

COOPERATION AGREEMENT

This Cooperation Agreement (the "Agreement") is entered into by and between Resource Recovery, LLC ("RR") and the Moshannon Creek Watershed Coalition ("MCWC").

Resource Recovery, LLC intends to construct a solid waste landfill, solid waste processing and recycling facilities, and associated infrastructure on a portion of a 5,758+/- acre parcel of land located in Rush Township and Snow Shoe Township, Centre County, PA., (the "Landfill"). The entire Landfill is located within the Moshannon Creek watershed. As an integral element of the Landfill RR will reclaim some abandoned mine lands and reduce or eliminate acid mine drainage from the RR property. Additionally, RR desires to cooperate with and assist MCWC in fulfilling its mission to improve and protect the quality and beauty of the Moshannon Creek and to enhance life in the Moshannon Creek Watershed.

Moshannon Creek Watershed Coalition believes that the Landfill can be developed in a manner that will improve the quality of the Moshannon Creek and that a cooperative relationship with RR will significantly aid MCWC in accomplishing its goal of correcting the harmful effects of acid mine drainage and restoring the entire Moshannon Creek watershed to sustainable fisheries.

The purpose of this Agreement is to set forth the understanding between RR and MCWC with respect to the implementation of various projects and cooperation with each other as described below.

In consideration of the mutual promises of this Agreement, and intending to be legally bound, RR and MCWC agree as follows:

1. **RR Contribution of Funds.** RR shall provide MCWC with the following funding to support MCWC's mission to improve and protect the quality and beauty of the Moshannon Creek and to enhance life in the Moshannon Creek Watershed:
 - a. \$50,000 upon RR's receipt of all governmental permits and approvals necessary for the Landfill project.
 - b. \$50,000 annually commencing in the first calendar year after issuance of all permits and approvals and continuing until the beginning of the first full calendar year of Landfill operations
 - c. \$75,000 annually for the operational life of the Landfill commencing in the first full calendar year of operation of the Landfill. That amount will be increased by \$25,000 in each of the succeeding three years until the annual contribution reaches \$150,000 with the commencement of the fourth full year of Landfill operations. Thereafter the annual contribution will increase at the rate of inflation calculated by the percentage change in the Consumer Price Index from that of the previous twelve month period. The Consumer Price Index - All Urban Consumers using the U.S. city average of all items with a base period of 1982-1984 = 100 as compiled by the U.S. Department of Labor, Bureau of Labor Statistics will be the specific index referenced. The latest published information available on each applicable January 1st will be used in the percentage change calculation.

- d. With the exception of 1.a. above, the funds will be paid to MCWC on a quarterly basis, with 25% of the amount of the annual contribution paid on or before the fifteenth day of January, April, July, and October.

2. MCWC's Use of Funds.

- a. MCWC shall use RR funds to perform an assessment of the complete Moshannon Creek watershed and each sub-watershed as described in attachment A to this Agreement.
- b. Upon completion of the watershed assessments, MCWC shall prepare a restoration plan and schedule for individual remediation projects that are necessary and appropriate for correcting the harmful effects of acid mine drainage and restoring the entire Moshannon Creek watershed to sustainable fisheries, and shall submit that restoration plan and schedule to RR for approval. Upon receipt of RR approval, MCWC shall utilize the continuing flow of funds as set forth in paragraph 1 above to implement those additional projects.
- c. No more than five percent (5%) of the funds contributed by RR shall be utilized for MCWC administrative expenses.
- d. The scope of work may be changed at any time upon written consent of both parties.

3. MCWC Eligibility.

- a. In order to remain eligible to receive the funding described above MCWC shall, throughout the term of this Agreement:
 - i. Maintain 501(c)(3) tax exempt status,
 - ii. Support the permitting, construction and operation of the Landfill as described in paragraph 4 below.
 - iii. Make best efforts to leverage the funding provided under this Agreement by applying for matching grants from other sources, and
 - iv. Submit an annual report to RR describing all of the activities financed in whole or in part by RR funds during the prior year, and a description of the benefits that have or will accrue to the Moshannon Creek, its tributaries, and the watershed as a result of those activities financed by RR.
- b. In the event MCWC loses their eligibility to receive funding under this Agreement, RR shall make best efforts to select and fund another organization of RR's choice for the purpose of continuing the funding for the watershed improvements efforts which are contemplated by this Agreement.

4. MCWC Support. MCWC agrees that in consideration of this Agreement and payment received under this Agreement, MCWC shall actively support the permitting, construction and operation of the Tewar Landfill. Such support shall include:

- a. At such time as requested by RR, and in such form as reasonably requested by RR, MCWC shall submit to the approval and permitting agencies a letter, or letters, with supporting documentation describing the benefits that will accrue to MCWC and to the environment from the various watershed improvement projects that will ensue from the funding and support provided to MCWC by RR under this Agreement.

- b. To the extent reasonably requested by RR, and to the extent members of MCWC are available, MCWC shall provide testimony at public meetings and hearings in support of the Landfill and the benefits that will accrue to the Moshannon Creek watershed pursuant to this Agreement.
 - c. In any advertising or public relations documents that MCWC prepares for any project or activity funded in full or in part by any of the funds provided to MCWC under this Agreement, MCWC shall include a notation crediting RR as a supporting organization.
5. **Term of Agreement.** This Agreement shall become effective immediately upon the execution by both parties and shall remain in effect until the earlier of:
- a. The date when RR abandons the Landfill project prior to the acceptance of waste,
 - b. the date when RR permanently closes the Landfill to acceptance of waste after operation begins,
 - c. the date when this Agreement is terminated pursuant to paragraph 8 below, or
 - d. December 31, 2050
6. **Assignment; Amendment.** Neither party may transfer or assign its obligations under this Agreement without the prior written approval of the other party. This Agreement shall not be amended or modified except by a written instrument signed on behalf of MCWC and RR. In the event RR sells the Landfill, this Agreement shall be binding upon the new Landfill owner.
7. **Mutual Obligations.** Each Party's obligations under this Agreement are based upon performance by the other party of its respective obligations. In the event of any failure to perform, the non-performing party shall be given written notice of the failure and a reasonable period to cure the non-performance. The obligations under this Agreement shall be specifically enforceable. In addition, the non-performing party shall be liable to the other party for damages caused by its failure to perform, and for all costs and expenses incurred by the other party as a result of such failure, and to enforce this Agreement.
8. **RR Right to Terminate.** RR may terminate this Agreement:
- a. If MCWC, or any officer or director of MCWC, opposes or contests the issuance of permits (or the renewal, re-issuance, or modification of any permit) or governmental approvals for the construction or operation of the Landfill and MCWC does not promptly and publicly repudiate such opposition, or
 - b. If MCWC fails perform any of its obligations under this Agreement if such non-performance is not cured within 30 days after written notice is given by RR.
9. **Governing Laws; Dispute Resolution.** This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania. Any controversy, claim or dispute between the parties arising out of or relating to this Agreement or any related agreement or any breach hereof or thereof shall be referred to final and binding resolution by RR's and MCWC's senior executives who have authority to reach agreement on any matters in dispute upon written request by either party specifying in reasonable detail the nature of the dispute. In the event that the parties' senior executives are unable to resolve the dispute within thirty (30) days after the initial request for dispute resolution, the dispute

shall be settled by final and binding arbitration before a sole arbitrator located in State College, Pennsylvania, pursuant to the then-current commercial rules of the American Arbitration Association and the federal substantive and procedural law of arbitration. Judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator will not have the power to award punitive or exemplary damages or any damages excluded by, or in excess of, any damage limitations expressed in this Agreement. Unless otherwise determined by the arbitrator, each party will bear its own attorneys' fees and costs related to the arbitration.

10. **Further Actions, Documents.** MCWC and RR agree to take such actions, and to execute and deliver any further documents or instruments which are not inconsistent with the provisions of this Agreement and which are necessary or appropriate to fulfill all obligations and effect all transactions contemplated by this Agreement.

11. **Invalid Terms.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

12. **Notices.** Any notices or communications pursuant to this Agreement shall be in writing and delivered to the following addresses:

If to RR: Resource Recovery, LLC
 P.O. Box 525
 3925 Columbia Avenue
 Mountville, PA 17554-0525

If to MCWC: Pending

13. **Entire Agreement.** This Agreement sets forth the entire understanding between MCWC and RR with respect to the subject matter of this Agreement and supersedes and replaces all prior agreements, arrangements, representations, letters of intent and memoranda of understanding of the parties with respect to the subject matter of the Agreement.

The parties have caused this Agreement to be executed this _____ day of _____, 2005.

Resource Recovery, LLC

By: _____

Moshannon Creek Watershed Coalition

By: _____