

**ADDENDUM NO. 3  
TO  
SERVICE AGREEMENT**

**THIS ADDENDUM NO. 3 TO SERVICE AGREEMENT** dated as of April 29 2010 (“Addendum No. 3”) modifies and supplements that certain **SERVICE AGREEMENT** (the “Service Agreement”), dated as of September 9, 2009, as amended, made by and between **SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA**, a public body politic and corporate of the Commonwealth of Virginia (“SPSA”), and **WHEELABRATOR TECHNOLOGIES INC.**, a Delaware corporation (the “Company”). Except as otherwise expressly defined in this Addendum No. 3, capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Service Agreement.

**WHEREAS**, the Company executed the Service Agreement pursuant to which the Company will manage, operate and maintain the Facilities in accordance with the terms and conditions therein; and

**WHEREAS**, the Parties desire to enter into this Addendum No. 3 to modify, amend and supplement certain terms and conditions of the Service Agreement.

**NOW, THEREFORE**, for valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Amendments to the Service Agreement.

(a) The following definition of “Affected Debt” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Affected Debt’ means SPSA’s (I) Senior Revenue Refunding Bonds, Series 1993A, (II) Senior Revenue Refunding Bonds, Series 1998, (III) Senior Refunding Revenue Bonds, Series 2004A, (IV) Senior Revenue Bonds, Series 2007A AMT, (V) Senior Parity Revenue Bonds, Series 2008A AMT, and (VI) Senior Subordinated Revenue Bonds, Series 6 (Tax-exempt), Series 9 (Tax-exempt), 11 (Tax-exempt), 12 (Tax-exempt), 14 (Tax-exempt), and 16 (Tax-exempt) that had not been paid and retired as of the Commencement Date and any obligations that refinance any such debt and do not have a maturity later than October 1, 2017.”

(b) The definition of “Change in Law” set forth in Section 2.1 of the Service Agreement is amended to add the following sentence at the end of such definition:

“In no event shall any improvements, modifications or enhancements to the Facilities, or any fines, penalties or amounts assessed by the DEQ, relating to compliance with carbon monoxide air emission requirements or standards arising from or in connection with the Notice of Violation from DEQ to SPSA dated April

23, 2009 or the condition of the Facilities or compliance matters in issue with or among DEQ, SPSA and Wheelabrator Technologies Inc. on the Commencement Date, be considered a Change in Law or any other Uncontrollable Circumstance under this Agreement.”

(c) The definition of “Dry Residue” in Section 2.1 of the Service Agreement is hereby deleted in its entirety and the following is substituted in lieu thereof:

“ ‘Dry Residue’ shall have the meaning specified in Section 8.2.5.1.2.”

(d) The following definition of “Excess Fluff” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Excess Fluff’ shall have the meaning specified in Section 7.1.6(f).”

(e) The following definition of “Fluff” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Fluff’ means the residue of Solid Waste after shredding or processing has occurred.”

(f) The following definition of “Fluff Limit” is hereby added to and inserted into the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Fluff Limit’ shall have the meaning specified in Section 7.1.6(f).”

(g) The following definition of “Qualifying Solid Waste Facilities” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Qualifying Solid Waste Facilities’ shall have the meaning specified in Section 3.21.”

(h) The following definition of “Suffolk Transfer Station” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Suffolk Transfer Station’ shall mean the transfer station located at SPSA’s Landfill.”

(i) The following definition of “Tax Covenant” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Tax Covenant’ shall have the meaning specified in Section 3.21.”

(j) The following definition of “Transferee” is hereby added to and inserted in the appropriate alphabetical order to Section 2.1 of the Service Agreement:

“ ‘Transferee’ shall have the meaning specified in Section 3.21. ”

(k) The definition of “Transition Period” is deleted in its entirety in Section 2.1 of the Service Agreement.

(l) Section 3.11(b) of the Service Agreement is deleted in its entirety and the following is substituted in lieu thereof: “[Reserved]”.

(m) A new Section 3.13.7 is hereby added to the Service Agreement and shall read in its entirety as follows:

“Section 3.13.7 Member Community Resident Waste Deliveries. The Company shall (a) permit residents from any Member Community to deliver and dispose of Acceptable Waste at the RDF Facility, and (b) accept all such Acceptable Waste so delivered at the RDF Facility at such reasonable times as may be determined by SPSA and the Company from time to time. Subject to prior written approval by SPSA (not to be unreasonably withheld or delayed), the Company may adopt such procedures for the delivery of Acceptable Waste by Member Community residents as may be reasonably necessary for the safe and orderly operation of the RDF Facility.”

(n) A new Section 3.21 is hereby added to the Service Agreement and shall read in its entirety as follows:

“Section 3.21 Qualifying Solid Waste Facilities. The Company acknowledges that it has been advised by SPSA that (i) subsequent to the Commencement Date, SPSA will not have retired all of its Affected Debt issued to finance or refinance the Facilities as “solid waste disposal facilities” within the meaning of Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (“Qualifying Solid Waste Facilities”) and (ii) the use of the Facilities by a private party as other than Qualifying Solid Waste Facilities could cause a change in the tax status of the Affected Debt in violation of SPSA covenants to maintain the status of the Facilities as Qualifying Solid Waste Facilities. The Company covenants that (A) it will continue to use the Facilities as Qualifying Solid Waste Facilities, and (B) it will not take or permit any action or use inconsistent with such status. This Section 3.21 (the “Tax Covenant”) shall remain in effect until the date on which all Affected Debt has been retired (the last scheduled maturity date thereof being April 1, 2017). In addition, if the Company sells or otherwise transfers all or a portion of the Facilities financed by Affected Debt, or assigns or otherwise transfers all or any part of its obligations under this Agreement to an Affiliate or an unrelated entity (either, a “Transferee”), the Company shall require the Transferee expressly to assume and adopt the Tax Covenant for the benefit of SPSA.”

(o) Section 7.1.6(b) of the Service Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“(b) The Company shall continually and on a daily basis supply or cause to be supplied an adequate and appropriate number of trailers and trucks to receive and transport all Non-Processible Waste from each SPSA Transfer Station to the Company Landfill(s). The Company shall promptly remove and transport, in an orderly and timely manner, all trailers containing Non-Processible Waste from each SPSA Transfer Station throughout each Day as is necessary to ensure the smooth and efficient operation of SPSA Transfer Stations and compliance with all Applicable Law. The Company shall fully cooperate with SPSA in arranging for the timely and efficient removal of Non-Processible Waste from SPSA Transfer Stations, including complying with all reasonable requests by SPSA (whether oral or written) to supply additional trailers and to transport and remove existing trailers from SPSA Transfer Stations. For SPSA Transfer Stations other than those which operate on a twenty-four (24) hour basis, the Company shall remove all Company-supplied or NP Hauler trailers containing full loads (or any partial load if required by Applicable Law) of Non-Processible Waste within one (1) hour after the end of such SPSA Transfer Station posted hours of business operations, or such shorter time period required by Applicable Law or as reasonably requested by SPSA. For purposes of clarification, if a particular SPSA Transfer Station’s posted hours of operation are 9:00 a.m. to 5:00 p.m., the Company must remove all full loads (or any partial load if required by Applicable Law) of Non-Processible Waste from such SPSA Transfer Station no later than 6:00 p.m., or such shorter time period required by Applicable Law or as reasonably requested by SPSA. If a SPSA Transfer Station is operated on a twenty-four (24) hour basis, the Company shall promptly remove and transport throughout each Day, in an orderly and timely manner and at such other times as reasonably requested by SPSA, all trailers containing Non-Processible Waste as is necessary to ensure the smooth and efficient operation of the Transfer Station and compliance with all Applicable Law.”

(p) Section 7.1.6(d) of the Service Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“(d) If the Company or any NP Hauler fails to remove any Company or NP Hauler-supplied trailer containing a full load (or partial load if required by Applicable Law) from a SPSA Transfer Station within one (1) hour after the end of such SPSA Transfer Station posted hours of business operations on any Day or, with respect to SPSA Transfer Stations operated on a twenty-four (24) hour basis, within one (1) hours after a request by SPSA for removal, then the Company shall pay SPSA the penalty specified in Section 8.2.8.1.14.”

(q) A new Section 7.1.6(f) is hereby added to the Service Agreement and shall read in its entirety as follows:

“(f) After the date in any Billing Year as of which Bi-Metal Corporation has disposed of four thousand (4,000) tons of Fluff during such year (the “Fluff Limit”) into SPSA’s Landfill, SPSA, in its sole discretion, may deliver any or all amounts of Fluff in excess of the Fluff Limit (“Excess Fluff”) during the remainder of such Billing Year to the Suffolk Transfer Station to be loaded into trailers supplied by the Company or any NP Hauler pursuant to Section 7.1.6(b) to be disposed of by the Company at Company Landfill(s). The Company shall be solely responsible for all costs, expenses and fees, including trailers, transportation, disposal and tipping, associated with the removal, transportation and disposal of Excess Fluff. SPSA shall not charge the Company a Loading Fee for loading Excess Fluff into trailers provided by the Company or NP Hauler. All other provisions contained in this Agreement applicable to the Company’s disposal of Non-Processible Waste from SPSA Transfer Stations shall be applicable to the removal and disposal of Excess Fluff.”

(r) Section 8.2.2 of the Service Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“Section 8.2.2 Monthly Fee. For the period beginning on the Commencement Date and continuing through the end of the Term, for the applicable Billing Month, the monthly fee (“Monthly Fee”) shall be (a) the Annual Fee (pro rata for the Billing Year less than a full twelve (12) months) divided by (b) the number of Billing Months remaining in the Billing Year after the Commencement Date, pro rata for a Billing Month less than a calendar month. SPSA shall pay to the Company the Monthly Fee. The Monthly Fee covers all Work required by this Agreement, except as otherwise specifically provided for herein.

Except as expressly provided in this Agreement, if the Company is unable to Sort Acceptable Waste or Process Processible Waste (or both) due to (i) the occurrence of an Uncontrollable Circumstance, (ii) Company Fault, or (iii) Scheduled Maintenance, the Company shall nevertheless be required to accept all Acceptable Waste delivered to the RDF Facility, including SPSA Acceptable Waste, and the Company shall load, transport, and dispose of, or arrange for the loading, transportation and disposal of, all such Acceptable Waste so delivered, all for the compensation provided herein. It is the intent of the foregoing sentence that, except as expressly provided in this Agreement, notwithstanding an Uncontrollable Circumstance, Company Fault or Scheduled Maintenance which prevents Sorting or Processing (or both), the Company shall nevertheless provide waste disposal services to SPSA at the RDF Facility for the compensation provided herein.”

(s) Section 8.2.4 of the Service Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“Section 8.2.4 SPSA Hauling Fee. SPSA shall be entitled to receive for each Billing Month a hauling fee for each Ton of Authorized Hauler Acceptable Waste and Non-Contract Waste delivered to the RDF Facility (the “SPSA Hauling Fee”) based on the rate specified in Schedule 6 (SPSA Transfer Station Hauling Rates), multiplied by the Adjustment Factor and adjusted by the Fuel Surcharge specified in Schedule 7 (Fuel Surcharge), for the specific SPSA Transfer Station at which the Authorized Hauler Acceptable Waste or Non-Contract Waste, or both, was delivered by the Authorized Hauler or non-contract entity, as appropriate.”

(t) Section 8.2.5.1.2 of the Service Agreement is deleted in its entirety and the following is substituted in lieu thereof:

“Section 8.2.5.1.2 Dry Residue. The Company shall use commercially reasonable efforts to treat the Residue delivered by or on behalf of the Company to SPSA’s Landfill(s) (if available) so that the moisture content of such Residue is reasonably acceptable to SPSA. In the event that, upon delivery, in the reasonable opinion of SPSA or the landfill attendant at SPSA’s Landfill, the moisture content of any Residue is visibly unacceptable or causes a release of dust or particulate matter (“Dry Residue”), the Residue Disposal Fee for the load shall be Thirty Dollars (\$30.00) per Ton, as multiplied by the Adjustment Factor pursuant to Schedule 14 (Adjustment Factor). SPSA shall provide notice to the Company of any deliveries of Dry Residue within twenty-four (24) hours following receipt thereof. Seller shall not be obligated to make, pay or reimburse the Company for any costs or expenses of the Company relating to the treatment of Residue for disposal at SPSA’s Landfill(s).”

(u) Section 8.2.8.1.14 of the Service Agreement is hereby deleted in its entirety and the following is substituted in lieu thereof:

“Section 8.2.8.1.14 Non-Processible Waste and Acceptable Waste Disposal. The Company shall pay SPSA in the Billing Month of assessment, as a penalty, for each Company or NP Hauler supplied trailer containing a full load (or any partial load if required by Applicable Law) of Non-Processible Waste or Acceptable Waste (or both) remaining at any SPSA Transfer Station more than one (1) hour after the end of such SPSA Transfer Station’s existing posted hours of business operations on any Day or, with respect to SPSA Transfer Stations operating on a twenty-four (24) hour basis, within one (1) hour after a request by SPSA for removal, an amount equal to (i) five thousand dollars (\$5,000) per trailer, plus (ii) the actual transportation, labor, and disposal costs and expenses incurred by SPSA to dispose of such Solid Waste.”

(v) A new Section 8.2.8.1.15 is hereby added to the Service Agreement and shall read in its entirety as follows:

“Section 8.2.8.1.15 Qualifying Solid Waste Facilities. If the Company breaches the covenant or fails to comply with any of the requirements of Section 3.21, SPSA’s Authorized Representative may provide written notice to the Company’s Authorized Representative of such noncompliance. SPSA may thereafter Withhold two thousand dollars (\$2,000.00) per Day, adjusted by the Adjustment Factor, until such noncompliance has been Cured by the Company, provided, that the Company’s Authorized Representative has provided reasonable evidence of such Cure to SPSA’s Authorized Representative.”

(w) Section 8.2.8.2.4 of the Service Agreement is amended to add the following new sentences at the end of Section 8.2.8.2.4:

“SPSA shall have the right, by delivering Notice to the Company, to (i) dispute the property tax assessment or real estate property taxes for the Facilities (the “Property Tax Assessment”), and (ii) join in any proceedings relating to a dispute, contest or protest of such Property Tax Assessment. The Company shall promptly deliver to SPSA, on a regular basis, copies of all annual assessments and other notices and correspondence from State and local taxing authorities, including the Virginia State Corporation Commission, and all other information reasonably requested by SPSA relating to the Property Tax Assessment. If SPSA delivers Notice to the Company of its desire to contest the Property Tax Assessment and the Company declines to dispute or contest the Property Tax Assessment or fails to reply to SPSA or initiate such Property Tax Assessment dispute or contest within thirty (30) Days following SPSA’s Notice, SPSA shall have the power and authority to act on the Company’s behalf and the Company shall execute all documents reasonably necessary to give effect to such power and authority, including but not limited to powers of attorney in a form reasonably acceptable to Company, all as required solely for the purposes of disputing or contesting the Property Tax Assessment. In the event the Company receives a refund for previously paid real property taxes (“Property Tax Refund”) for a prior period with respect to which SPSA has paid the Company an amount pursuant to this Section 8.2.8.2.4, then the Company shall promptly notify SPSA of the amount and details of such Property Tax Refund and provides copies of all correspondence, documents, drafts and instruments relating thereto, and:

(1) if SPSA disputed or contested the Property Tax Assessment without the Company actively joining in such dispute or contest, the Company shall credit to SPSA, as a reduction in Service Fee for the next Billing Month, an amount equal to (x) all out-of-pocket fees and expenses reasonably incurred by SPSA in connection with such Property Tax Assessment contest or protest (“SPSA Expenses”), and (y) an amount equal

to (A) the remaining amount of the Property Tax Refund after crediting SPSA Expenses, multiplied by (B) the SPSA Responsible Percentage; or

(2) in all other cases, the Company shall credit to SPSA, as a reduction in Service fee for the next Billing Month, an amount equal to (x) the Property Tax Refund less all out-of-pocket fees and expenses reasonably incurred by the Company in connection with such Property Tax Assessment contest or protest, multiplied by (y) the SPSA Responsible Percentage;

provided, however, any such credit issued to SPSA shall not exceed the Property Tax Refund received by the Company.”

(x) The date of “March 1, 2010” as referenced in Section 15.4 of the Service Agreement shall be deleted and replaced with “May 1, 2010.”

(y) All references to “Schedule 21” in Sections 8.4.3 and 8.4.4 of the Service Agreement shall be deleted and replaced with “Schedule 20.”

(z) Schedule 19 of the Service Agreement is deleted in its entirety and shall be replaced with Schedules 19 attached hereto as Exhibit A.

(aa) Schedule 20 of the Service Agreement is deleted in its entirety and shall be replaced with Schedules 20 attached hereto as Exhibit B.

2. Incorporation into Service Agreement. The provisions of this Addendum No. 3 are essential components of the Service Agreement and, as such, shall be incorporated into and are hereby made and essential part thereof.

3. Full Force and Effect. Except as expressly modified herein, all other terms and provisions set forth in the Service Agreement shall remain in full force and effect and shall not otherwise be affected by this Addendum No. 3.

4. Counterparts. This Addendum No. 3 may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Addendum No. 3 by telecopier or electronic delivery shall be effective as delivery of a manually executed counterpart of this Addendum No. 3.

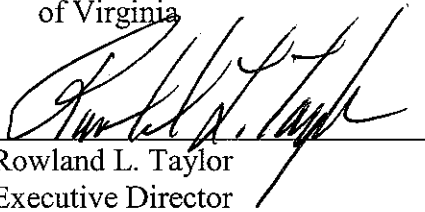
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IN WITNESS WHEREOF, the Parties have duly executed this Addendum No. 3 as of the date first mentioned above.

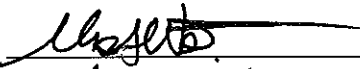
**SOUTHEASTERN PUBLIC  
SERVICE AUTHORITY OF VIRGINIA,**  
a public body politic and  
corporate of the Commonwealth  
of Virginia

By:

  
\_\_\_\_\_  
Rowland L. Taylor  
Executive Director

[Addendum No. 3 to Service Agreement]

**WHEELABRATOR  
TECHNOLOGIES INC.,**  
a Delaware corporation

By:   
Name: Mark Weidman  
Title: President

[Addendum No. 3 to Service Agreement]