

FRENCH FARMS OPERATION AGREEMENT

THIS FRENCH FARMS OPERATION AGREEMENT (this "Agreement") is made and dated as of October 7, 2009, by and between, the Town of Clarkstown, New York, a body corporate and politic constituting a municipal corporation of the State of New York, having an office at 10 Maple Avenue, New City, New York 10956 ("Licensor"), and the Rockland County Solid Waste Management Authority, a body corporate and politic constituting a public benefit corporation of the State of New York, having an office at 420 Torne Valley Road, Hillburn, New York 10931 ("Licensee").

RECITALS:

WHEREAS, Licensor and Licensee have entered into that certain Clarkstown Transfer Station Acquisition Agreement dated as of November 13, 2008, as amended by that certain First Amendment to Clarkstown Transfer Station Acquisition Agreement dated as of June 30, 2009 (the "Acquisition Agreement") providing for the sale by Licensor and the purchase by Licensee of certain interests in real and personal property, as more particularly described therein;

WHEREAS, Licensor is the owner of a fee interest in certain real property improved by a yard waste processing and composting facility commonly referred to as "French Farms," located at 226 Brewery Road, New City, New York, as more particularly described on Exhibit A hereto (the "French Farms Real Property"), together with the improvements and personalty located thereon ("French Farms");

WHEREAS, pursuant to the terms of the Acquisition Agreement, Licensor has agreed to grant Licensee a revocable license which provides for the right to use, and exclusively operate and maintain French Farms;

WHEREAS, Licensor and Licensee have entered into a certain Host Community Agreement of even date herewith (the "Host Community Agreement"); and

WHEREAS, Licensor and Licensee have entered into a certain Interim Operations Agreement dated as of November 17, 2008, as amended by that certain First Amendment to

Interim Operations dated as of June 30, 2009 (the "Interim Operations Agreement") which, among other things, provides the Licensee with certain rights to use and operate French Farms prior to the closing of the transactions contemplated under the Acquisition Agreement.

NOW, THEREFORE, in consideration of Ten Dollars and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged by the parties hereto, Licensor and Licensee hereby covenant and agree as follows:

SECTION 1. GRANT OF LICENSE: Licensor hereby grants to Licensee a revocable license (the "License") for the sole and express purpose of entering upon the French Farms Real Property, for the purposes of using, and exclusively operating and maintaining French Farms, until the expiration or termination of this Agreement.

SECTION 2. ACCEPTANCE OF LICENSE: Licensee accepts such License and agrees that it will well and truly operate French Farms in compliance with good industry standards and practices and in accordance with the terms of any applicable permits.

SECTION 3. TERM: The term of this License provided for in this Agreement shall commence on the date hereof and shall be in effect until the earlier to occur of (i) the fifth (5th) anniversary of the date hereof or (ii) until such time as this Agreement shall terminate.

SECTION 4. HOST PAYMENTS: Licensee shall make payments as set forth in the Section 5.2 (B) of the Host Community Agreement as such payments relate to French Farms.

SECTION 5. INSURANCE: Licensee shall procure and maintain property, liability and other insurance with respect to the French Farms Real Property in amounts and scope of coverage as are legally required or commercially reasonable and as would be maintained by prudent licensors and operators of comparable facilities. Such insurance policies shall be issued by creditworthy and reputable insurers licensed to do business in New York State and shall name Licensor as an additional insured or as its interest may appear, as applicable. Licensee shall, from time to time, deliver to Licensor certificates of insurance such that Licensor shall have evidence that such insurance is in effect so long as this Agreement remains in effect.

SECTION 6. MAINTENANCE, REPAIRS AND ALTERATIONS: Licensee shall maintain French Farms in an orderly and safe condition and conduct its operations thereon in a safe and prudent manner, and shall not permit French Farms to become a nuisance. Except for ordinary maintenance and repairs, Licensee shall not make any repairs, replacements, restorations, alterations or improvements without the prior written consent of Licensor.

SECTION 7. TRANSFER OF LICENSE: Licensee shall not, directly or indirectly, transfer or otherwise assign this Agreement in whole or in part without first obtaining the written consent of the Licensor, which consent may not be unreasonably withheld, conditioned or delayed, provided that Licensor's consent shall not be required if such transfer is to a governmental entity or public benefit corporation succeeding in whole or in part to Licensee's governmental or public responsibilities.

SECTION 8. TERMINATION OF LICENSE: Licensee and Licensor shall each have the right in their sole and absolute discretion, at any time and for any reason whatsoever, to terminate this Agreement on thirty (30) days' written notice to the other party and neither party shall have any right, obligation or liability hereunder as a result of such termination except as provided in Section 9..

SECTION 9. RESTORATION: At expiration of the term hereof or termination of this Agreement, Licensee shall have, at its sole cost and expense, no more than ninety (90) days to

remove all personalty and all other materials from the French Farms Real Property not part of French Farms as of the date of the Interim Operations Agreement and shall restore French Farms to the same condition as existed as of the date of the Interim Operations Agreement. Licensee and Licensor hereby acknowledge and agree that for purposes of this Section 9, Licensee shall restore French Farms to the same condition as when Licensee assumed the operations of French Farms pursuant to the Interim Operations Agreement. If Licensee fails to restore French Farms to the condition set forth in this Agreement, Licensor may perform such restoration and Licensee shall promptly reimburse Licensor for the costs and expenses thereof that have been incurred by Licensor in performing such restoration.

SECTION 10. INDEMNIFICATION BY LICENSEE: Licensee hereby agrees, to the extent permitted by law, to protect, indemnify, defend and hold harmless Licensor and Licensor's officers, directors, employees, affiliates, agents, and successors and assigns (collectively, the "Licensor's Related Parties") from and against any and all claims, liabilities (including sums paid in settlement of claims), losses, costs, obligations, demands, suits, liens, damages (excluding consequential and punitive damages except to the extent payable to third parties) fines, penalties (including any sums ordered to be paid by the Licensor's Related Parties by any governmental authority as a fine, penalty or damages for any violation of any Environmental Law (as defined in the Acquisition Agreement)), environmental investigation, remediation, response, operations and maintenance costs, institutional control costs, assessments, forfeitures, actions, defenses, administrative proceedings (including informal proceedings), judgments, orders, equitable relief, expenses (including experts' and consultants' fees and costs), attorney's fee and expenses (including any fees and expenses incurred in enforcing or interpreting this Agreement), and claims (including third party claims for personal injury or real or personal property damage) of any kind or nature whatsoever sought from or asserted against the Licensor's Related Parties as the result of any act or omission on the part of Licensee or any party under its control, or any failure on the part of any such party to fully and timely observe and perform its obligation under this Agreement or as a result of any fact, circumstance, condition or occurrence related to French Farms that exists or arises on or after the date of the Interim Operations Agreement and prior to such time as French Farms shall have been restored pursuant to the terms hereof upon the expiration or termination of this Agreement, except to the

extent caused by the gross negligence, willful misconduct or bad faith of any Licensor Related Parties. This section shall survive the termination of this Agreement.

SECTION 11. INDEMNIFICATION BY LICENSOR: Licensor hereby agrees, to the extent permitted by law, to protect, indemnify, defend and hold harmless Licensee and Licensee's officers, directors, employees, affiliates, agents, and successors and assigns (collectively, the "Licensee's Related Parties") from and against any and all claims, liabilities (including sums paid in settlement of claims), losses, costs, obligations, demands, suits, liens, damages (excluding consequential and punitive damages except to the extent payable to third parties) fines, penalties (including any sums ordered to be paid by the Licensee's Related Parties by any governmental authority as a fine, penalty or damages for any violation of any Environmental Law (as defined in the Acquisition Agreement)), environmental investigation, remediation, response, operations and maintenance costs, institutional control costs, assessments, forfeitures, actions, defenses, administrative proceedings (including informal proceedings), judgments, orders, equitable relief, expenses (including experts' and consultants' fees and costs), attorney's fee and expenses (including any fees and expenses incurred in enforcing or interpreting this Agreement), and claims (including third party claims for personal injury or real or personal property damage) of any kind or nature whatsoever sought from or asserted against the Licensee's Related Parties as the result of any act or omission on the part of Licensor or any party under its control, or any failure on the part of any such party to fully and timely observe and perform its obligation under this Agreement or as a result of any fact, circumstance, condition or occurrence related to French Farms that exists or arises prior to the date of the Interim Operations Agreement or arising after such time as French Farms shall have been restored pursuant to the terms hereof upon the expiration or termination of this Agreement, except to the extent caused by the gross negligence, willful misconduct or bad faith of any Licensee Related Parties. This section shall survive the termination of this Agreement.

SECTION 12. NOTICES: All notices hereunder to Licensor or Licensee shall be given in writing and delivered by hand with a receipt obtained, by national overnight courier providing

receipts or mailed by certified or registered mail, return receipt requested, to the addresses set forth below:

If to Licensor:

Town of Clarkstown, New York
10 Maple Avenue
New City, New York 10956
Attention: Town Supervisor

with a copy:

Town of Clarkstown, New York
10 Maple Avenue
New City, New York 10956
Attention: Town Attorney

If to Licensee:

The Rockland County Solid Waste Management Authority
420 Torne Valley Road
Hillburn, New York 10931
Attention: Chairman

with a copy to:

The Rockland County Solid Waste Management Authority
420 Torne Valley Road
Hillburn, New York 10931
Attention: General Counsel

By notice given in the aforesaid manner, either party hereto may notify the other as to any change as to where and to whom such party's notices are thereafter to be addressed. The effective date of any notice shall be the date such notice is delivered or, if not delivered, the date delivery was attempted or refused.

SECTION 13. WAIVER: The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. This Agreement may not be modified or terminated, nor may any provision hereof be waived, except by a written instrument signed by the party of any modification, termination or waiver is sought.

SECTION 14. ENTIRE AGREEMENT: This Agreement is being delivered pursuant to, and is subject in all respects to, the terms and conditions of the Acquisition Agreement. This Agreement, and such provisions of the Acquisition Agreement and the Host Community Agreement that relate to French Farms survive the Closing thereunder, embody and constitute the entire understanding between the parties with respect to the transactions contemplated hereby. All prior or other agreements, understandings, representations and statements, oral or written, with respect to this Agreement are merged into this Agreement.

SECTION 15. GOVERNING LAW: This Agreement and the rights and obligations of the parties hereunder shall be governed by, construed and enforced in accordance with the laws of the State of New York.

SECTION 16. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all such counterparts when taken together shall for all purposes constitute a single instrument, binding on all parties hereto, notwithstanding that all parties shall not have executed the same counterpart.

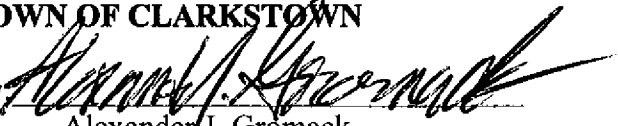
SECTION 17. NATURE OF RELATIONSHIP: Licensor and Licensee agree that the intent of this Agreement is to create a license and not a lease and that the relationship between Licensor and Licensee hereunder shall be that of licensor and licensee and not landlord and tenant.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized offices or representatives as of the day and year first above written.

LICENSOR:

TOWN OF CLARKSTOWN

By: 
Alexander J. Gromack
Town Supervisor

LICENSEE:

**ROCKLAND COUNTY SOLID WASTE
MANAGEMENT AUTHORITY**

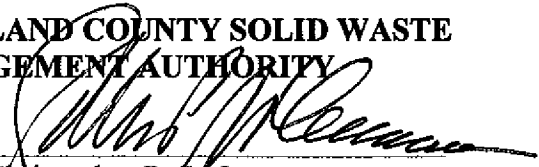
By: 
Christopher P. St. Lawrence
Chairman

EXHIBIT A

LEGAL DESCRIPTION

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Clarkstown, County of Rockland and State of New York, being bounded and described as follows, to wit:

BEGINNING at a point on the easterly line of Brewery Road which Beginning Point is the northwesterly corner of the premises herein described, and the southwesterly corner of lands now or formerly of Guerrin and which Beginning Point is distant the following courses and distances from the intersection of the southerly line of Laurel Road and the westerly line of Brewery Road; (1) South $15^{\circ} 33' 40''$ West along the westerly line of Brewery Road 473.60 feet to a Rockland County monument; thence (2) South $7^{\circ} 42' 20''$ West along the westerly line of Brewery Road 245.67 feet to another Rockland County monument; thence (3) along the westerly line of Brewery Road on a curve to the left having a radius of 192.91 feet a distance of 96.36 feet to another Rockland County monument; thence (4) continuing along the westerly line of Brewery Road South $20^{\circ} 54' 45''$ East a distance of 92.58 feet to a point on the westerly line of Brewery Road and thence (5) North $69^{\circ} 05' 15''$ East going across Brewery Road a distance of 33.00 feet to said point on the easterly line of Brewery Road which is the Beginning Point. Running from said Beginning Point the following courses and distances: (6) North $86^{\circ} 51' 18''$ East along the southerly line of the land now or formerly of Guerrin 1288.70 feet to the lands now or formerly of E. A. Korn; thence (7) along the lands now or formerly of E. A. Korn South $11^{\circ} 11' 15''$ West 71.64 feet to a point; thence (8) along the lands now or formerly of E. A. Korn and Arthur Moll South $27^{\circ} 11' 19''$ West a distance of 104.94 feet to a point; thence (9) along the land now or formerly of Arthur Moll South $69^{\circ} 41' 15''$ West 28.38 feet to a point; thence (10) along the lands now or formerly of Arthur Moll and the land now or formerly of Darrell Moll South $24^{\circ} 26' 15''$ West 415.80 feet to a point which is the southwestly corner of said land now or formerly of Darrell Moll and which point is marked by a whitewood tree; thence (11) North $81^{\circ} 57' 23''$ West 206.52 feet to a point; thence (12) South $18^{\circ} 17' 37''$ West 137.44 feet to a point; thence (13) South $50^{\circ} 32' 37''$ West 83.62 feet to a point; thence (14) along the land now or formerly of E. A. Korn North $83^{\circ} 27' 23''$ West 651.76 feet to a continuation of description in deed dated October 1963, between GEORGE J. SCHEIDLER, HARRY SCHEIDLER and JACOB SCHEIDLER, parties of First Part, and TOWN OF CLARKSTOWN, party of the Second Part.

point on the easterly line of Brewery Road; thence along the easterly line of Brewery Road the following courses and distances; (15) North $25^{\circ} 52' 19''$ East 28.34 feet to a Rockland County monument; thence (16) on a curve to the left having a radius of 284.57 feet a distance of 145.37 feet to another Rockland County monument; thence (17) North $3^{\circ} 23' 53''$ West a distance of 136.77 feet to another Rockland County monument; thence (18) North $20^{\circ} 54' 45''$ West a distance of 276.94 to the Beginning Point.

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