

FIRST AMENDMENT TO SERVICE AGREEMENT

Subject to the provisions of Section 1 hereof, this First Amendment to Service Agreement (the "First Amendment") is effective as of July 19, 2013, and is entered into by and between Covanta Haverhill Associates ("Covanta"), a Massachusetts general partnership, with offices at 100 Recovery Way, Haverhill, Massachusetts 01835, and the Town of North Reading, Massachusetts, a body corporate and politic (the "Community"), with offices at Town Hall, 235 North Street, North Reading, Massachusetts 01864.

W I T N E S S E T H:

WHEREAS, Covanta and the Community have entered into that certain Service Agreement dated as of July 1, 2010 (the "Agreement");

WHEREAS, the Parties desire to modify certain terms and conditions contained in the Agreement as set forth in this First Amendment;

NOW, THEREFORE, in consideration of the mutual benefits obtained hereby, Covanta and the Community hereby agree as follows:

1. Amendments.

A. Section 1 (d) of the Agreement is hereby deleted in its entirety and inserted in place thereof the following:

"Contract Year" means a one-year period beginning on July 1 of each year during the term hereof (other than the first Contract Year, which shall commence on the Commencement Date) and ending on June 30, 2018, unless extended as provided herein.

B. Section 2 (b) of the Agreement is hereby deleted in its entirety and inserted in place thereof the following:

If the Community ceases to collect and/or manage the household waste produced by households in its jurisdiction at any time between July 1, 2010 and June 30, 2018, the Community shall have the right upon six months written notice to Covanta, to terminate this Agreement.

C. Section 6 of the Agreement is hereby deleted in its entirety and inserted in place thereof the following:

This Agreement shall commence on July 1, 2013 (the "Commencement Date") and end on June 30, 2018.

D. Section 5.a. of the Agreement is hereby deleted in its entirety and inserted in place thereof the following:

The Community shall pay Covanta a tipping fee (the "Tipping Fee") per Ton of Acceptable Waste accepted at the Facility during each Contract Year, or delivered to an alternate disposal site as provided in Section 3 hereof, as follows:

<i>Contract Year</i>	<i>Tipping Fee</i>
<i>January 1, 2013 through December 31, 2013</i>	<i>\$71.00</i>
<i>January 1, 2014 through June 30, 2014</i>	<i>\$65.00</i>
<i>July 1, 2014 through June 30, 2015</i>	<i>\$68.00</i>
<i>July 1, 2015 through June 30, 2016</i>	<i>\$69.00</i>
<i>July 1, 2016 through June 30, 2017</i>	<i>\$70.00</i>
<i>July 1, 2017 through June 30, 2018</i>	<i>\$70.00</i>

E. Section 14 of the Agreement is hereby amended by adding to the end thereof the following new subsections:

Special Services Right of First Refusal Option. *If during the Term of this Agreement Community desires to directly or indirectly, purchase, contract (including the renewal of any contract) or otherwise arrange for the collection, transportation, storage, processing, composting, sale and/or disposal of one or more of organic materials generated within the boundaries of Community (each a, "Special Service"; collectively, "Special Services"), Community must first comply with the procedure set forth in this Section ("Covanta's Special Services ROFR Rights").*

(i) *For each instance Community desires to purchase, contract for (including the renewal of any contract for) or otherwise arrange for*

any of the Special Services pursuant to a bona fide offer (the "Offer") from a bona fide third party (the "Third Party"), pursuant to a public procurement process or otherwise, Community shall send notice in accordance with Section 14 herein to Covanta (the "Special Services Notice") notifying Covanta, in reasonable detail, of the terms and conditions of the Offer, including without limitation, (A) the identity and principal business address of the Third Party, (B) the location of the Special Services facilities (the "Third Party Facilities") to be used by the Third Party to provide the Special Services, (C) the quantity and type or quality of organic material(s) to be collected, transported, stored, processed, composted, sold or disposed of, covered by such Offer (the "Offered Special Service"), (D) the per-unit charge and other charges, and/or rebates or other amounts, to be paid by and/or to Community for such Offered Special Service (collectively, the "Service Charge/Rebate"), and (E) the time period when such General Offered Special Service is to be provided for the benefit of Community (the "Special Service Period").

(ii) Covanta shall have thirty (30) days after the date of Covanta's receipt of the Special Services Notice (the "Deadline") to accept the Offer by providing written notification to Community in accordance with the notice provisions of Section 14 herein (an "Acceptance Notice"), of Covanta's election to accept such Offer, which Offer must be so accepted by Covanta by the Deadline for the provision of the Offered Special Service for the Special Service Period for the same Service Charge/Rebate at the Facility or other location in the Acceptance Notice or the Offer shall be deemed rejected by Covanta.

(iii) If the Offer is rejected or deemed to have been rejected by Covanta, Covanta's Special Services ROFR Rights with respect to the Offer and the related contract shall terminate and be of no further force or effect, and Community may contract for, and accept from the Third Party, the Special Services described in the Offer for the period of time described in the Offer on the terms and conditions described in the Offer provided that such contract is executed by Community and the Third Party within thirty (30) days of such rejection or deemed rejection by Covanta. If such contract with the Third Party is not entered into by such Covanta and the Third Party within such thirty-day period, and Covanta still desires, directly or indirectly, to purchase, contract for (including the renewal of any contract for) or otherwise arrange for a Special Service, with the Third Party or another Person, Community must comply again with the procedure described in Subsections (i) through (ii) above with respect to the Offer and Covanta's Special Services ROFR Rights with respect to the Offer shall be in full force and effect.

(iv) If Covanta timely and properly accepts the Offer as provided hereunder, Community and Covanta shall enter into a separate agreement for the provision of Special Services on substantially the same or similar substantive terms and conditions as those in the Offer.

2. Approval and Ratification of the Waste Acquisition Agreement. The Community hereby approves, ratifies and affirms the validity, effectiveness and enforceability of the Agreement, as amended to date, including this First Amendment.

3. Effect of Modification. Except as expressly modified by the terms and conditions of this First Amendment, each and every one of the terms and conditions of the Agreement is hereby ratified and confirmed, and remains in full force and effect. In the event of a conflict between the terms and conditions of this First Amendment and the terms and conditions of the Agreement, the terms and conditions of this First Amendment shall govern. This First Amendment, together with the Agreement, represents the complete understanding among the parties and supersedes all prior negotiations, statements or agreements, whether written or oral, among the parties to the Agreement as amended by the First Amendment as to the matters set forth in this First Amendment and the Agreement. This First Amendment and the Agreement may be amended by, and only by, an instrument in writing executed and delivered by the duly authorized representatives of each of the parties.

4. Severability; Modifications. Should one or more of the provisions of this First Amendment be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall be enforceable.

5. Execution in Counterparts. This First Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and such counterparts together shall constitute one instrument.

IN WITNESS WHEREOF, the hereto have caused this First Amendment to be
executed effective as of the date first written above.

COVANTA HAVERHILL ASSOCIATES

BY: Covanta HAVERHILL, INC., the Managing
General Partner of Covanta Haverhill Associates.

By: 

Name: Stephen C. Diaz

Title: VP, NE Regional Business Mgr.

Date: _____

THE TOWN OF NORTH READING

By: 

Name: Greg Balukonis

Title: Town Administrator

Date: 7/19/2013

