

AGREEMENT

This agreement, made as of this 23rd day of Dec., 2002 by and between the Township of Egg Harbor, a municipal corporation of the State of New Jersey with principal offices located at the Township Hall, 3515 Bargaintown Road, Egg Harbor Township, New Jersey 08234 (hereafter, the Township) and the Atlantic County Utilities Authority with offices located at P.O. Box 996, Pleasantville, New Jersey 08232-0996 (hereafter, the Authority),

WITNESSETH:

WHEREAS, the Authority operates a recycling program serving the County of Atlantic; and

WHEREAS, N.J.S.A. 40:14B-49 empowers municipalities and municipal authorities to enter into contracts for the collection, disposal, recycling, processing, and treatment of solid waste by means of the solid waste system of the municipal utilities authority, which term includes recycling facilities; and

WHEREAS, the Township and the Authority, by resolutions duly adopted by their respective governing bodies, wish to extend an agreement pursuant to which the Authority will continue to provide recycling services under the terms set forth herein;

NOW, THEREFORE, in consideration of the covenants contained in this Agreement, the parties agree as follows:

1. The term "recycling service" is defined, for the purposes of this Agreement, as the collection and processing of newspaper, magazines, unwanted mail, computer paper, envelopes, telephone books, paperback books, brown paper bags, catalogs, cardboard, glass bottles and jars, steel (tin) cans, aerosol cans, household batteries, plastic containers coded 1 and 2, and aluminum

cans, which material will be acceptable for processing at the Authority's Recycling Center located in Egg Harbor Township, New Jersey.

2. The Authority will provide all labor and equipment necessary to perform every-other-week residential recycling services, and weekly commercial recycling services throughout and on behalf of the Township. It is the intent of the parties that the Authority will continue to provide recycling services to the residents and businesses of the Township in the manner in which they are currently being provided.

3. Residential recycling services will be performed every other Wednesday and Thursday. When the collection day falls on a national (Federal) holiday, the collection may be rescheduled.

4. The Township will pay the Authority \$415,000.00 per year in 2003 and \$440,000 per year in 2004 for recycling services. The Authority will invoice the Township on or about the first of each month for collections made the preceding month, and the Township will pay all invoices within 60 days of presentation. All bills not paid within 30 days of presentation shall bear interest at the rate of 1 1/2% per month (18% per annum) from the date of presentation until paid.

5. The Authority and the Township will cooperate in the development of advertisements, press releases, calendars and mailers. These services will also be advertised in the Authority's quarterly newsletter.

6. The Township will take appropriate steps to advise the residents of the following collection requirements, which must be met in order for the Authority to provide services hereunder:

- a. All materials are to be placed at the curb by 7:00 a.m. on each collection day.
- b. All commingled material is to be placed in plastic bags and tied closed or properly labeled trash cans. Newspaper should be placed in a paper bag or tied with twine. Bags are not to exceed fifty pounds.
- c. Residents of the Township will continue to place recyclable materials at curbside in the manner in which the Authority has collected recyclables in the past.

8. The Authority will have sole discretion in designing collection routes and selecting personnel and equipment for carrying out this contract.

9. If events beyond the control of the Authority prevent the collection of recyclables on any scheduled collection day, the authority will endeavor to notify the Township as soon as practicable. The Authority will, if practicable, make the collection on a later date.

10. The Authority will not be responsible for any contaminated material; any material that is improperly packaged for collection, or any material that is not at the curb at the time the Authority collection vehicle passes the residence.

11. The Authority will carry appropriate general liability, auto, and workers' compensation insurance covering its activities and employees. The parties acknowledge that the Authority is an independent contractor and not an agent of the Township in its conducting activities hereunder.

12. The initial term of this Agreement is for a two-year period from January 1, 2003 to December 31, 2004. This agreement shall then automatically extend for additional periods of one year, at an increase in cost not greater than the percentage increase in the CPI-U for the Philadelphia SSA of August of the contract year over August of the preceding year. This Agreement may be terminated at any time by either party, with or without cause, by 90 days written notice to the other party. The Authority will advise the Township of any cost revisions on or about January 1 of each year.

13. The Authority hereby agrees to indemnify and keep indemnified, and hold and save harmless the Township, its governing body, its officers, agents and employees, from and against all demands, claims, loss, costs, damages, expenses and attorney's fees whatsoever, and any and all liability therefore, alleged to have been sustained or incurred by them, directly by reason of or in consequence of or in connection with any act or omission of the Authority in connection with its rights and obligations pursuant to this Agreement. The Authority represents and warrants that it shall keep in force appropriate auto and general liability insurance coverages for the duration of this

Agreement and shall provide proof of same to the Township upon request. The obligations of the Authority to indemnify the Township under this Paragraph shall not be limited or defined by the terms or policy limits of any insurance. Similarly, the Township hereby agrees to indemnify and keep indemnified, and hold and save harmless the Authority, its Directors, Officers, Board Members, agents and employees, from and against all demands, claims, loss, costs, damages, expenses and attorney's fees whatsoever, and any and all liability therefore, alleged to have been sustained or incurred by them directly by reason of or in consequence of or in connection with any act or omission of the Township in connection with its rights and obligations pursuant to this Agreement. Notwithstanding the undertakings of this Paragraph, however, if either the Township or the Authority shall be physically or legally prevented from performing their obligations under this Agreement, neither shall have any liability to the other for monetary damages.

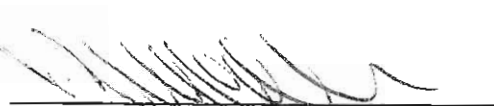
14. This Agreement represents the entire agreement of the parties and supersedes any verbal or written representations made prior hereto. No modifications to this Agreement will be valid unless in writing and adopted by resolution of the respective governing bodies of the Township and the Authority.

IN WITNESS WHEREOF, the parties have set their hands and seal the day and year set forth above.

ATTEST:

Township of Egg Harbor



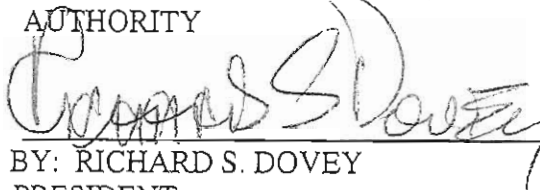


BY:

ATTEST:..

ATLANTIC COUNTY UTILITIES
AUTHORITY





BY:

BY: RICHARD S. DOVEY
PRESIDENT