

WASTE DISPOSAL AGREEMENT

THIS WASTE DISPOSAL AGREEMENT (this "***Agreement***") dated as of April ____, 2020 by and between Covanta Lake II, Inc. ("***Covanta***"), and North Sumter County Utility Dependent District (the "***District***").

WITNESSETH:

WHEREAS, Covanta operates an energy-from-waste facility located at 3830 Rogers Industrial Park Rd, Okahumpka, FL 34762; and

WHEREAS, the District and Covanta have agreed to enter into this Agreement pursuant to which, commencing as of the Effective Date, Covanta has agreed to accept, process and dispose of, and the District has agreed to deliver and pay for the disposal of, certain amounts of Acceptable Waste, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Covanta and the District hereby agree as follows:

ARTICLE 1. General Provisions.

1.1 Definitions. Certain capitalized terms are defined in Article 13.

1.2 Quantity. During the Term, the District shall (a) deliver Acceptable Waste to Covanta at the Facility in amounts equal to the Annual Minimum Commitment, and pay the Acceptance Fees therefore, or (b) pay the Fees required under Section 3.1.2 in lieu of delivery of the Annual Minimum Commitment of Acceptable Waste to the Facility.

1.3 Delivery Schedule. During the Term, the District may deliver Acceptable Waste to the Facility, exclusive of Holidays, Monday through Friday from 6:00 A.M. to 3:00 P.M. and Saturday from 7:00 A.M. to 12:00 P.M., or at such other times that Covanta and the District may mutually agree. Delivery of Acceptable Waste shall be approximately ratably throughout each month.

1.4 Quality. The District shall deliver only Acceptable Waste hereunder.

1.5 Delivery Vehicles. Acceptable Waste shall be delivered by the District, at its expense, to the Facility in enclosed container vehicles or enclosed compactor vehicles complying with Covanta identification procedures and complying with all regulations or procedures which are required by any applicable governmental entity, including, but not limited to, any local rules.

1.6 Term. This Agreement shall remain in full force and effect during the Term. In the event Covanta elects to shut down the Facility for any reason, Covanta may terminate this Agreement upon 180 days' written notice to the District. Upon expiration of the Term, the obligations of the District and Covanta to deliver Acceptable Waste, on the one hand, and accept, process and dispose of such Acceptable Waste on the other hand, shall terminate, provided, however, that the provisions of Section 6.2.4 shall survive such termination.

ARTICLE 2 Facility Procedures.

2.1 Acceptance/Rejection of Solid Waste. From and after the Effective Date and until this Agreement is terminated or expires, Covanta shall accept at the Facility Acceptable Waste in accordance with the terms of this Agreement, provided however, that Covanta shall have no obligation to accept (i) in any year, Acceptable Waste in excess of the Annual Maximum Tonnage, (ii) Acceptable Waste it does not accept by reason of an Event of Force Majeure or due to the fault of the District, (iii) Acceptable Waste that is not delivered in accordance with the requirements of this Agreement, and (iv) Acceptable waste not delivered by the District by reason of an Event of Force Majeure. Covanta shall have the right in its sole discretion to reject delivery of any solid waste offered for acceptance by the District which does not constitute Acceptable Waste. Ownership of solid waste (that does not constitute Acceptable Waste) delivered to the Facility shall remain with the District and shall never pass to Covanta. In the event that Covanta determines that any solid waste delivered to the Facility by the District does not constitute Acceptable Waste, the provisions of Section 4.1 shall apply.

2.2 Delivery Procedures. The delivery of solid waste to the Facility shall be regulated by procedures applicable generally to customers utilizing the Facility reasonably determined by Covanta and to be provided by Covanta to the District from time to time. The delivery procedures shall have reasonable terms and conditions consistent with the then operation of the Facility. Covanta shall provide 180 days' notice to the District of any changes to the delivery procedures.

2.3 Vehicle Identification. Covanta may provide for a system for the identification of delivery vehicles (which procedures may include, without limitation, identification to include the name of the District and tare weight of each vehicle used to haul solid waste to the Facility and other rules and regulations applicable in the State of Florida) and shall also provide that Covanta may place reasonable reliance on representations made by operators of vehicles owned by or operated on behalf of the District with proper identification as to the Person or entity against whose account the solid waste being delivered is to be charged. Covanta shall be under no obligation to accept Acceptable Waste from Persons or vehicles not complying with the identification system or the delivery procedures established by Covanta. Covanta may enforce compliance with identification and delivery procedures by denial of disposal privileges and such other means as it may reasonably determine to be necessary and appropriate.

ARTICLE 3 Fees.

3.1 Fees

3.1.1 As provided in Section 5.1, the District shall pay to Covanta for each Ton of Acceptable Waste delivered by or on behalf of the District to the Facility and accepted by Covanta, the following fees:

(A) for deliveries by the District which do not exceed the Annual Maximum Tonnage, the Acceptance Fee;

(B) for deliveries by the District of Acceptable Waste which exceed the Annual Maximum Tonnage, in the event that Covanta accepts such waste (which it may do so in its sole discretion), the Excess Tonnage Acceptance Fee;

together with any other Fees payable hereunder.

3.1.2 In the event that in any year the amount of Acceptable Waste delivered by the District and accepted by Covanta is less than the Annual Minimum Commitment, the District shall pay to Covanta in accordance with Article 5 an amount equal to the Acceptance Fees that would have been paid by the District if the Annual Minimum Commitment had been delivered by the District.

3.1.3 Except as provided for in Section 5.3, the obligations of the District to make payments pursuant to the terms hereunder shall not be subject to any set-off, abatement, counterclaim, existence of a dispute or any reason, known or unknown, foreseeable or unforeseeable, which might otherwise constitute a legal or equitable defense or discharge of the liabilities of the District hereunder or limit recourse to the District. Payment pursuant to this provision shall not prejudice the rights of the District to claim abatements, refunds or adjustments to which it is entitled under this Agreement.

3.2 Adjustment of Fees.

3.2.1 If, during the Term of this Agreement, Covanta or the Facility incur Force Majeure Costs, Covanta shall provide a reasonably detailed written notice thereof to the District. The District shall be responsible to pay its proportionate share of such Force Majeure Costs, based on the waste the District delivers to the Facility, to Covanta upon receipt of an invoice therefore. Force Majeure Costs may be payable at Covanta's option as a lump sum payment or as an increase in the Acceptance Fee payable under this Agreement. "**Force Majeure Costs**" shall mean Operating Cost Increases incurred during the Term as a result of an Event of Force Majeure. "**Operating Cost Increase**" means, as shall be mutually agreed to by the District and Covanta, any increase in the Facility's reasonable direct costs of operating the Facility that arises from a Force Majeure Event less any insurance payments received in connection with such Force Majeure Event. If the parties are unable to agree on an Operating Cost Increase, then Covanta may terminate this Agreement upon 90 days' written notice to the District.

ARTICLE 4 Quality of Solid Waste.

4.1 Unacceptable Waste.

4.1.1 The District agrees that it shall not deliver Unacceptable Waste to Covanta. If a delivery of solid waste is made which contains both Acceptable Waste and Unacceptable Waste, the entire delivery shall constitute Unacceptable Waste if the Unacceptable Waste cannot be separated from the Acceptable Waste without the use of unreasonable efforts or expense of Covanta to cause such separation. If the District delivers Unacceptable Waste to the Facility, Covanta at its sole option may (i) reject acceptance of such solid waste and require the District to reload and dispose of such solid waste at the District's sole expense, or (ii) if Covanta does not discover such Unacceptable Waste in time to reject and reload such solid waste, Covanta may, after giving the District telephonic notice thereof, dispose of such solid waste and charge the District all direct and indirect costs incurred by Covanta for such disposal, unless the District otherwise elects to arrange for the disposal of the waste. If the District elects to dispose of the waste, it shall be required to do so within 48 hours, or such lesser period of time as Covanta, in its sole judgment, shall deem necessary or appropriate in connection with the operation of the Facility including without limitation, the preservation of the health and safety of its employees and the Persons delivering waste to the Facility. If after electing to do so, the District does not dispose of the Unacceptable Waste within the prescribed time period, Covanta may dispose of the waste without further notice to the District and the District shall be required to pay the fees and costs set forth above. No notice shall be required of Covanta to the District to dispose of Unacceptable Waste in emergency situations where a delay in such disposal would constitute a hazard to the Facility, the Landfill or any Person on, about or near the premises. Nothing herein contained shall obligate Covanta to screen waste or to detect Unacceptable Waste delivered by the District, and the District shall remain liable for all damages of any nature resulting from the delivery by the District of Unacceptable Waste.

4.1.2 If Covanta elects to dispose of such Unacceptable Waste, the District shall indemnify and hold the Covanta Indemnified Parties harmless from and against all liabilities, losses, damages, costs, expenses, and disbursements, including reasonable legal fees and expenses arising out of the processing or disposal by such person of Unacceptable Waste or waste not constituting Acceptable Waste delivered by the District and incidental and consequential damages incurred by such Person. Such disposal by Covanta shall not constitute acceptance by Covanta, transfer of ownership to Covanta, consent by Covanta to a pattern of repeated deliveries by the District of Unacceptable Waste, or waiver by Covanta of any remedies it may have against the District because of the delivery of Unacceptable Waste. All activities of Covanta with respect to such Unacceptable Waste delivered to or abandoned at the Facility shall be as agent for the District.

4.1.3 Intentionally omitted.

4.1.4 Full Loads of Recyclables. If the District delivers Unacceptable Waste composed of an entire truckload of recyclables, and if Covanta elects in its sole discretion to accept such load for disposal, then the District shall pay Covanta \$100.00 per ton for such recyclables and such \$100.00 rate shall escalate at the same rate as the Acceptance Fee.

ARTICLE 5 Billing and Payments.

5.1 Payments. The District shall make payment within 30 days of the date of Covanta's invoice at the address specified on such invoice.

5.2 Overdue Charges. Amounts owed to Covanta after invoice due date shall accrue interest each day such invoice is not paid at the maximum rate permitted by applicable law or one and one half percent (1-1/2%) per month, whichever is less. The District shall be responsible for any and all costs incurred by Covanta, including but not limited to legal expenses, should the District's account be submitted for collection.

5.3 Disputes. In the event of a dispute as to any payment, (a) the District shall pay when due the amount of the invoice which is not in dispute and (b) the District shall give Covanta, at the time such payment is made, written notice of the dispute. Such notice shall identify said report, state the amount in dispute and set forth a full statement of the grounds which form the basis of such dispute. No adjustment shall be considered or made for disputed charges until notice is given as aforesaid. Upon settlement by the parties of the dispute, Covanta shall refund promptly the amount of any paid overcharge or the District promptly shall pay the outstanding portion of the invoice, whichever is applicable.

ARTICLE 6 Assignments.

6.1 Assignment. The District may not assign or transfer, directly or indirectly, its interest in and to this Agreement without the prior written consent of Covanta; such consent shall not be unreasonably withheld. Covanta may upon prior written notice to the District assign all or any portion of this Agreement at any time; provided, however, that unless such assignment is to a trustee or lender in connection with the financing of the Facility or to a Qualified Covanta Affiliate, such assignment shall not relieve Covanta of any obligation hereunder without the consent of District.

6.2 District Insurance.

6.2.1 The District shall be required to maintain liability insurance covering bodily injury and property damage as provided below, which insurance shall name Covanta as an additional insured. Prior to service commencement and each year at renewal, as reasonably requested by Covanta and upon each change in the insurance carried by the District, the District shall provide Covanta evidence that the insurance required hereunder is in place.

6.2.2 The District shall obtain and maintain during the term of the contract and at its expense the following insurance coverage; a) Workers Compensation insurance as required by law and Employers Liability insurance having a minimum limit of liability of \$1,000,000, b) Commercial General Liability insurance with a broad form contractual liability having a minimum limit of liability of \$2,000,000 per occurrence; c) Commercial Automobile Liability insurance applicable to all owned, hired and non-owned vehicles having a minimum combined single limit of liability of \$1,000,000 per occurrence with broaden pollution liability coverage endorsement equivalent to (CA 9948); and d) Excess Liability insurance having a minimum limit of liability of \$2,000,000 per occurrence. Each policy obtained pursuant to items b) through d) above shall designate Covanta as an additional insured; District shall cause its insurers to waive its subrogation right in favor of Covanta Indemnified Parties. District shall provide 30 days advance notice to Covanta in the event of a cancellation or non-renewal of a policy.

6.2.3 The District waives any claim for recovery from Covanta for any injury, loss or damage to District resulting from the performance of this Agreement, to the extent compensation for such injury, loss or damage shall have been recovered under any insurance policy. Immediately upon the occurrence of any injury, loss or damage resulting from the performance of this agreement, written notice shall be given to Covanta's authorized representative.

6.2.4 The District shall hold harmless and indemnify Covanta, the Facility, and their respective affiliates, subsidiaries, parent companies, and their directors, officers, employees, contractors of any tier and other agents ("***Covanta Indemnified Parties***") from and against any expense, loss claim or liability whatsoever, including attorneys fees, and shall defend the Covanta Indemnified Parties in any proceeding, including appeals, for injury to any person, or loss or damage to any property arising out of; a) the negligence or wrongful misconduct of the District, its directors, officers or partners, and as the case may be, employees, contractors of any tier or other agents; b) the failure by the District, its directors, officers or partners, as the case may be, employees, contractors of any tier or other agents to comply with applicable law; c) the performance by the District of this Agreement; d) the delivery by the District of any Hazardous Waste or Unacceptable Waste to the Facility. The District's liability to pay a claim under this indemnification shall be capped in the same manner and to the same extent as the District's liability to pay tort claims is capped pursuant to §768.28 and §190.043, Florida Statutes and judicial interpretation thereof. As authorized by §768.28(5), Florida Statutes, the District agrees that the liability caps shall not apply to indemnification obligations which are within the limits of insurance coverage provided.

ARTICLE 7 Governmental Regulation.

7.1 Jurisdiction. Covanta and the District acknowledge that the collection, transportation and disposition of solid waste is subject to the jurisdiction of various governmental agencies, including, without limitation, agencies of the United States of America and the State of Florida.

7.2 Compliance. Covanta and the District agree, at their own expense, (subject to the provisions herein relating to Change in Law and Events of Force Majeure), to materially comply with all applicable statutes, rules and regulations applicable to them in connection with this Agreement and the transactions contemplated hereby. Such statutes, rules and regulations may include, without limitation, actions taken by the jurisdiction in which the Facility is located to regulate vehicle traffic associated with the Facility. The District agrees to take all necessary action to cause Persons delivering waste on its behalf to Covanta to comply with any law, statute, regulation, order, standard or ordinance of the jurisdiction in which the Facility is located.

ARTICLE 8 Suspension Due To Force Majeure.

8.1 Suspension of Obligations.

8.1.1 A delay or failure of performance hereunder by either party shall not constitute an event of default or cause for any liability under this Agreement to the extent caused by an Event of

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Force Majeure. Such delay or failure shall be excused at any time performance is affected by an Event of Force Majeure and during such period thereafter as may be reasonably necessary for the party so affected, using its reasonable efforts, to correct the adverse effects of such Event of Force Majeure. If an Event of Force Majeure causes a reduction, but not a complete suspension in the ability of Covanta in connection with the operation of the Facility to accept, process, incinerate or dispose of Acceptable Waste or dispose of process residue derived from Acceptable Waste, then subject to (i) the then existing commitments of Covanta with respect to the Facility, (ii) the reserved capacity requirements for the Landfill, and (iii) the requirements of all applicable permits, consents and approvals of the State of Florida and other governmental entities, Covanta shall use its reasonable efforts to allocate a portion of such reduced capacity of the Facility to the District; provided, that such allocation shall be determined by Covanta in its sole discretion. An act or event of Force Majeure shall not terminate or suspend the District's obligations to make payments pursuant to this Agreement for waste which has been delivered to the Facility prior to a suspension for an Event of Force Majeure.

8.1.2 The party relying on an Event of Force Majeure as justification for a delay or failure of performance hereunder shall give the other party 15 business days written notice of such Event of Force Majeure.

8.2 Efforts to Remove Condition. A party whose performance is adversely affected by an Event of Force Majeure shall use its reasonable efforts to overcome or remove such Event of Force Majeure. After the completion of a suspension due to an Event of Force Majeure and to the extent Covanta has the capacity to accept, process, incinerate and dispose of excess waste, Covanta shall use its reasonable efforts to accept Acceptable Waste collected by the District which the District was unable to deliver to Covanta during the Event of Force Majeure period. Covanta shall not be obligated to accept Acceptable Waste to the extent that the acceptance, processing, incineration or disposal of such Acceptable Waste is contrary to or in violation of or would cause Covanta to be in violation of any permits and approvals necessary for the Facility.

8.3 Termination of Contract. If an act or event of Force Majeure causes a complete or partial suspension in the ability of either party to accept Acceptable Waste, in the case of Covanta, or deliver Acceptable Waste, in the case of the District, and said suspension continues for a period of ninety (90) days or more, either party may terminate this Agreement and the obligation to accept, process and deliver Acceptable Waste hereunder (but such termination shall not terminate the parties' obligations with respect to solid waste delivered prior to such termination).

ARTICLE 9 Liquidated Damages; Default.

9.1 Payment of Liquidated Damages. If Covanta fails to accept Acceptable Waste at the Facility as required by the terms of this Agreement, Covanta may designate an alternate disposal site or if Covanta fails to designate an alternate disposal site within ten (10) business days after the initial failure by Covanta to accept Acceptable Waste, the District shall reasonably choose an alternate disposal site (subject to Covanta approval, which approval shall not be unreasonably withheld). Covanta shall pay or cause to be paid to the District as liquidated damages and not as a penalty, the difference between the applicable Acceptance Fee for such period and the cost of delivering (including any increased transportation costs) and disposing of its Acceptable Waste to the alternative disposal site. All such payments required to be made by Covanta hereunder shall be

made within thirty (30) days of the date the District notifies Covanta in writing of the cost of delivering and disposing of its Acceptable Waste to the alternative disposal site (which notice shall include such documentation as Covanta shall reasonably request verifying such cost) for such period that Covanta did not accept Acceptable Waste from the District when required hereunder.

9.2 Events of Default of Covanta. Each of the following shall be an event of default by Covanta under this Agreement:

9.2.1 Covanta fails to pay the liquidated damages provided in Section 9.1, in lieu of the performance of its obligation to accept delivery of Acceptable Waste in accordance with this Agreement and the continuance of such failure for a period of thirty (30) days after written notice to Covanta; or

9.2.2 Covanta makes a general assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any custodian, receiver or trustee for it or any substantial part of its property, commences any proceeding relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect, or if there shall have been filed any such proceeding, in which an order for relief is entered or which is not dismissed for a period of sixty (60) days or more or if by any act indicates its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of any custodian, receiver of or any trustee for it or any substantial part of its property or suffers any such custodianship, receivership or trusteeship to continue undischarged for a period of sixty (60) days or more.

9.3 Events of Default of District. Each of the following shall be an event of default by the District under this Agreement:

9.3.1 The District fails to pay any amounts, including without limitation, the Acceptance Fees, Excess Tonnage Acceptance Fees, and any amounts payable pursuant to Sections 5.2 or 5.3 which become due hereunder;

9.3.2 The District fails to observe and perform any other material term, covenant or agreement contained in this Agreement, the Delivery Procedures or other agreements or policies to which either the District is subject and such failure continues for a period of ten (10) days after written notice to the District specifying the nature of such failure and requesting that it be remedied; or

9.3.3 The District makes a general assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any custodian, receiver or trustee for it or any substantial part of its property, commences any proceeding relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect, or if there shall have been filed any such proceeding, in which an order for relief is entered or which is not dismissed for a period of sixty (60) days or more or if by any act indicates its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of any custodian, receiver of or any trustee for it or any substantial part of its property or suffers any

such custodianship, receivership or trusteeship to continue undischarged for a period of sixty (60) days or more.

9.4 Remedies on Default. Whenever any event of default shall have occurred and be continuing, the nondefaulting party shall have the following rights and remedies:

9.4.1 Upon ten (10) days written notice to Covanta, if Covanta is then in default, the District shall have the option to terminate this Agreement unless the event of default is fully cured prior to the expiration of such ten (10) day period or unless during such period Covanta has taken remedial steps the effect of which would be to enable Covanta to cure such event of default within a reasonable period of time (which, if the event of default is a default in the payment of monies and results from restraint by a court or regulatory agency, shall mean the undertaking and prosecution of prompt, diligent, good faith efforts to remove such restraint);

9.4.2 Upon ten (10) days written notice to the District, if the District is then in default, Covanta shall have the option to terminate this Agreement unless the event of default is fully cured prior to the expiration of such ten (10) day period or unless during such period the District has taken remedial steps the effect of which would be to enable the District to cure such event of default within a reasonable period of time (which, if the event of default is a default in the payment of monies and results from restraint by a court or regulatory agency, shall mean the undertaking and prosecution of prompt, diligent, good faith efforts to remove such restraint);

9.4.3 Upon written notice to the District, if the District has defaulted, Covanta shall have the option, without terminating this Agreement, to stop accepting Acceptable Waste delivered or tendered for delivery by the District, until such default is cured or this Agreement is terminated.

ARTICLE 10 Representation and Warranties, Insurance.

10.1 Representations and Warranties of the District. The District hereby represents and warrants to Covanta that this Agreement has been executed by authorized officers of the District, and has heretofore delivered to Covanta evidence of such authority. The District has the full power and authority to execute and deliver this Agreement to Covanta and carry out the transactions contemplated hereby, all of which have been duly authorized in accordance with the laws of the State of Florida and such other laws as may be applicable. There is no litigation pending, or to the knowledge of the District, threatened, which questions this Agreement or which affect or may affect the transactions contemplated hereby.

10.2 Representations and Warranties of Covanta. Covanta hereby represents and warrants to the District that Covanta has the full power and authority to execute and deliver this Agreement to the District and to carry out the transactions contemplated hereby. There is no litigation pending, or to the knowledge of Covanta, threatened, which questions this Agreement or which affect or may affect the transactions contemplated hereby.

10.3 Liability for Breach. It is understood and agreed that the signatories hereto shall be liable to each other in the manner and to the extent provided by law for any loss or harm occasioned by the breach of any term, covenant, agreement, undertaking or obligation of this Agreement. This section shall survive the term of this Agreement.

ARTICLE 11 Governing Law.

11.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Florida, without regard to the internal provisions thereof addressing conflicts of law.

11.2 The pendency of litigation shall affect neither the obligations of the parties to make any payment or render any service required by this Agreement nor the rights of the parties under this Agreement.

ARTICLE 12 Miscellaneous.

12.1 Entire Agreement. This Agreement merges and supersedes all prior negotiations, representations and agreements between the parties. This Agreement constitutes the entire agreement between the parties herein in respect of the subject matter hereof.

12.2 Waiver. No delay in exercising or failure to exercise any right or remedy accruing to or in favor of any party hereunder shall impair any such right or remedy or constitute a waiver thereof. Every right and remedy given hereunder or by law may be exercised from time to time and as often as may be deemed expedient by the parties hereto.

12.3 Modifications. This Agreement may not be modified or amended except in writing signed by or on behalf of both parties by their duly authorized officers.

12.4 Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective successors and permitted assigns of the parties hereto.

12.5 Notices. All written notices, reports and other documents required or permitted under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or deposited in the mails, postage prepaid, registered or certified mail, return receipt requested, or by commercial overnight courier addressed to the party to whom notice is being given at its address set forth below. Either party may change its address by notice similarly given.

If to the District:

North Sumter County Utility Dependent District
984 Old Mill Run
The Villages, FL 32162
Richard Baier, District Manager
Richard.baier@districtgov.org

With a copy to:

Stone and Gerken
[address and contact info]
4850 N. Highway 19A

pk.

Mount Dora, Florida 32757

If to Covanta:

Covanta Lake II, Inc.
3830 Rogers Industrial Park Rd
Okahumpka, FL 34762
Attention: Business Manager

With a copy to:

Covanta Energy, LLC
445 South Street
Morristown, NJ 07960
Attention: General Counsel

12.7 Further Actions. Each party agrees that it will, at its own expense, execute any and all certificates, documents and other instruments, and take such other further actions as may be reasonably necessary to give effect to the terms of this Agreement.

12.8 Counterparts. This Agreement may be executed in several counterparts, any one of which shall be considered to be an original hereof for all purposes.

12.9 Severability. In the event that any of the provisions, portions, or applications of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, Covanta and the District shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effecting the purpose of this Agreement, and the validity and enforceability of the remaining provisions, portions, or applications thereof shall not be affected thereby.

12.10 Rights of Third Parties. Nothing in this Agreement is intended to confer any right on any person other than the parties to it and their respective successors and assigns; nor is anything in this Agreement intended to modify or discharge the obligation or liability of any third person to any party to this Agreement or give any third person any right of subrogation or action over or against any party to this Agreement.

12.11 Headings for Convenience. The headings in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

12.12 Waste Delivery Haul Routes. Transportation of waste to the Facility shall be only by means of Covanta designated delivery routes.

ARTICLE 13 Definition and Interpretation.

13.1 Definitions. The following words and phrases shall have the following meanings when used in this Agreement:

"Acceptable Waste" means non-hazardous municipal solid waste, including approximately 20% residential recycling (excluding aluminum and cardboard), and approximately 15% yard waste,

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all generated within the North Sumter County Utility Dependent District; provided, however, Acceptable Waste shall not include Unacceptable Waste.

“Acceptance Fee” means \$48.00 per Ton. On October 1, 2020 and every October 1st thereafter that this Agreement is in effect, the Acceptance Fee shall be subject to an increase over the preceding Contract Year’s rate by a percentage positive increase, if any, in the Bureau of Labor Statistics Index CUSR0000SEHG All Urban Consumers, Water and Sewer and Trash collection services in U.S. city average, from the preceding year.

"Annual Maximum Tonnage" means 55,000 Tons of Acceptable Waste per Contract Year. The Annual Maximum Commitment may be increased or decreased upon the written mutual agreement of the parties.

"Annual Minimum Commitment" means 48,000 Tons of Acceptable Waste per Contract Year. The Annual Minimum Commitment may be increased or decreased upon the written mutual agreement of the parties.

“Change in Law” means either (a) the enactment, adoption, promulgation, modification, written interpretation or reinterpretation, written guideline or repeal, subsequent to the Effective Date, of any law, ordinance, code, rule, regulation or similar legislation by any Federal, State, County or other governmental body, or (b) the modification of or the imposition of any conditions on the issuance, modification or renewal of any official permit, license or approval subsequent to the Effective Date, which in the case of either (a) or (b), establishes requirements affecting the operation of the Facility which are more burdensome than and adversely inconsistent with the most stringent requirements which are applicable to the Facility or Covanta, as the case may be, and which are contained in any applicable laws with respect to the Facility in effect as of the Effective Date.

“Contract Year” means October 1 through September 30.

"Effective Date" means the first day of the Term.

"Event of Force Majeure" means the following acts, events or conditions or any combination thereof that has had or may reasonably be expected to have a direct, material, adverse effect on the rights or obligations of a party to this Agreement; provided however, that such act, event or condition shall be beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the terms of this Agreement:

(a) An act of God such as severe natural conditions such as landslide, lightning, earthquake, flood, hurricane, blizzard, tornado or other severe weather conditions, severe sea conditions (affecting delivery of materials) or similar cataclysmic occurrence, nuclear catastrophe, fire, an act of public enemy, war, blockade, insurrection, sabotage, vandalism, theft, riot, general arrest or general restraint of government and people.

(b) A Change in Law.

(c) The loss of any utility services necessary for the operation of the Facility.

(d) The unavailability of a Landfill for the disposal of process residue.

(e) The presence of any subsurface or latent physical condition (including the presence of Hazardous Waste or other contamination or pollution) at or on the Facility which shall prevent or require a redesign or change in the operation of the Facility.

(f) The condemnation, taking, seizure, involuntary conversion or acquisition of title to or use of the Facility or any material portion or part thereof, or the alternate disposal facility then being used by Covanta to carry out its obligations hereunder by the action of any federal, state or local government or governmental agency or authority.

(g) The inadvertent processing of Unacceptable Waste in the Facility.

"Excess Tonnage Acceptance Fee" means \$48.00 per Ton. On October 1, 2020 and every October 1st thereafter that this Agreement is in effect, the Excess Tonnage Acceptance Fee shall be subject to an increase over the preceding Contract Year's rate by a percentage positive increase, if any, in the Bureau of Labor Statistics Index CUSR0000SEHG All Urban Consumers, Water and Sewer and Trash collection services in U.S. city average, from the preceding year.

"Facility" means the Lake energy-from-waste facility located at 3830 Rogers Industrial Park Rd, Okahumpka, FL 34762.

"Fees" means the Acceptance Fee, the Excess Tonnage Acceptance Fee, and such other amounts that the District is required to pay hereunder.

"Hazardous Waste" means any waste regulated as hazardous by any local, State or Federal authority.

"Holidays" means New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

"Landfill" means the landfill or landfills designated from time to time by Covanta or the Facility for receipt of by-pass and ash residue from the Facility.

"Person" means a municipality, corporation, partnership, business trust, trust, joint venture, company, firm or individual.

"Qualified Covanta Affiliate" means an entity which is directly or indirectly controlled by, or under common control with, Covanta Holding Corporation, a Delaware corporation, or any successor thereto.

"Term" means, unless sooner terminated in accordance with the terms of this Agreement, the period from October 1, 2020 through September 30, 2025. Thereafter, this Agreement may be extended for up to three additional terms of five-years each upon the written mutual agreement of the parties.

"Ton" means 2,000 pounds.

"Unacceptable Waste" means (a) any waste that is specifically prohibited for admittance or processing at the Facility by the FL DEP or other regulatory agency having jurisdiction over the Facility, (b) any material that has the reasonable possibility of adversely affecting the operation of any part of the Facility, and (c) Hazardous Waste.

13.2 Interpretation. In this Agreement, unless the context otherwise requires:

13.2.1 The terms "hereby", "hereof", "herein", "hereunder", and any similar terms as used in this Agreement refer to this Agreement, and the term "heretofore" shall mean before, and the term "hereafter" shall mean after the date of execution of this Agreement.

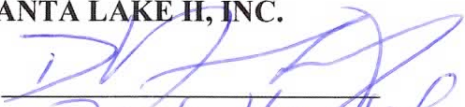
13.2.2 Words of masculine gender shall mean and include correlative words of feminine and neuter genders and words importing the similar number shall mean and include the plural number and vice versa.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

NORTH SUMTER COUNTY UTILITY DEPENDENT DISTRICT

By: _____
Name: _____
Title: _____

COVANTA LAKE H, INC.

By: 
Name: David Veehof
Title: EVP.