
FACILITY SITE LEASE

By and Between

MAYOR AND CITY COUNCIL OF BALTIMORE

and

NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY

Dated as of _____

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UPDATED ONCE FINAL)**

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FACILITY SITE LEASE

THIS FACILITY SITE LEASE is dated as of the ____ day of _____, by and between the MAYOR AND CITY COUNCIL OF BALTIMORE, a body politic and corporate and a political subdivision of the State of Maryland (the "City") and NORTHEAST MARYLAND WASTE DISPOSAL AUTHORITY, a body politic and corporate organized and existing under the laws of the State of Maryland, constituting a public instrumentality of the State of Maryland (the "Authority").

RECITALS

The Northeast Maryland Waste Disposal Authority Act, being Sections 3-901 through 3-929 of the Natural Resources Article of the Annotated Code of Maryland (the "Act") created the Authority to assist in the provision of waste disposal facilities for the Northeast Maryland area, including facilities for the disposal of waste water treatment residue. The sewage sludge composting facility (the "Facility"), located on Quarantine Road in Baltimore City, has been an integral component of biosolids for the City since 1988. The Facility has been operated through a partnership between the Authority, the City and former provider of services, as the owner and operator of the Facility. The partnership included a Facility Site Lease between the City and the Authority for the real property on which the Facility is located (the "Facility Site," as described below), and an Assignment of Facility Site Lease between the Authority and the former provider of services. The partnership is terminating as of June 29, 2025.

The Authority is entering into a Service Agreement dated as of the date hereof (the "Service Agreement"), with COMPANY, a [STATE] **limited liability company** (the "Company"), to provide for the operation and maintenance of the Facility. The City is entering into a Sludge Disposal Agreement dated as of the date hereof (the "Sludge Disposal Agreement"), with the Authority pursuant to which the City will agree to supply a specified amount of sewage sludge to the Facility.

In furtherance of the intent of the agreements described above, the City and the Authority desire to enter into this Lease with respect to the Facility Site.

NOW, THEREFORE, in consideration of the payments hereinafter specified to be made and the performance of the covenants hereinafter set forth, the City does hereby lease to the Authority and the Authority hereby leases from the City the Facility Site hereinafter described, for the term of years and upon the terms and conditions hereinafter set forth.

ARTICLE I
FACILITY SITE

Section 1.1. Facility Site.

(a) The City hereby leases to the Authority and the Authority hereby leases from the City, the real property located in the City of Baltimore, State of Maryland as set forth in the metes and bounds description attached hereto as Exhibit A and made a part hereof (the "Facility Site").

ARTICLE II
USE AND OCCUPANCY DURING TERM

Section 2.1. Use of Facility Site.

During the Term of this Lease, the Authority shall have the exclusive right to enter upon, occupy and use the Facility Site to own and operate thereon a facility for the composting of sewage sludge, the storage or processing of compost and any use reasonably related thereto.

Section 2.2. Right to Enter.

During the term of the Service Agreement, the City and the other persons and entities described in Section XXX of the Service Agreement shall have access to the Facility Site and the Improvements as provided in Section XXX of the Service Agreement. Any such visits shall be conducted in a manner that does not cause unreasonable interference with the use of the Facility Site provided for in this Lease.

Section 2.3. Ownership of Improvements.

(a) The Parties acknowledge and agrees that the Facility and the Facility Site is owned by the City and will be operated by the Company or an affiliate thereof under contract to the Authority.

(b) The Parties acknowledge and agrees that certain Authority Improvements are owned by the Authority and will be operated by the Company or an affiliate thereof under contract to the Authority.

Section 2.4. Quiet Enjoyment.

During the Term of this Lease, the Authority shall have peaceful and quiet use and possession of the Facility Site and the Improvements without hindrance on the part of the City or any person or entity claiming by, through or under the City.

Section 2.5 Maintenance and Repair.

The City shall not be called upon or obligated under this Lease to make or pay for any repairs, replacements, restorations, improvements, alterations, or additions whatsoever on the Facility Site or to the Improvements, except for those Capital Improvements agreed to under Schedule 11 of the Service Agreement.

Section 2.6. Alterations and Additions by the Authority.

During the Term of this Lease, the Authority, in its discretion, may alter or improve, or cause to be altered or improved, the Facility Site and the Improvements in any manner it deems necessary or desirable to carry on any activity permitted under Section 2.1 of this Lease, including, without limitation, any alteration, demolition or removal of any existing buildings, equipment, machinery, roads, trees, vegetation or other structures or items of personal property or fixtures, including, without limitation, any grading or landscaping of the Facility Site, any excavation of or for any foundations and any construction or addition of any buildings, equipment, roads or other structures or items of personal property or fixtures.

ARTICLE III

WARRANTIES, COVENANTS AND REPRESENTATIONS

Section 3.1. Representations and Warranties of the City.

The City makes the following representations and warranties to and for the benefit of the Authority, its successors and assigns:

(a) The City is a political subdivision of the State of Maryland and a body politic and corporate, duly organized and validly existing under the constitution and laws of the State of Maryland, with full legal right, power and authority to enter into and perform its obligations under this Lease.

(b) The City has duly authorized the execution and delivery of this Lease and this Lease has been duly executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms.

(c) Neither the execution or delivery by the City of this Lease, nor the consummation of the transactions contemplated hereby nor the fulfillment by the City of its obligations hereunder (i) conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to the City or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment or decree, or any agreement or instrument, to which the City is a party or by which the City is bound, or constitutes a default thereunder.

(d) No approval, authorization, license, permit, order or consent of, or declaration, registration or filing with, any governmental or administrative authority, commission, board or agency is required for the valid execution and delivery of this Lease by the City, except such as have been duly obtained or made.

(e) There is no action, suit, proceeding or, to the best of the City's knowledge, investigation, at law or in equity, before or by any court or governmental or administrative authority, commission, board or agency pending or, to the best of the City's knowledge, threatened, against the City, wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would adversely affect the validity or enforceability of this Lease or any agreement or instrument entered into by the City in connection with the transactions contemplated hereby.

(f) The City has good and clear, record and marketable title in fee to the real property described in Exhibit A attached hereto, free from all liens, encumbrances, rights, title and interests in others **except for the Amended and Restated Mortgage dated as of June 1, 1993** and recorded in the Land Records of Baltimore City at Liber 3759 and Page 335 et seq. The Authority may use the Facility Site for the purposes set forth in this Lease.

(g) Public ways of the City or the State of Maryland are available which provide reasonably direct vehicular access between the Facility Site and the City's Back River Waste Water Treatment Plant located in Baltimore County to enable the Authority to fulfill the purposes of the Service Agreement.

ARTICLE IV

TERM

Section 4.1. Term.

(a) Subject to the provisions of Article VII hereof, the term of this Lease (the "Term") shall begin on the Commencement Date (as defined in the Service Agreement) and shall end on the date on which the Service Agreement terminates. Upon the request of the Authority, the City shall execute a written agreement, in recordable form, acknowledging the Commencement Date of the Term.

(b) 90 days prior to the end of the Term, the Authority shall cause the Company to deliver to the City a summary report of the condition of the Improvements and the status of biosolids processing and equipment.

(c) The City acknowledges that the Company may use the Facility for a certain period of time while developing, permitting, constructing and commissioning a new facility for the processing of Biosolids and will cooperate with the Authority to change the acceptable location for the Service in the Service Agreement.

ARTICLE V

RENT

Section 5.1. Annual Rent.

(a) The Authority shall pay in consideration of the lease by the City of the Facility Site the annual rent set forth in this Section 5.1(a) to the City in advance on the Commencement Date and on each anniversary thereof during the Term of this Lease (a "rent payment date") in legal tender.

Beginning on the Commencement Date, the Authority shall pay to the City annual rent of ten dollars (\$10). On the second anniversary of the Commencement Date and on each rent payment date thereafter during the Term of this Lease, the Authority shall pay to the City ten dollars (\$10).

(b) Rent paid and other payments made hereunder on behalf of the Authority by any third party shall be deemed to have been paid by the Authority.

Section 5.2. Impositions.

The Authority shall pay when due as part of additional rent for the Facility Site, all truces, assessments, front foot benefit charges, and all other public charges of any nature, whatsoever levied against the Facility Site or the Improvements (collectively, the "Impositions") at any time during the Term. Any Impositions levied or assessed for a period beginning before the Commencement Date or ending after the Term of this Lease shall be prorated between the City and the Authority as of the applicable date. The Authority shall not be obligated to pay any installment of any special assessment levied or assessed during the Term but not due until after termination of this Lease. The Authority shall pay the portion of any Impositions on any larger parcel of which the Facility Site is a part equal to the ratio of the area of the Facility Site to the area of such larger parcel. The parties shall take all reasonable steps necessary and appropriate to have the Facility Site and the Improvements assessed in the name of the Authority or such entity as the Authority directs.

The Authority shall pay Impositions directly to the appropriate governmental authority and, upon written request of the City, shall forward to the City receipts or other appropriate evidence of such payment. If the Facility Site is assessed in the name of the City, the City shall deliver all Imposition bills and notices to the Authority promptly following their receipt by the City. The Authority may in good faith promptly contest any Impositions or proposed Impositions provided that (i) no judicial proceedings for a tax sale of the Facility Site are commenced, or if commenced are promptly stayed, (ii) the City is not put to any expense thereby, or in any way made liable for any Imposition or penalty which is to be paid by the Authority under this Section 5.2, and (iii) if payment of the contested true may prejudice the Authority's position, the Authority may pay such contested amounts into escrow or post a bond in such amount for the benefit of the City and the Authority instead of payment to the appropriate governmental authority, pending resolution of the contest, if such procedure is permitted under applicable law.

The City acknowledges and agrees that in the event the Authority assigns its interest in this Lease to the Company the Authority shall remain liable for all Impositions during the term of the Sludge Disposal Agreement to the extent provided in the Assignment, notwithstanding such assignment, and that the Company shall have no liability therefor.

Section 5.3. Utilities.

Beginning on the Commencement Date, the Authority shall pay when due, as part of additional rent, all charges for gas, electricity, water, sewer, telephone, and all other utilities used or consumed at the Facility Site. The Authority shall pay all such bills directly to the billing entity, and upon written request of the City, shall forward to the City a receipt or other appropriate evidence that all such bills are paid. All utility charges shall be prorated to the Commencement Date and the date of termination hereof.

Section 5.4. Absolute Obligation to Make Payments.

The obligation of the Authority to make, or cause to be made, the rent and other payments provided for in this Lease shall be absolute and unconditional and shall not be abated, rebated, setoff, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever and for any reason whatsoever, including, without limitation, any casualty damage to the Facility Site or the Improvements.

ARTICLE VI

TRANSFERS

Section 6.1. Subletting and Assigning.

The Authority shall have the right to sublet or assign its interest hereunder in and to the Facility Site, or any portion thereof, without the consent of the City. Subletting or assigning shall not relieve the Authority of its obligations to the City under this Lease. The Authority intends to assign its interest under this Lease to the Company pursuant to the Assignment, except for the obligation of the Authority to **pay Impositions under Section 5.2** during the term of the Sludge Disposal Agreement to the extent provided in the Assignment, which obligation shall remain the responsibility of the Authority.

Section 6.2. Assigning, Transferring and Encumbering.

The Authority shall have the right (i) to assign this Lease but not the right to encumber or transfer its leasehold interest hereunder by mortgage, deed of trust, deed to secure a debt or other security instrument. In no event shall the City's reversionary interest hereunder in the Facility Site be pledged as security for, or subordinated to, any mortgage or other encumbrance without the prior written consent of the City.

ARTICLE VII

SURRENDER OF FACILITY SITE

Section 7.1. Surrender.

Upon the expiration of the Term, or any earlier termination of this Lease, the Authority shall surrender to the City the Facility Site; provided, however, that the City shall permit access by the Authority for a period of six (6) months following the expiration of the Term in order to allow for winding down and completion of sludge processing at the Facility, to remove equipment and other Improvements and otherwise to demobilize operations of the Facility. The Authority will not be deemed to have held over or otherwise be liable to the City in respect of such period.

Section 7.2. Disposition of Improvements.

(a) During the Term, the Authority may, in its sole discretion, remove from the Facility Site all Authority Improvements which are located on the Facility Site, at its own expense, provided, however, that no such removal shall relieve the Authority of its obligations under this Lease or the Sludge Disposal Agreement.

(b) At the end of the Term or upon earlier termination of this Lease, the Authority shall have no obligation to remove any Authority Improvements from the Facility or Facility Site or to fill, grade or otherwise alter or repair the Facility or the Facility Site; provided, however, that the Authority shall remove, transport and dispose of any Hazardous Material, and provide remediation of the Facility Site with regard to any Hazardous Material, located at the Facility Site that was created by the Authority or brought onto the Facility Site by the Authority or the presence of which at the Facility Site was aggravated by the negligent or willful misconduct of the Authority. For purposes of this Lease, "Hazardous Material" means any naturally occurring or manmade chemical, substance, material, waste, constituent or physical condition that any Applicable Law (as defined in the Service Agreement) has declared and/or regulated as hazardous, toxic or polluting, or exposure to which is now or hereafter prohibited, limited or regulated by Applicable Law; provided, however, that Hazardous Material does not include Hazardous Sludge.

(c) Within thirty (30) days immediately following the end of the Term the Authority shall notify the City in writing regarding those Authority Improvements which the Authority intends to remove from the Facility Site. The City shall within thirty (30) days after receipt of such notice from the Authority advise the Authority whether the City intends to use the Authority Improvements for the purpose of composting sewage sludge. If the City advises the Authority that it intends to use the Authority Improvements for the purpose of composting sewage sludge, then the Authority shall sell to the City all Authority Improvements at the Facility Site at the end of the Term at a price equal to the fair market value for such Authority Improvements (determined as between two parties on an arm's length basis without regard of any requirement of sale by one party to the other and without regard to any costs of removal of all or any part of the Authority Improvements from the Facility Site). Such purchase price shall

be negotiated by the City and the Authority, but if the City and the Authority are unable to agree on a price within a reasonable period of time not exceeding thirty (30) days from the receipt by the Authority of such notice from the City, then the City and the Authority shall select a person qualified to appraise such Authority Improvements to establish the price for them. If the City and the Authority are unable to agree on such a person, then each shall designate a person qualified in the appraisal of assets like the Authority Improvements who shall together appoint a third such person who shall determine the price of Improvements. The City shall purchase and the Authority shall sell such Authority Improvements within forty-five (45) days from the establishment of the price therefor. The Authority shall transfer title to the City to such Authority Improvements at the established price and shall transfer title to the City for all such Authority Improvements, all on an "as is, where is" basis with no warranties of any nature, whether express or implied, utilizing a bill of sale form reasonably acceptable to the City and the Authority.

(d) In the event the City advises the Authority that the City does not intend to use the Authority Improvements for the purpose of composting sewage sludge, the Authority shall be entitled for a period not in excess of six (6) months from the end of the Term to remove all or such parts of the Authority Improvements as it wishes (the "Removed Improvements") but with no obligation to fill, grade or otherwise alter or repair the Facility Site. As to all Authority Improvements remaining after removal of the Removed Improvements (the "Abandoned Improvements"), the Authority shall at the request of the City, execute and deliver to the City a bill of sale on an "as is, where is" basis with no warranties of any nature, whether express or implied, for the purchase price of ten dollars (\$10.00). Such purchase price plus the entry into this Lease by the City shall be deemed to be adequate consideration for such transfer. The Authority shall be deemed to have abandoned and transferred to the City all Abandoned Authority Improvements which the Authority does not remove from the Facility Site within six (6) months after the end of the Term of this Lease.

(e) Following the removal, transfer or abandonment of Authority Improvements by the Authority after expiration of the Term or the earlier termination of this Lease, the City may utilize the Facility Site and all Authority Improvements, without compensating the Authority in any manner except as provided in paragraph (c) above, for any purpose determined by the City.

(f) Upon termination of this Lease prior to the end of the Term, the Authority's obligation to pay rent hereunder shall cease.

Section 7.3. Subordination and City's Waiver.

The payment by the Authority of the annual rent and additional rent hereunder and any lien, security interest or any other interest of the City in the Authority Improvements, whether arising hereunder or otherwise, shall be automatically subordinated and made junior in all respects to the lien, security interest or any other interest in the Authority Improvements of the trustee for the holders of any bonds, notes or other obligations issued to finance or refinance all or a portion of the Authority Improvements and associated costs.

In connection with any lien or encumbrance on any of the Authority Improvements which the City might have (i) as a result of the entry of any judgment or order of any court for

any default of this Lease, or (ii) for any other reason, the City shall not seek to execute upon any such judgment, order, lien or encumbrance or seek the attachment or sale of any of the Authority Improvements while any bonds, notes or other obligations issued to finance or refinance all or a portion of the Authority Improvements and associated costs are outstanding.

ARTICLE VIII

INDEMNIFICATION AND INSURANCE

Section 8.1. Indemnification.

(a) The Authority hereby agrees, to the extent permitted by applicable law, during the Term, to defend, indemnify, and hold harmless the City and its officers, employees and agents, in respect of the City's capacity as lessor of the Facility Site hereunder, from and against any and all costs, expenses, and damages (howsoever designated and including, without limitation, reasonable attorneys' fees) that may in any way result from personal injury to, or death of, any natural person or persons, or loss or damage to tangible personal property or real property caused by any negligent act or omission to act or willful misconduct of the Authority or any of its employees, agents, contractors, representatives, subtenants, successors or assigns in connection with the Facility Site and the Improvements, unless such act or omission is at the direction of the City or more substantial damage would have occurred in the absence of such an act or omission.

(b) The City hereby agrees, to the extent permitted by applicable law, during the Term, to defend, indemnify, and hold harmless the Authority and its officers, employees and agents, subtenants, successors or assigns in respect of the Authority's capacity as lessee of the Facility Site hereunder, from and against any and all costs, expenses, and damages that may in any way result from (i) personal injury to, or death of, any natural person or persons, or loss or damage to tangible personal property or real property as a result of any negligent act or omission to act or willful misconduct of the City or any of the City's employees, agents, contractors or representatives, in connection with the Facility, Facility Site and the Authority Improvements, unless such act is at the direction of the Authority or more substantial damage would have occurred in the absence of such act or omission, or (ii) the breach by the City of this Lease, howsoever such costs, expenses and damages may be designated and including, without limitation, reasonable attorneys' fees and costs, expenses and damages arising from non-compliance with any legal requirements which results in either a termination or curtailment of operations at the Facility or the necessity that the Authority purchase or otherwise obtain offsets for value from third persons.

(c) The indemnification provisions of this Section 8.1 are for the protection of the City, the Authority and their respective officers, employees and agents, subtenants, successors or assigns only and shall not establish any liability to other third parties.

Section 8.2. Limitation of Liability.

(a) The liability of the Authority for any payments under this Lease, including lease payments, payments of any expense necessary to perform its obligations under this Lease, and damage payments for breach of or default under this Lease, shall be limited to the monies

provided by the Company pursuant to the Service Agreement and any other contracts relating to the operation of the Facility.

(b) The limitation of liability of the Authority provided for in Section 8.2(a) of this Lease shall apply only to the Authority and not to any assignee of the Authority or any sublessee under this Lease, including, without limitation, the Company.

(c) The City acknowledges and agrees that as provided in Section 7 of the Service Agreement and Section 7 of the Sludge Disposal Agreement, the right of the Authority and the City to recover damages from, or to be reimbursed by, the Company shall be limited as set forth therein, subject to the exceptions set forth therein.

Section 8.3. Insurance.

(a) During the Term, the Authority shall procure, at its sole expense, from companies qualified to do business in the State of Maryland, (i) a public liability insurance policy with policy limits of \$1 million per person and \$3 million per occurrence and (ii) a fire and extended coverage insurance policy for the full insurable value of the Facility, as the same may be improved from time to time. During the term of the Service Agreement, any or all of such insurance may be provided by a Captive Insurance Company (as such term is defined in the Service Agreement) or through a Self-Insurance Program (as such term is defined in the Service Agreement) upon the terms and conditions provided in the Service Agreement.

(b) Such public liability insurance policies shall name the City as an insured as its interest may appear and shall be reviewed every two (2) years by the City and the Authority to evaluate the adequacy of coverage. The policies described in paragraph (a) of this Section shall be non-cancellable except upon 30 days prior written notice. A copy of such public liability policy or certificates thereof described in paragraph (a) of this Section shall be delivered to the City at or prior to the Commencement Date. Copies of all renewals or certificates of renewal shall be forwarded to the City promptly by the Authority upon the request of the City.

ARTICLE IX

EMINENT DOMAIN

Section 9.1. Total Taking.

If the entire interest of the Authority in the Facility, Facility Site and the Authority Improvements be taken under the power of eminent domain or by purchase in lieu thereof by any governmental entity other than the Authority or the City (or any governmental entity acting in concert with the Authority or the City) (herein together called "Eminent Domain"), this Lease shall terminate as of the date possession is taken.

Section 9.2. Partial Taking.

If any portion of the Authority's interest in the Facility, Facility Site or the Authority

Improvements shall be taken under the power of Eminent Domain, and the portion not so taken would not, in the judgment of the Authority, which shall be communicated in writing to the City stating the reasons therefor within sixty (60) days following the date on which possession is taken of such condemned portion of the Authority's interest in the Facility, Facility Site or the Authority Improvements, be adequate for the continued operation of the Facility, the Authority may terminate this Lease as of the date specified in such notice, but not earlier than the date as of which possession is taken.

Section 9.3. Damages.

(a) All damages awarded for any taking under the power of Eminent Domain of all or a portion of the Facility, Facility Site, the Authority's interest therein or the Authority Improvements shall be apportioned between the City and the Authority based on the value of their respective interests as determined in the manner provided for in this Section 9.3. The City shall receive damages incurred for such taking based on the value of its interest in the Facility and Facility Site as encumbered by this Lease, appraised as described in paragraph (b) below. The Authority shall receive damages incurred for such taking based on the value of the Authority Improvements and its leasehold and, other interest in the Facility Site, appraised as described in paragraph (b) below.

(b) An appraiser mutually agreeable to the Authority and the City shall appraise the value of each of the respective interests of the City and the Authority separately and shall report its findings in writing to the City and the Authority. In the event the Authority and the City cannot agree upon an appraiser, the following method shall be used to determine the value of each of such interests. The City and the Authority shall each select an appraiser who is a member of the Appraisal Institute of the American Institute of Real Estate Appraisers, who shall appraise each of such interests. The appraised value given to each such interest by each appraiser shall then be averaged.

(c) In the event that, at the time of apportionment of Eminent Domain damages under this Section 9.3, the Authority is in default in any payment required to be made to the City under this Lease Agreement, the amount of such payment in default shall be deducted from the Eminent Domain damages due the Authority and shall be paid to the City; provided, however, that if at such time any monies are due and owing to any holders of any bonds, notes or other obligations issued to finance all or a portion of the Improvements and secured by a mortgage or deed of trust thereon, then such Eminent Domain damages otherwise payable to the City shall be used first to satisfy the claims of such holders, in accordance with the intent of Section 7.3 hereof.

Section 9.4. Waiver of Eminent Domain.

The City, to the maximum extent permitted by applicable law, hereby irrevocably waives and renounces during the Term of this Lease any and all rights to exercise the powers of Eminent Domain the City may have under applicable law with respect to the Facility Site or the Facility, except for the power to make any confirmatory taking necessary to satisfy the City's obligations under Section 3.1(f) hereof.

Section 9.5. Rent.

If this Lease is terminated as provided in this Article IX, all rent shall be apportioned as of the date that possession is taken by the condemning authority.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.1. The Authority's Default.

If the rent hereby stipulated shall, at any time, be due and unpaid for a period of thirty (30) days or more after the City has notified the Authority in writing that it is due, or, if the Authority shall violate any other material provision or covenant of this Lease on its part herein made and shall fail to rectify or make good said violation within ninety (90) days after written notice thereof has been served upon the Authority by the City, then the Authority shall be in default under this Lease. Regardless of the foregoing, if the Authority, following the ninety (90) days written notice of default provisions, other than those regarding payment of rent, is unable, in good faith, to rectify the condition within the ninety (90) day period but has taken steps to begin the cure and correction within the ninety (90) day period following notice, then, and in this event, the time for cure and correction shall be appropriately extended for such additional time as shall be reasonably required to permit the Authority, in good faith, to complete the cure or correction of the alleged violation.

Section 10.2. Remedies for Default.

The Authority and the City agree that, except as provided in Section 10.3 below, in the event of a breach by the Authority of an obligation under this Lease the right to recover damages or to be reimbursed will constitute an adequate remedy and that the City shall have no right to terminate this Lease for any breach, except as specifically provided for in Section 10.3 hereof.

Section 10.3. Termination.

This Lease may be terminated for any material breach hereof or default hereunder, subject to any appropriate cure period provided for in Section 10.1.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Recording.

This Lease or a memorandum of lease with respect thereto may be recorded by either party. The party so recording shall pay the cost of recording and all applicable recording or transfer taxes and related charges, if appropriate.

Section 11.2. Estoppel Certificates.

Each party, upon not less than thirty (30) days' prior written notice from the other, shall execute, acknowledge and deliver a statement in writing certifying (i) that this Lease is unmodified and is in full force and effect (or if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (ii) the dates to which the rent and other charges have been paid in advance, if any, and (iii) stating whether or not to the best knowledge of the signer of such certificate the signing party is in default in performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge. Each party acknowledges and agrees that any such statement delivered under this Lease may be relied upon by third parties not a party to this Lease.

Section 11.3. Laws of Maryland.

This Lease including its formation, performance and enforcement, shall be governed by and construed in accordance with the laws of the State of Maryland, without regard to conflict of law principles.

Section 11.4. Severability.

In the event that any provision of this Lease shall, for any reason, be determined to be invalid, illegal or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree as to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein, and the other provisions of this Lease shall, as so amended, modified or supplemented, or otherwise affected by such action, remain in full force and effect.

Section 11.5. Headings.

The headings of the various Articles and Sections of this Lease are inserted for reference only and shall not to any extent have the effect of modifying, amending or changing the express terms and provisions of this Lease.

Section 11.6. Notices.

Any notice, request, demand, approval, or consent to be given under this Lease shall be in writing and shall be deemed to have been given when mailed by United States registered or certified mail, postage prepaid, addressed to the other party at the following addresses.

To the City:

Director of Finance
Baltimore City
469 City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

With copies to the Director of Public Works and the City Solicitor at such address.

To the Authority:

Executive Director
Northeast Maryland Waste Disposal Authority
Tower II, Suite 402
100 South Charles Street
Baltimore, Maryland 21201

With a Copy to:

Either party may at any time change its address by mailing a notice, as specified in this Section 11.6, that such change is desired and setting forth the new address.

Section 11.7. Payments by Authority.

All payments of rent or other moneys required hereunder to be paid by the Authority to the City shall be made to: Director of Finance, Baltimore City, 469 City Hall, 100 N. Holliday St., Baltimore, Maryland 21202, or to such other person and address that may be designated in writing by the City and written notice thereof given to the Authority.

Section 11.8 Successors.

This Lease shall be binding upon and inure to the benefit, as the case may require, of the parties hereto and their respective successors and assigns.

Section 11.9. Further Assurances.

Each party promises and agrees to execute, acknowledge and deliver such documents and other instruments and to perform such acts as may be reasonably requested by the other party in order to give full effect to this Lease or to facilitate the recording of this Lease as contemplated by Section 11.1.

Section 11.10. Entire and Complete Agreement

This Lease and the Assignment of Site Lease of even date herewith by and among the City, the Authority and the Company constitutes the entire and complete agreement of the parties with respect to the lease by the City, as lessor, to the Authority, as lessee, of the Facility, Facility Site and supersedes all prior or contemporaneous understandings, arrangements, commitments and representations with respect to such Lease, all of which, whether oral or written, are merged herein.

Section 11.11. Waiver of Sovereign Immunity.

The City, to the maximum extent permitted by applicable law, hereby irrevocably waives and renounces any and all rights to sovereign immunity (or similar rights and defenses) the City may have under applicable law with respect to, and agrees not to raise sovereign immunity (or any similar defense) as a defense to, any claim, suit or proceeding (of whatever nature), based on or arising out of this Lease, or the transactions contemplated hereby, or any breach hereof, against the City, asserted or brought by or on behalf of the Authority, the Company (or any partner thereof), their respective affiliates or any member, officer, director, employee or agent of any thereof.

Section 11.12. References to Authority.

Unless otherwise provided herein, all references to the Authority shall include the Authority's successors or assigns.

The parties hereto agree that they are deemed to have executed this instrument under seal and that no physical stamp shall be required in order to make their signature hereon under seal.

[Signature Page Follows)

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

Insert Clean signature page

EXHIBIT A
to
Facility Site Lease

**DESCRIPTION OF PORTION OF
MAYOR AND CITY COUNCIL OF BALTIMORE PROPERTY KNOWN AS S800
QUARANTINE ROAD
WARD 25, SECTION 9, BLOCK 7005, LOT 33
BALTIMORE, MARYLAND**

BEGINNING FOR THE SAME 1/2 inch pin with cap on the northwest side of Quarantine Road; 120 feet wide, as shown on City of Baltimore Bureau of Plans and Surveys Plat entitled "Plat to Accompany Deed of Quarantine Road 120 feet wide from Hawkins Point Road northerly 3,434.20 feet", dated December 2, 1942, and bearing File No. 242-A·20, at the point formed by the intersection of said northwest side of Quarantine Road with the 1st line of the land which by deed dated February 3, 1943, and recorded among the Land Records of Baltimore City in Liber M.L.P. No. 6427, folio 78, was conveyed by Thomas G. Young, Tax Collector, to the Mayor and City Council of Baltimore said place of beginning being distant 2,435.04 feet as measured in a northeasterly direction along said northwest side of Quarantine Road from its intersection with the northeast side of Hawkins Point Road, 70 feet wide, as shown on said plat, thence leaving said place of beginning and said northwest side of Quarantine Road, and running and binding on part of said 1st line, the 2nd line, and part of the 3rd line of said deed, referring all courses of this description to the Grid Meridian of the Baltimore City Survey Control System, the three following course and distances, (1) North 02 degrees 45 minutes 20 seconds West 776.74 feet, to a 1/2 inch pin with cap (2) North 76 degrees 18 minutes 35 seconds East 595.70 feet to a concrete monument and (3) South 29 degrees 24 minutes 10 seconds East 465.43 feet to a concrete monument set on the northeast side of said Quarantine Road, thence binding thereon the two following courses and distances, (4) South 82 degrees 55 minutes

30 seconds West 309.72 feet to a 1/2 inch pin with cap, and (5) southwesterly by a line curving to the left with a radius of 305.60 feet for a distance 434.03 to a 1/2 inch pin with cap (the arc of said curve being subtended by a chord bearing South 58 degrees 19 minutes 56 seconds West 420.83 feet), thence leaving Quarantine Road and binding reversely on the 2nd and 3rd lines of the 2nd parcel of land which by deed dated November 21, 1984, and recorded among the Land Records of Baltimore City in Uber S.E.B. No. 373, folio 71, was conveyed by W. R. Grace & Company to the Mayor and City Council of Baltimore the two following courses and distances. (6) South 80 degrees 39 minutes 50 seconds West 86.96 feet to a 1/2 inch pin with cap and (7) South 02 degrees 45 minutes 10 seconds East 161.69 feet to a 1/2 inch pin with cap set on the northeast side of said Quarantine Road, thence binding thereon South 18 degrees 56 minutes 50 seconds West 81.06 feet to the place of beginning.

CONTAINING 7.4260 acres of land.

Job Order No. OI-8S171
Work Order No. 7572

November 14, 1985

RWB/lc

**DESCRIPTION OF PORTION OF PROPERTY
REAL ESTATE AND IMPROVEMENT COMPANY OF BALTIMORE CITY
WARD 25, SECTION 9, BLOCK 7005, LOT 32
BALTIMORE, MARYLAND**

BEGINNING FOR THE SAME at a concrete monument on the northwest side of Quarantine Road, 120 feet wide; as shown on City of Baltimore Bureau of Plans and Surveys Plat entitled "Plat to Accompany Deed of Quarantine Road 120 feet wide from Hawkins Point Road northerly 3,434.20 feet", dated December 2, 1942, and bearing File No. 252-A-20 at the beginning of the 1st parcel of land which by deed dated September 26, 1958, and recorded among the Land Records of Baltimore City in Liber J.F.C. No. 473, folio 135, was conveyed by E. I. Du Pont DeNemours and Company to the Real Estate and improvement Company of Baltimore City, said place of beginning being distant 3,506.78 feet as measured in a northeasterly direction along said northwest side of Quarantine Road from its intersection with the northeast side of Hawkins Point Road as shown on said plat, running thence binding on the outline of said land, referring all courses of this description to the Grid Meridian of the Baltimore City Survey Control System, the four following courses and distances; (1) binding on said northwest side of Quarantine Road South 82 degrees 55 minutes 30 seconds West 54.05 feet, to a concrete monument thence leaving Quarantine Road (2) North 29 degrees 24 minutes 10 seconds West 465.43. feet to a concrete monument, (3) North 76 degrees 18 minutes 35 seconds East 51.94 feet to a concrete monument, and (4) South 29 degrees 24 minutes 10 seconds East 471.90 feet to the place of beginning.

CONTAINING 0.538 of an acre of land.

RWB/lc KCI Job Order No. 01-85171
Work Order No. 9226

November 14, 1985

**DESCRIPTION OF PORTION OF PROPERTY
REAL ESTATE AND IMPROVEMENT COMPANY OF BALTIMORE CITY
WARD 25, SECTION 9, BLOCK 7005, LOT 34
BALTIMORE, MARYLAND**

BEGINNING for the second at the point formed by the intersection of the west side of Quarantine Road as now laid out 120 feet wide and the 8th line as now surveyed of the land described in the deed from Bruner R. Anderson, et al., Trustees to the Richfield Oil Corporation of New York dated July 17, 1929 and recorded among the Land Records of Baltimore City in Liber S.C.L. No. 5026, folio 220 said point of beginning also being distant 2516.10 feet northerly measured along the west side of said Quarantine Road from the north side of Hawkins Point Road 70 feet wide and running thence binding on said 8th line and the 9th line of said land the two following courses and distances namely north 2 degrees 45 minutes 10 seconds west 161.69 feet and north 80 degrees 39 minutes 50 seconds east 86.96 feet to intersect the westernmost side of said Quarantine Road thence binding on the westernmost side of said Quarantine Road the two following courses and distances namely southerly by a line curving to the left with a 505.60 feet radius the distance of 130.24 feet which arc is subtended by a chord bearing south 26 degrees 21 minutes 35 seconds west 129.88 feet and south 18 degrees 58 minutes 50 seconds west 62.64 feet to the place of beginning. The courses in the above description are all referred to the true meridian established by the City of Baltimore Topographical Survey Commission.