feet wide) to the East & West 1/4 line of Section 13; thence North 86° 30' 40" East 445.00 feet; thence North 02° 31' 29" West 2767.65 feet to a point on the North line of Section.
parties hereto may not be known for decades after the term of this Agreement ends and, therefore, notwithstanding any other provision of this Agreement to the contrary, the provisions and requirements of sections 3.4.10, 3.4.12 and 3.5.1 shall survive (1) any full or partial termination of this Agreement and (2) any expiration of the term of this Agreement and shall remain in full force and effect.

4.9 Enforcement. In addition to, and not in lieu of, any other rights and remedies available to the parties, it is agreed that this Agreement shall be specifically performed in accordance with its terms and the parties hereby consent to actions for specific performance in courts of competent jurisdiction to enforce the terms hereof.

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the parties hereto as of the date first above written.

BRONNING-FERRIS INDUSTRIES OF SOUTHEASTERN MICHIGAN, INC:

By: [Signature]

Its: [Signature]

TOWNSHIP OF SALEM:

By: [Signature]

Its: [Signature]
Land in the Township of Salem, Washtenaw County, Michigan, described as:

PARCEL XII:

Part of the Northeast 1/4 of Section 13, Town 1 South, Range 7 East, Salem Township, Washtenaw County, Michigan, described as beginning at the Northeast corner of Section 13, Town 1 South, Range 7 East; thence South 0° 36' 56" West 2643.62 feet along the East line of Section 13 and the centerline of Napier Road to the East 1/4 corner of Section 13; thence South 0° 30' 40" West 1202.90 feet along the East & West 1/4 line of Section 13; thence North 01° 57' 37" West 2728.69 feet to the North line of Section 13 and the centerline of Six Mile Road; thence South 89° 33' 00" East 1322.45 feet along the North Section line to the Point of Beginning. Containing 77.778 acres, subject to the rights of the public over the East 33.00 ft. for Napier Rd., and the North 33.00 ft. for Six Mile Rd. and subject to any public or private easements of record, if any.

PARCEL XII:

Part of the Northeast 1/4 and Southeast 1/4 of Section 13, Town 1 South, Range 7 East, Salem Township, Washtenaw County, Michigan, described as beginning at a point on the North line of Section 13 (also the centerline of Six Mile Road) located North 89° 33' 00" West 1322.45 feet from the Northeast corner of Section 13; thence South 01° 57' 37" West 2728.69 feet to the East & West 1/4 line of Section 13; thence North 89° 30' 40" East 1202.90 feet along said East & West 1/4 line to the East 1/4 corner of Section 13; thence South 00° 49' 00" West 1105.71 feet along the East line of Section 13 and the centerline of Napier Road to the North Right-of-Way line of the C & O Railroad Right-of-Way (99.0 feet wide, measured 99.7 feet); thence the following four courses along the North C & O Railroad Right-of-Way, on a curve to the left (Radius = 6172.60 feet, Delta = 07° 51' 01", Long Chord = North 89° 57' 39" West 845.00 feet) an arc distance of 845.74 feet, and on a curve to the left (Radius = 11,227.79 feet, Delta = 03° 12' 36", Long Chord = South 84° 30' 33" West 628.95 feet) an arc distance of 629.03 feet, and on a curve to the right (Radius = 13,350.74 feet, Delta = 01° 35' 26", Long Chord = South 83° 41' 58" West 370.61 feet) an arc distance of 370.62 feet, and South 84° 29' 50" West 260.82 feet; thence North 04° 02' 14" West 1099.95 feet along the Centerline of Michigan Consolidated Co. R.O.W. (75 feet wide) to the East & West 1/4 line of Section 13; thence North 86° 30' 40" East 445.00 feet; thence North 02° 31' 29" West 2767.65 feet to a point on the North line of Section
13 and the centerline of Six Mile Road located South 89° 33' 00" East 742.59 feet from the North 1/4 corner of Section 13; thence South 89° 33' 00" East 153.99 feet along said North Section line; thence South 00° 27' 00" West 300.00 feet; thence South 89° 33' 00" East 200.00 feet; thence North 00° 27' 00" East 300.00 feet to the North line of Section 13 and the centerline of Six Mile Road; thence South 89° 33' 00" East 222.09 feet along said North Section line to the Point of Beginning. Containing 88,537 acres, Subject to the rights of the public in the North 35.00 ft. for Six Mile Rd. and the East 33.00 ft. for Napier Rd. Also subject to 75 ft. wide ROW in the W. Michigan Consolidated Gas Co. as recorded in Liber 732, Page 502 of Washtenaw County Records and any other public or private easements of record, if any.

PARCEL IV (Landfill Expansion)

Part of the N1/2 and S1/2 of Sec. 13, T16S, R7E, Salem Township, Washtenaw County, Michigan, described as beginning at the N 1/4 corner of Sec. 13, T16S, R7E; Th S 89° 33' 00" E 742.59 ft along the North line of Sec. 13; Th S 02° 31' 29" E 2767.65 ft to the E&W 1/4 line of Sec. 13; Th S 86° 30' 40" W 445.00 ft along said E&W 1/4 line to the centerline of a Michigan Consolidated Gas Co. R.O.W. (75 ft wide); Th S 04° 02' 14" E 1099.95 ft along said centerline to the North line (99 ft wide) of the C & O Railroad; Th S 84° 29' 50" W 333.27 ft along said R.O.W. to the N&S 1/4 line of Sec. 13; Th continuing S 84° 29' 50" W 320.63 ft along said North R.O.W.; Th on a curve to the right (R = 2242.33 ft, T = 23° 39' 15", LC = N 83° 40' 33" W 919.17 ft) an arc distance of 925.73 ft along said North R.O.W. to the East line of a Detroit Edison R.O.W.; Th N 03° 35' 51" W 965.65 ft along said East R.O.W. to the E&W 1/4 line of Sec. 13; Th N 03° 52' 37" W 2887.66 ft along said East R.O.W. to the North line of Sec. 13; Th continuing S 89° 40' 17" E 1224.92 ft from the NW corner of Sec. 13; Th S 89° 40' 17" E 1224.63 ft along the North line of Sec. 13 and the centerline of Six Mile Rd. to the point of beginning. Containing 171.140 acres. Subject to the rights of the public in the North 33 ft for Six Mile Rd. Also subject to an easement to Michigan Consolidated Gas Co. as recorded in Liber 707, Page 417 of Washtenaw County Records and all other public and private easements of record, if any.
FORM OF CONSENT LETTER

[Addressed to:
Appropriate Governmental Authority]

This letter relates to a proposal by Browning-Ferris Industries of Southeastern Michigan, Inc. ("BFI") to carry out a landfill expansion in the Township of Salem, County of Washtenaw, Michigan (the "Township"). The proposed expansion (the "Expansion") is to occur on the land and in the air space above the landfill popularly known as Arbor Hills East Sanitary Landfill and Arbor Hills West Sanitary Landfill, which are located in the land area defined by 6 Mile Road, Napier Road, the CSX Railroad Tracks and the Detroit Edison property used for power lines as they presently exist and as described in Exhibit A.

This letter is to advise you that the Township hereby consents to being the host community for the Expansion. This consent is based upon a Host Community Agreement and Lease dated March ___, 1991 pursuant to which the Township is receiving compensation for serving as the host community for the Expansion.

Our consent is given upon the assumption that the Expansion will be carried out in accordance with applicable law and that the design of the Expansion will be in accordance with good engineering practice, with due consideration given to protection of the environment.

Very truly yours,

TOWNSHIP OF SALEM

By:

Attest:

6517A
13 and the centerline of Six Mile Road located South 89° 33' 00" East 742.59 feet from the North L/4 corner of Section 13; thence South 89° 33' 00" East 153.99 feet along said North Section line; thence South 00° 27' 00" West 300.00 feet; thence South 89° 33' 00" East 200.00 feet; thence North 00° 27' 00" East 300.00 feet to the North line of Section 13 and the centerline of Six Mile Road; thence South 89° 33' 00" East 222.09 feet along said North Section line to the Point of Beginning. Containing 86.937 acres. Subject to the rights of the public in the North 33.00 ft. for Six Mile Rd. and the East 33.00 ft. for Napier Rd. Also subject to 75 ft. wide ROW to Michigan Consolidated Gas Co. as recorded in Liber 732, Page 503 of Washtenaw County Records and any other public or private easements of record, if any.
GUARANTY

Browning-Ferris Industries, Inc., a Delaware corporation (the "Parent"), in order to induce the Township of Salem, County of Washtenaw, State of Michigan (the "Township") to execute the attached Host Community Agreement and Lease (the "Agreement"), does hereby unconditionally guarantee all of the duties and obligations of Browning-Ferris Industries of Southeastern Michigan, Inc. (the "Subsidiary") under said Agreement. It is expressly understood that the obligations of the Subsidiary pursuant to the Agreement shall be specifically enforceable in a court of competent jurisdiction and, in the event of any order of enforcement, injunction, or damage award, then the Parent shall be obligated to carry out such performance or pay such obligations as may be ordered by any court. In the event of bankruptcy or insolvency of the Subsidiary, then the Parent shall assume all duties and obligations of the Subsidiary under the Agreement and shall stand in the Subsidiary's shoes just as fully and completely as if the Parent had been a primary obligor or had directly assumed each and every obligation of the Agreement. Provided, however, the Parent's obligations herein shall be considered secondary to those of the Subsidiary and such obligations shall be triggered solely by the non-performance on the part of the Subsidiary in accordance with the terms of the Agreement.

The Parent shall stand as guarantor and/or surety for any liability (including environmental impairment claims) which may be assessable or claimable against the Subsidiary. The Subsidiary and the Parent shall defend, indemnify and hold harmless the Township and its past, present and future agents, employees, elected officials, appointed officials, boards and political bodies from and against any loss, liability, cost, expense or claim of any nature (including attorneys' fees) that are based upon or arise out of the operation of the Landfill as defined in the Agreement, any waste or substances contained in the Landfill, any waste or substances emanating or released from the Landfill, a failure of the Subsidiary to satisfy any legal requirements.

16496
related to the foregoing and/or a failure of the Subsidiary to
satisfy any legal requirements related to the foregoing and/or a
failure of the Subsidiary to satisfy its duties and obligations
under this Agreement, whether or not the Subsidiary or the Parent
otherwise have any responsibility therefore. The Parent waives
any right it may have now or in the future to, and in no event
shall the Parent make any claim or institute any cause of action
seeking money damages or seeking other relief which to be
satisfied would require expenditure of money by any of the
indemnified parties (including, without limitation any
third-party claims or claims for contribution) against any of the
indemnified parties that are based upon or arise out of the
Parent's conduct of operations of the Landfill or that are based
upon or arise out of any wastes or substances ever released from,
or that have been treated, stored, or disposed at, the Landfill.

Executed this 28 day of __________, 1991.

BROWNING-PERRIS INDUSTRIES, INC.

By: __________
Title: Bruce E. Ranck, Executive Vice President

Attest:

By: __________
Title: Allan B. Schuhr, Assistant Secretary
CERTIFICATE OF ASSISTANT SECRETARY

The undersigned, Assistant Secretary of Browning-Ferris Industries, Inc., a Delaware corporation (the "Company"), does hereby certify on behalf of the Company, that pursuant to the Company's Limits of Authority Policy as adopted at a Regular Meeting of the Executive Committee of the Company held on November 14, 1989, the Chairman, Vice Chairman, President, Executive, Vice President, or Chief Financial Officer of the Company has the authority to approve and execute any guaranty pertaining to the obligations of subsidiaries or affiliates of the Company to the extent of the Company's interest therein and any indemnification agreement.

IN WITNESS WHEREOF, the undersigned has hereto set her hand this ___ day of ___ , 1991.

[Signature]

Eileen R. Schuler,
Assistant Secretary
CERTIFICATE OF ASSISTANT SECRETARY

The undersigned, Assistant Secretary of Browning-Ferris Industries of Southeastern Michigan, Inc., a Michigan corporation (the "Company"), hereby certifies that the following is a true and correct copy of resolutions which were duly adopted by unanimous written consent of the Board of Directors of the Company on April 3, 1991, that such resolutions have not been rescinded, amended or modified in any respect, and are in full force and effect on the date hereof:

WHEREAS, Jeff M. Harris, Vice President of the Company, has executed and delivered on behalf of the Company a certain Host Community Agreement and Lease effective as of April 1, 1991 (the "Agreement") between the Company and the Township of Salem, Michigan (the "T Township"); and

WHEREAS, the Agreement provides, among other things, that (i) the Company lessee from the Township the real estate on which the Arbor Hills East Sanitary Landfill is generally located, (ii) the Township will support the Company's efforts to establish a sanitary landfill between Arbor Hills East Sanitary Landfill and Arbor Hills West Sanitary Landfill (the "Extension"), (iii) the Company will pay to the Township a Host Community fee equal to 2.76% of the revenues of the Arbor Hills West Sanitary Landfill and of the Expansion commencing April 1, 1991, subject to certain adjustments and (iv) the Company will provide the Township with certain other benefits and protections, all as fully set forth in the Agreement;

NOW, THEREFORE, IT IS

RESOLVED, that the Agreement be and is hereby ratified, confirmed and approved; and

FURTHER RESOLVED, that the action of Jeff M. Harris, Vice President of the Company, in entering into the Agreement, be and is hereby ratified, confirmed and approved.

WITNESS MY HAND, this 4th day of April, 1991.

[Signature]
Eileen M. Schuler
Assistant Secretary

15914
FIRST AMENDMENT TO HOST COMMUNITY AGREEMENT AND LEASE

This First Amendment to Host Community Agreement and Lease (this "Amendment") is made as of the 22 day September, 1993, by and between the Township of Salem, County of Washtenaw (the "Township") and Browning-Ferris Industries of Southeastern Michigan, Inc., a Michigan corporation ("BFI").

WHEREAS, BFI and the Township are parties to the Host Community Agreement and Lease dated March 28, 1991; and

WHEREAS, BFI and the Township wish to make certain changes in the Host Community Agreement and Lease, as set forth herein,

NOW, THEREFORE, the parties hereto agree that the following sections of the Host Community Agreement and Lease are amended in their entirety to read as follows:

3.2.5 Payment. Host Fees shall be earned commencing on April 1, 1991 and shall be paid on a calendar quarterly basis within 30 days after the last day of the quarter for which the payment is made. Late payments shall bear interest from the due date until payment thereof at the prime rate established from time to time by Comerica Bank.

3.4.2 Hours of Operation. BFI shall not carry on any operations at the Landfill on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day, and BFI shall not accept Waste on Sunday. On other days, BFI shall not accept Waste before 6:00 a.m. or after 5:00 p.m. Operations shall not be otherwise restricted. However, the above restrictions shall not apply in the event of an emergency if BFI receives approval from the Township with respect to such emergency situation.
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written.

BROWNING-FERRIS INDUSTRIES OF SOUTHEASTERN MICHIGAN, INC.

By: John C. Myers
Its: Vice President

TOWNSHIP OF SALEM

By: Nancy M. Reiger
Its: Supervisor

Witness

Witness