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AMENDED AND PARTIALLY RESTATED FACILITY LEASE AGREEMENT

BETWEEN

VILLAGE OF ROBBINS, COOK COUNTY, ILLINOIS

AND

ROBBINS RESOURCE RECOVERY PARTNERS, L.P.



00136182

Handwritten initials/signature

Dated as of October 15, 1999

This Amended and Partially Restated Facility Lease Agreement shall be effective as of the Initial Exchange Date (as such term is defined herein).

(This Agreement amends and restates the Facility Lease Agreement originally dated September 15, 1994, together with Amendment No. 1 to the Facility Lease Agreement and Amendment No. 2 to the Facility Lease Agreement. Amendment No. 3 to the Facility Lease Agreement shall remain in full force and effect without change.)

THIS AGREEMENT IS INTENDED IN PART TO
CREATE A LEASEHOLD MORTGAGE
AGAINST THE PROJECT DESCRIBED IN
EXHIBIT A AND IN THE LANDS DESCRIBED
IN EXHIBIT B

This Amended and Partially Restated Facility
Lease Agreement Prepared by
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AMENDED AND PARTIALLY RESTATED FACILITY LEASE AGREEMENT

THIS AMENDED AND PARTIALLY RESTATED FACILITY LEASE AGREEMENT dated as of the fifteenth day of October, 1999 (the "*Agreement*") is effective as of the Initial Exchange Date and is by and between the Village of Robbins, Cook County, Illinois, a home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "*Issuer*"), and Robbins Resource Recovery Partners, L.P., a limited partnership organized and existing under the laws of the State of Delaware (the "*Company*").

WITNESSETH:

WHEREAS, The Industrial Project Revenue Bond Act, 65 ILCS 5/11-74-1 *et seq.*, as supplemented and amended (the "*Act*"), authorizes the Issuer to issue revenue bonds to finance in whole or in part the cost of acquisition, purchase, construction, reconstruction, improvement, betterment or extension of any "industrial project" (as defined in the Act);

WHEREAS, the Act also authorizes the Issuer to lease any such industrial project to any enterprise described in the Act;

WHEREAS, pursuant to authority granted to it by the Act, as supplemented by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as supplemented and amended (the "*TIF Act*") and the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended and supplemented, the President and Board of Trustees of the Issuer adopted a resolution on September 20, 1994, as supplemented and amended by a resolution adopted by the President and Board of Trustees of the Issuer on October 18, 1994 (the "*Bond Resolution*"), authorizing assistance to the Company in the financing of a recycling and waste-to-energy facility designed to process approximately 1,600 tons of municipal solid waste per day (the "*Facility*"), together with associated materials, ancillary structures and related contractual and property interests (collectively, the "*Project*");

WHEREAS, the Issuer and the Company entered into the Facility Lease Agreement dated as of September 15, 1994 (the "*Original Lease Agreement*") concerning the lease of the Facility to the Company;

WHEREAS, the Issuer is a party to a facility site lease and host benefits agreement with the Company dated as of September 15, 1994 (the "*Site Lease*") concerning the lease of the facility site described in Exhibit B to this Agreement and the granting of certain easements and rights to the Company;

WHEREAS, the Company was a party to a project operating and maintenance agreement dated as of September 15, 1994 with Foster Wheeler Illinois, Inc. providing for the operation and maintenance of the Facility and such agreement was terminated as of the Initial Exchange Date;

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WHEREAS, the Company and Foster Wheeler Illinois, LLC have entered into a new Project Operating and Maintenance Agreement dated as of October 15, 1999 to provide for the operation and maintenance of the Facility;

WHEREAS, the Company is a party to waste disposal agreements with various municipalities providing for the disposal of municipal solid waste generated within the boundaries of such municipalities at the Facility;

WHEREAS, the Company is a party to an amended and restated electric service contract dated as of September 16, 1994, which amends and restates an agreement dated December 30, 1988, as amended, with Commonwealth Edison Company concerning the sale of electricity produced at the Facility;

WHEREAS, the Issuer issued the Original 1994 Bonds for the purpose of financing a portion of the cost of acquiring, constructing, equipping and installing the Project and for any other purposes permitted by the Act and the TIF Act, subject to the provisions of a Mortgage, Security Agreement and Indenture of Trust dated as of September 15, 1994 (the "Original Indenture") from the Issuer to Bank of America Illinois, as trustee (the "Prior Trustee");

WHEREAS, in 1996, the Issuer effected the exchange of certain of the Original 1994 Bonds for exchange bonds (the "1994 Exchange Bonds") to change the terms thereof and in connection with such exchange, the Issuer and the Company entered into Amendment No. 1 ("Amendment No. 1") and Amendment No. 2 ("Amendment No. 2") to Facility Lease Agreement, both entered into as of September 15, 1996;

WHEREAS, the Issuer issued its Resource Recovery Refunding Revenue Bonds, Series 1997 (Robbins Resource Recovery Partners, L.P. Project) (the "1997 Bonds") to refund its Resource Recovery Revenue Bonds, Series 1994D and to pay the costs of issuance thereof;

WHEREAS, in connection with the issuance of the 1997 Bonds, the Issuer and the Company entered into Amendment No. 3 ("Amendment No. 3") to the Facility Lease Agreement dated as of July 1, 1997;

WHEREAS, the Issuer now desires to provide for the exchange of all of its outstanding bonds relating to the Project other than the 1997 Bonds; and

WHEREAS, in connection with such exchange, the Issuer and the Company will enter into this Agreement which amends and restates the Original Lease Agreement and Amendment No. 1 and Amendment No. 2 with Amendment No. 3 remaining in full force and effect without change;

Now, THEREFORE, in consideration of the premises and other good and valuable consideration and of the mutual benefits, covenants, and agreements herein expressed, the Issuer and the Company hereby agree as follows:

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ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Second Amended Indenture (as herein defined).

"*Accreted Amount*" means, with respect to any Capital Appreciation Bonds, the amount set forth (Y) in *Exhibit H* to the Second Amended Indenture in the case of the Series 1999D Bonds and (Z) in the supplemental indenture authorizing any Additional Bonds in the case of such Additional Bonds, as the amount representing the initial public offering or exchange price thereof, plus the amount of interest that has accreted on such Bonds, compounded periodically, to the date of calculation, determined by reference to accretion tables contained in or referred to in such *Exhibit H* in the case of the Series 1999D Bonds and in a supplemental indenture in the case of Additional Bonds. The Accreted Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Accreted Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Accreted Amount for such preceding date and the Accreted Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months.

"*Act*" means The Industrial Project Revenue Bond Act, 65 ILCS 5/11-74-1 *et seq.*, as amended from time to time.

"*Additional Bonds*" means Bonds authenticated and delivered pursuant to Section 2.07 of the Second Amended Indenture.

"*Affiliate*" with respect to any Person, means any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, the term "*control*" (including the correlative meanings of the terms "*controlled by*" and "*under common control with*"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise. No individual shall be deemed to be an Affiliate of a Person solely by reason of his or her being a director, committee member, officer or employee of such Person.

"*Agency Agreement*" means that certain agreement by and among the South Suburban Solid Waste Agency, the Company and the municipalities named therein.

"*Agency Guaranty Agreement*" means the Agency Guaranty Agreement dated as of September 15, 1994, from FWC to South Suburban Solid Waste Agency, pursuant to which FWC has guaranteed the obligations of the Company under the Agency Agreement.

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"*Agreement*" means this Amended and Partially Restated Facility Lease Agreement dated as of the Initial Exchange Date, by and between the Issuer and the Company, as supplemented and amended by the Supplemental Agreement, and as further supplemented and amended from time to time.

"*Ash Disposal Agreements*" means:

(i) "*AIM Bottom Ash Agreement*" means the Bottom Ash Recycling and Disposal Agreement dated as of April 23, 1998, between the Company and American International Materials, L.L.C.; and

(ii) "*AIM Fly Ash Agreement*" means the Fly Ash Recycling and Disposal Agreement dated as of April 23, 1998, between the Company and American International Materials, L.L.C..

"*Annual Forecast*" is defined in Section 5.4 hereof.

"*Annual Report*" shall mean any Annual Report provided by the Company pursuant to, and as described in, clauses (c) and (d) of the Continuing Disclosure Covenant.

"*Beneficial Owner*" is defined in Section 2.09 of the Second Amended Indenture.

"*Bond Counsel*" means any firm of nationally recognized municipal bond attorneys selected by the Issuer with the prior written consent of a Company Representative (which consent shall not be unreasonably withheld) and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for Federal income tax purposes.

"*Bond Fund*" means the fund by that name created in Section 5.02(a)(iv) of the Second Amended Indenture.

"*Bond Insurance Policy*" means a municipal bond new issue insurance policy insuring and guaranteeing the payment of the principal of and interest on a series of Bonds or certain maturities thereof as may be provided in the supplemental indenture authorizing such series.

"*Bondholder*" means the registered owner of a Bond.

"*Bonds*" means the Series 1999A Bonds, the Series 1999B and any Additional Bonds.

"*Business Day*" means any day other than (i) a Saturday or Sunday or (ii) a day on which banks in any city in which the principal office of the Trustee or any Securities Depository is located, are authorized or required to be closed.

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"*Capital Appreciation and Income Bond*" means any Bond as to which accruing interest is not paid prior to the Interest Commencement Date specified therefor and is compounded periodically on certain designated dates prior to the Interest Commencement Date specified therefor, all as provided in the supplemental indenture authorizing the issuance of such Capital Appreciation and Income Bond.

"*Capital Appreciation Bond*" means any Bond the interest on which (i) shall be compounded periodically on certain designated dates, (ii) shall be payable only at maturity or redemption prior to maturity and (iii) shall be determined by subtracting from the Accreted Amount the initial public offering price thereof, all as provided in the Second Amended Indenture with respect to the Series 1999D Bonds and in the supplemental indenture authorizing the issuance of any other Capital Appreciation Bonds. The term "*Capital Appreciation Bond*" also includes any Capital Appreciation and Income Bond prior to the Interest Commencement Date specified therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Cogeneration Facility*" means a cogeneration facility which is a Qualifying Facility.

"*Collateral*" means all of the collateral pledged and assigned to the Issuer by the Company pursuant to Section 4.6 hereof.

"*ComEd*" shall mean Commonwealth Edison Company, an Illinois corporation, and its successors and assigns.

"*Company*" means Robbins Resource Recovery Partners, L.P., a Delaware limited partnership, and its successors and assigns.

"*Company Representative*" means a person at the time designated to act on behalf of the Company for purposes of the Second Amended Indenture and this Agreement by a written instrument furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Company by its General Partner. The certificate may designate an alternate or alternates.

"*Construction Fund*" means the fund by that name created in Section 5.02(a)(i) of the Second Amended Indenture.

"*Continuing Disclosure Covenant*" means the covenant made in Section 5.36 hereof.

"*CPI*" or "*CPI Index*" means the Consumer Price Index for the Chicago - Gary - Lake County, Illinois/Indiana/Wisconsin, Standard Metropolitan Statistical Area, All-Items for all Urban Consumers, 1982-1984 Base, published by the United States Department of Labor, or, if such index is no longer published or its method of computation is substantially modified, a substitute index published by the United States Government or by a reputable publisher of financial or economic statistics that will fairly

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and reasonably reflect the same or substantially the same information as the discontinued or modified index selected by the Company.

"Credit Facility" means, as to any particular series of Bonds, a letter of credit, a line of credit, a guaranty, a standby bond purchase agreement or other credit or liquidity enhancement facility, other than a Bond Insurance Policy, as may be provided in the supplemental indenture authorizing such series. The Exit Funding Agreement shall not be considered a Credit Facility.

"Current Interest Bond" means any Bond the interest on which is payable on the Interest Payment Dates provided therefor in the supplemental indenture authorizing such Bond. The term *"Current Interest Bond"* as used throughout the Second Amended Indenture also includes any Capital Appreciation and Income Bond from and after the Interest Commencement Date specified therefor.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, (iv) all obligations under any leases of property, real or personal, which, in accordance with GAAP, would be required to be capitalized on a balance sheet of such Person, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all Debt of others to the extent Guaranteed by such Person, (vii) all obligations under letters of credit issued for the account of such Person, (viii) all obligations of such Person under trade or bankers' acceptances and (ix) all obligations of such Person under agreements providing for swaps, ceiling rates, ceiling and floor rates, contingent participation or other hedging mechanisms with respect to the payment of interest.

"Debt Service" means, for any Period, principal of, premium, if any, and interest due and payable on the Bonds during such Period.

"Debt Service Reserve Account" means any debt service reserve account established in the Debt Service Reserve Fund from time to time for the Bonds.

"Debt Service Reserve Account Facility" means a surety bond, letter of credit, line of credit, insurance policy or other credit facility issued to guarantee or assure timely payment of principal of or interest on, or both, one or more series of Outstanding Bonds entitled to the benefits and security of a Debt Service Reserve Account, subject only to notification that there are insufficient funds for such payment in the related Debt Service Reserve Account. A Debt Service Reserve Account Facility shall be issued in a stated amount which, when added to the funds deposited in the related Debt Service Reserve Account and the stated amounts of all other Debt Service Reserve Account Facilities, will equal 100% of the Debt Service Reserve Account Requirement for such Debt Service Reserve Account computed on a basis which includes all Outstanding Bonds entitled to the benefits and security of such Debt Service Reserve Account.

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"Debt Service Reserve Fund" means the fund by that name created in Section 5.02(a)(v) of the Second Amended Indenture.

"Determination of Taxability" means, with respect to a series of Tax-Exempt Bonds, a final determination (from which no right of appeal exists or the Company, or FWC in the case of the Series 1999C Bonds and the Series 1999D Bonds, determines not to pursue further appeal) by the Internal Revenue Service or a court of competent jurisdiction, or a determination by the Company, or FWC in the case of the Series 1999C Bonds and the Series 1999D Bonds, based on an opinion of Bond Counsel that, as the result of any event, the interest payable on such Tax-Exempt Bonds is includable for federal income tax purposes in the gross income of an owner or former owner of a Tax-Exempt Bond of such series (other than a substantial user of the Project or related person within the meaning of Section 147(a) of the Code). Interest on a Tax-Exempt Bond shall not be deemed to be includable in gross income for Federal income tax purposes merely by reason of such interest constituting a tax preference item for purposes of a Federal alternative minimum tax, loss of or reduction in a related deduction or other indirect adverse tax consequences.

"Dissemination Agent" means the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Company, or its successors and assigns and which has filed with the Trustee a written acceptance of such designation.

"Distribution Account" means the account by that name created in the Surplus Fund in Section 5.02(a)(ix)(B) of the Second Amended Indenture.

"Easements" means all easements and rights, if any, required to provide the Company access to the Project and, to the extent required to be obtained in the name of the Issuer, such other easements and rights, if any, required to provide the municipal solid waste, water, transportation, utilities and other services at, to or from the Project necessary for the operation and maintenance of the Project.

"Eligible Successors" means (i) with respect to the Independent Engineer, such nationally recognized engineering firm that is mutually acceptable to the Company and the Trustee, or (ii) with respect to the Independent Insurance Advisor, such nationally recognized insurance consultant that is mutually acceptable to the Company and the Trustee.

"Environmental Discharge" means any release of any Hazardous Materials in violation of any applicable Environmental Law or that would create a liability under any applicable Environmental Law.

"Environmental Law" means any Law relating to pollution or the environment, including laws relating to noise or to emissions, discharges, releases or threatened releases of Hazardous Materials into the workplace or the environment, or otherwise relating to the presence of Hazardous Materials.

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"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"*Estimated Average Interest Rate*" means, as to any Variable Rate Bonds, (a) to the extent any Variable Rate Bonds are Outstanding, the higher of (i) 120% of the average rate of interest payable on such Variable Rate Bonds over the last 12 months that any such Variable Rate Bonds have been Outstanding or (ii) 120% of the most current actual interest rate on such Variable Rate Bonds, and (b) if no Variable Rate Bonds are then Outstanding, but are authorized to be issued by supplemental indenture, 100% of the most recently published interest rate published in The Bond Buyer as the 30 Year Index of 25 Revenue Bonds or a comparable index selected by the Company.

"*Event of Default*" means any occurrence or event specified in and defined by Section 1.1 hereof.

"*Event of Eminent Domain*" means any compulsory transfer or taking or transfer under threat of compulsory transfer or taking of any material part of the Collateral by any Governmental Authority.

"*Event of Loss*" means an event which causes all or a portion of the Project to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever.

"*Exit Funding Agreement*" means that certain Exit Funding Agreement dated as of October 15, 1999 between FWC and the Trustee, as the same may be amended or supplemented in accordance with its terms.

"*Exit Payments*" means those payments to be made to the Trustee by FWC pursuant to Section 2(a) of the Exit Funding Agreement.

"*Facility*" shall mean the 1,600 (nominal) ton per day non-hazardous municipal solid waste refuse-derived—fuel waste-to-energy integrated resource recovery facility located in and owned by the Village, and leased to the Company pursuant to this Agreement.

"*Facility Site*" means the approximately 16 acre site located in the Village of Robbins, Illinois, upon which the Facility is located which is more particularly described on Exhibit A to the Second Amended Indenture.

"*Fair Market Sales Value*" means the value of the Project, which shall not in any event be less than zero, that would be obtained for the sale of the ownership of the Project in an arm's length transaction for cash between an informed and willing purchaser and an informed and willing seller, neither of whom is under any compulsion to purchase or sell, respectively.

"*Favorable Opinion of Bond Counsel*" means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be a Bond Counsel, to the effect that such action is permitted under the Act, the

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Second Amended Indenture and this Agreement and will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for purposes of Federal income taxation (subject to the inclusion of any customary exceptions).

"*Federal Bankruptcy Code*" means Title 11 of the United States Code or any other federal bankruptcy code hereafter in effect.

"*FERC*" means the Federal Energy Regulatory Commission or any agency that succeeds to the responsibilities thereof.

"*Fiscal Year*" means the period beginning January 1 and ending December 31 of the same year.

"*FWC*" means Foster Wheeler Corporation, a New York corporation, together with its successors in interest and assigns.

"*FWI*" means Foster Wheeler Illinois, Inc., a subsidiary of FWPS, together with its successors in interest and assigns.

"*FWM*" means Foster Wheeler Midwest, Inc., a subsidiary of FWPS, together with its successors in interest and assigns.

"*FWPS*" means Foster Wheeler Power Systems, Inc., a subsidiary of FWC, together with its successors in interest and assigns.

"*FWR*" means Foster Wheeler Robbins, Inc., a subsidiary of FWPS, together with its successors in interest and assigns.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*General Partner*" means RRRP Robbins, Inc., a Delaware corporation, and its successors and assigns under the Partnership Agreement.

"*Good Faith Contest*" means the contest of an item if: (i) the item is diligently contested in good faith by appropriate proceedings timely instituted and (A) adequate reserves are established in accordance with GAAP with respect to the contested item and held by or for the benefit of the Company in cash or Permitted Investments and (B) during the period of such contest, the enforcement of any contested item is effectively stayed; or (ii) the failure to pay or comply with the contested item during the period of such Good Faith Contest could not reasonably be expected to result in a Material Adverse Effect.

"*Governmental Approvals*" means any authorization, consent, approval, license, franchise, lease, ruling, permit, tariff, rate, certification, exemption, filing or registration by or with any Governmental Authority (including, without limitation, zoning variances, special exceptions and non-conforming uses) relating to the construction, ownership,

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operation or maintenance of the Project or to the execution, delivery or performance of any Project Document.

“*Governmental Authority*” means the federal government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any other governmental entity with authority over any aspect of construction or operation of the Project.

“*Governmental Obligations*” means (i) direct obligations of the United States for which its full faith and credit are pledged, (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full-faith-and-credit obligation of the United States of America, or (iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (i) or (ii).

“*Guaranty*” by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing in any manner any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, bonds or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided, that the term “*Guaranty*” shall not include (x) endorsements for collection or deposit in the ordinary course of business, or (y) indemnity or hold harmless provisions included in contracts entered into in the ordinary course of business. The term “*Guaranty*” or “*Guaranteed*” used as a verb has a correlative meaning.

“*Hazardous Materials*” means any toxic or hazardous pollutant, emissions, contaminants, chemicals, materials, wastes or substances, as any of those terms are defined from time to time in or for the purposes of any relevant Environmental Law, specifically including, but not limited to, asbestos, polychlorinated biphenyls, and any petroleum or hydrocarbon-based products or derivatives.

“*Illinois Public Utility Act Amendment*” means the amendment made by House Bill 1523, Public Act 89-0448, to the Illinois Public Utilities Act, 220 ILCS 5/8-403.1.

“*Incremental Taxes*” means all receipts, if any, arising from the *ad valorem* taxes levied upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above

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the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Cook, Illinois, in accord with Section 8 of the TIF Act.

"Incremental Tax Surplus Account" means the account by that name created in the Tax Equalization Fund in Section 5.02(a)(vi)(B) of the Second Amended Indenture.

"Independent Engineer" means Burns and Roe Enterprises, Inc. or its Eligible Successor.

"Independent Engineer's Certificate" means a certificate of a representative of the Independent Engineer.

"Independent Insurance Advisor" means Marsh, Inc. or its Eligible Successor.

"Initial Exchange" means the exchange, as of the Initial Exchange Date, of 1999 Bonds for 1994 Bonds as provided in the Second Amended Indenture.

"Initial Exchange Date" means the date that the 1999 Bonds shall be issued and exchanged for the 1994 Bonds, as such date is specified in the Plan.

"Insurance and Condemnation Proceeds Account" means the account by that name created in the Construction Fund in Section 5.02(a)(i)(B) of the Second Amended Indenture.

"Insurance Proceeds" means all amounts and proceeds (including instruments) in respect of the net proceeds of any casualty insurance policy or title insurance policy, except proceeds of business interruption insurance.

"Interest Commencement Date" means, with respect to any Capital Appreciation and Income Bond, the date specified in the supplemental indenture authorizing the issuance of such Bond (which date must be prior to the maturity date for such Capital Appreciation and Income Bond) after which interest accruing on such Capital Appreciation and Income Bond shall be payable periodically, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"Interest Payment Date" means April 15 and October 15 of each year in the case of the Bonds and each other date on which interest on the Bonds shall become due and payable by virtue of redemption or otherwise; provided, however, that Interest Payment Date may mean in respect of Bonds constituting Variable Rate Bonds or Optional Tender Bonds, if so provided in the supplemental indenture authorizing their issuance, such other date or dates provided therein or permitted thereby.

"Investment Grade" means a rating in one of the four highest rating categories (without regard to subcategories within such rating categories) by Standard & Poor's or Moody's (or an equivalent rating by another nationally recognized credit rating agency of

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similar standing if such entities are not in the business of rating the subject of such rating).

"*Issuer*" means the Village of Robbins, Cook County, Illinois, a municipality duly organized and validly existing under the Constitution and laws of the State of Illinois.

"*Issuer Documents*" means the Second Amended Indenture, this Agreement, the Supplemental Agreement, the Site Lease, the Laydown Site Lease, the Tax Agreement and the Obligations.

"*kWh*" means kilowatt hour.

"*Law*" means any statute, law, rule, regulation, ordinance, order, code, policy or rule of common law, now or hereafter in effect, and any judicial or administrative interpretation thereof by a Governmental Authority or otherwise, including any judicial or administrative order, consent decree or judgment.

"*Laydown Site*" means that tract of land owned by the Issuer and located in the Village of Robbins adjacent to the Facility Site, which is leased to the Company pursuant to the Laydown Site Lease.

"*Laydown Site Lease*" means the Laydown Site Lease, dated as of October 15, 1999, between the Issuer and the Company.

"*Lease Payments*" means rental payments required to be made by the Company pursuant to Section 4.3(a) hereof.

"*Lease Term*" is defined in Section 4.2 hereof.

"*Lien*" means any mortgage, pledge, security interest, hypothecation, collateral assignment, lien (statutory or other), or preference, priority or other security agreement, preferential arrangement or encumbrance which has the practical effect of constituting a security interest (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"*Listed Events*" means any of the events listed in clause (e)(i) of the Continuing Disclosure Covenant.

"*Litigation Proceeds*" shall have the meaning given to such term in the Second Amended Indenture.

"*Local Government Debt Reform Act*" means the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended and supplemented.

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"*Maintenance Plan*" is defined in Section 5.5 hereof.

"*Material Adverse Effect*" means, when all material factors occurring over the term of the Bonds are evaluated by the Independent Engineer, a materially adverse effect on (i) the Project (including the operation or maintenance of the Project as contemplated by the Project Documents), (ii) the operations, results of operations or property of the Company, (iii) the ability of the Company to perform its obligations under any of the Project Documents, or the ability of the Company to obtain performance under the Project Documents to which it is a party in accordance with the terms thereof, (iv) the value of the Mortgaged Property, (v) the timely payment of the principal of, or premium, if any, or interest on any of the Bonds, (vi) the availability of any material Governmental Approval as shall now or hereafter be necessary to be obtained in connection with the operation or maintenance of the Project, (vii) compliance with any material Governmental Approval in whole or in part, (viii) the ability to comply with the terms of any material Governmental Approval, or (ix) the financial condition of the Project.

"*Maturity Date*" means with respect to each series of Obligations, the date specified in the Second Amended Indenture or the supplemental indenture providing for the issuance of such Obligations.

"*Moody's*" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Company.

"*Mortgaged Property*" means the properties (i) comprising the Project more particularly described in subclauses (b), (c) and (d) of the Granting Clauses of the Second Amended Indenture, including the properties leased to the Company under the Site Lease, the Laydown Site Lease (subject to the limitations set forth in clause (e) of the Granting Clauses to the Second Amended Indenture) and this Agreement, (ii) mortgaged by the Transfer Station Mortgage (taken as a whole), and (iii) all properties which, under the terms hereof, are or subsequently become subject to the lien of the Second Amended Indenture.

"*National Repository*" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"*1994 Bonds*" means the 1994 Exchange Bonds and the 1994 Non-consenting Bonds.

"*1994 Exchange Bonds*" means the Issuer's Resource Recovery Revenue Bonds (Robbins Resource Recovery Partners, L. P. Project), Series 1994A and Series 1994B issued on October 15, 1996 to certain Owners of the Original 1994 Bonds.

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"1994 Non-consenting Bonds" means the Original 1994 Bonds that were not 1994 Exchange Bonds.

"1999 Bonds" means, collectively, the Series 1999A Bonds, Series 1999B Bonds, Series 1999C Bonds and Series 1999D Bonds and any Additional Bonds issued in exchange therefor under the Indenture.

"1997 Bonds" means the Issuer's Resource Recovery Refunding Revenue Bonds, Series 1997 (Robbins Resource Recovery Partners, L.P. Project) issued on July 24, 1997.

"1997 Bond Indenture" means the Indenture of Trust dated as of July 1, 1997 from the Village of Robbins, Cook County, Illinois to First Trust National Association.

"O&M Agreement" means the Project Operating and Maintenance Agreement dated as of October 15, 1999 between the Company and the Operator.

"Obligations" means the 1999 Bonds and any Additional Bonds.

"Offer Memorandum" means the Exchange Offer Memorandum and Disclosure Statement dated October 15, 1999 relating to the 1999 Bonds.

"Officer's Certificate" means a certificate executed by a Company Representative.

"Operating Guaranty Agreement" means the Operating Guaranty Agreement dated as of October 15, 1999 by FWC for and in favor of the Company.

"Operations and Maintenance Fund" means the fund by that name created in Section 5.02(a)(iii) of the Second Amended Indenture.

"Operator" means FWI.

"Optional Tender Bonds" means Bonds with respect to which the Owners thereof have the option to tender to the Trustee or to any agent thereof, all or a portion of such Bonds for payment or purchase.

"Original Indenture" means the Mortgage, Security Agreement and Indenture of Trust, dated as of September 15, 1994.

"Original 1994 Bonds" means, collectively, the "Series 1994A Bonds", "the Series 1994B Bonds", "the Series 1994C Bonds" and the "Series 1994D Bonds" (as each such term is defined in the Original Indenture) issued under the Original Indenture.

"Outstanding" when used as of a particular time with reference to Obligations, means all Obligations delivered under the Second Amended Indenture except:

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(i) Obligations canceled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Obligations paid or deemed to have been paid within the meaning of Section 11.01 of the Second Amended Indenture; and

(iii) Obligations in lieu of or in substitution for which replacement Obligations shall have been executed by the Issuer and delivered by the Trustee.

"Owner" or "Bondholder" means the registered owner of an Obligation.

"Participating Underwriter" means a broker, dealer, or municipal securities dealer which acts as an underwriter in connection with a primary offering (as such term is defined in the Rule) of the 1999 Bonds or any of them.

"Partners" means the General Partner and the Limited Partners (as defined in the Partnership Agreement).

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of Robbins Resource Recovery Partners, L.P. dated as of October 15, 1999 between FWR and FWL.

"Period" means, as the context requires, a calendar year or specified portion thereof, a Fiscal Year, fiscal quarter or specified number of fiscal quarters of the Company.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes, assessments and governmental charges which are either not yet due, are due but payable without penalty or are the subject of a Good Faith Contest, (ii) such minor defects, irregularities, encumbrances, utility, access and other easements and rights of way (including, without limitation, future rights and easements granted to Clark Oil Company, Enron Liquids Pipeline Operating Limited Partnership, West Shore Pipe Line Company and ComEd), mineral rights, restrictions and exceptions, statutory liens and clouds on title as normally exist with respect to properties similar in character to the Project that will not in the aggregate materially interfere with or impair the operations being conducted at the Project (or, if no operations are being conducted there at, the operations for which the Project was designed or last modified) or that will not in the aggregate result in a Material Adverse Effect, or which are under contract to be removed or altered in the normal course of constructing the Project, (iii) the Site Lease, the Laydown Site Lease, the Transfer Station Mortgage, this Agreement and the Second Amended Indenture, (iv) any mechanic's, laborer's, materialmen's, suppliers, vendors, construction or other like liens or rights arising in the ordinary course of business or incident to the construction or improvement of any property in respect of obligations which are not yet due or which are the subject of a Good Faith Contest, (v) any exceptions to title which are contained in the title policy or leasehold insurance policy delivered to the Trustee, (vi) all deposits or pledges to secure: statutory obligations or appeals; releases of attachments,

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stays of execution or injunctions; performance of bids, tenders, contracts (other than for the repayment of borrowed money), permits or leases; or for purposes of like general nature in the ordinary course of business; (vii) liens in connection with workers' compensation, unemployment insurance or other social security or pension obligations, and (viii) legal or equitable encumbrances deemed to exist by reason of the existence of any litigation or other legal proceeding if the same is the subject of a Good Faith Contest (excluding any attachment prior to judgment, judgment lien or attachment in aid of execution on a judgment). For purposes of this definition of Permitted Encumbrances, "Good Faith Contest" means the contest of an item if: (i) the item is diligently contested in good faith by appropriate proceedings timely instituted and (A) adequate reserves are established in accordance with GAAP with respect to the contested item and held by or for the benefit of the Company in cash or Permitted Investments and (B) during the period of such contest, the enforcement of any contested item is effectively stayed; or (ii) the failure to pay or comply with the contested item during the period of such Good Faith Contest could not reasonably be expected to result in a Material Adverse Effect.

"Permitted Investments" shall mean any of the following:

- (1) Governmental Obligations;
- (2) direct obligations of, obligations guaranteed by, and any other obligations the interest on which is excluded from income for federal income tax purposes issued by any state of the United States, the District of Columbia or the Commonwealth of Puerto Rico, any possession or territory of the United States of America or any political subdivision, agency, authority or instrumentality of any of the foregoing, which are rated at least A or the equivalent by Standard & Poor's or Moody's;
- (3) commercial paper issued by any corporation with assets exceeding \$500,000,000, which is rated at least A-1 or the equivalent by Standard & Poor's or Moody's, provided that (A) such obligations mature not later than 180 days from the date of purchase, (B) such purchases do not exceed 10% of the outstanding obligations of such corporation, and (C) no more than one-third of the moneys being invested may be invested in such obligations,
- (4) money market mutual funds (including those offered by the Trustee or an Affiliate of the Trustee) registered under the Investment Company Act of 1940 having a portfolio consisting of the securities described in paragraph (1) above or agreements to repurchase such obligations;
- (5) repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (P.L. 99-571) (subject to the provisions of said Government Securities Act and the regulations issued thereunder, and subject further to the condition that in the case of repurchase agreements of other than Governmental Obligations, the underlying security which is the subject of the repurchase agreement is rated at least "A" or the

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equivalent by Standard & Poor's or Moody's) made with banking institutions and trust companies authorized to do business in the State of Illinois, *provided* any such banking institution or trust company must be rated at least "A" or the equivalent by Standard & Poor's or Moody's (unless such securities are registered or inscribed in the Issuer's name) or other repurchase agreements which satisfy the provisions of the Public Funds Investment Act (30 ILCS 235/0.01 *et seq.*, as supplemented and amended);

(6) (A) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 *et seq.*), *provided* that such bank is insured by the Federal Deposit Insurance Corporation ("FDIC") and is rated at least "A" or the equivalent by Standard & Poor's or Moody's, or (B) investments in the shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of the State, or any other state or under the laws of the United States, the shares or investment certificates of which are insured by the FDIC or (C) in the dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of the State or the laws of the United States, with its principal office located within the State and the accounts of which are insured by applicable law, to the extent permitted by the Public Funds Investment Act; *provided* that the amount of all such deposits not collateralized or insured by an agency of the federal government shall not exceed 75% of the capital stock and surplus of such bank, 75% of the net worth of such savings bank or savings and loan association, or 50% of the unimpaired capital and surplus of such credit union, as the case may be; and

(7) any other investment permitted by Law; *provided* that such investment or the issuer thereof is rated at least "A" or the equivalent by Standard & Poor's or Moody's, and upon delivery of an opinion of Bond Counsel to the Company and the Trustee to the effect that such investment is permitted by Law.

Each of the Permitted Investments described in clause (5) above shall contain a provision for (A) the unwinding of such investment within three Business Days after the long term or short term debt rating of the bank or other financial institution, as the case may be, providing such investment falls below A or the equivalent by Standard & Poor's or Moody's or after such entity defaults on the payment of any of its obligations or on behalf of the Company, unless such investment is collateralized with Governmental Obligations in an amount equal to at least 102% of the face amount of such investments or such rating is reinstated on or prior to such unwind date; and (B) the transfer of any security or collateral delivered pursuant to such Permitted Investment to the Trustee, or the holding of such securities or collateral in trust for its account, as titleholder, or the holding of such securities or collateral in a segregated account by a bank, trust company or national banking association having a capital stock and surplus of more than \$50,000,000. Each of such Permitted Investments shall also be accompanied by an Opinion of Counsel, addressed to the Issuer, the Trustee and the Company and subject to

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such exceptions as shall be acceptable to such parties, to the effect that the Trustee has a first perfected security interest or an ownership interest in such security or collateral.

In making or directing investment of moneys in Permitted Investments which constitute (x) certificates of deposit of banks or savings and loan associations or (y) GICs (as defined in the Tax Agreement), the Company shall (and, to the extent the Trustee has investment discretion, the Trustee shall) comply with the provisions of Treas. Reg. Sec. 1.148-5(d)(6)(ii) in the case of certificates of deposit and Treas. Reg. Sec. 1.148-5(d)(6)(iii) in the case of GICs, or successor provisions, if applicable.

"Permitted Liens" means Liens permitted pursuant to Section 5.15 hereof.

"Person" means any individual, sole proprietorship, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, institution, Governmental Authority or any other entity.

"Plan" means the prepackaged plan of reorganization relating to the Project and the Initial Exchange and proposed by the Company, FWR and FWI, as confirmed by a federal Bankruptcy Court.

"Pledges of Partnership Interests" means the separate Pledges of Partnership Interests, each dated as of September 15, 1994, and each affirmed as of the Initial Exchange Date, from FWR, as general and limited partner, and FWI, as limited partner, to the Issuer, in which each of the pledgors pledges its ownership interest in the Company to the Issuer, as further security for the obligations of the Company hereunder and all substantially similar pledges that may be made from time to time by a Partner of the Company to the Issuer.

"Power Purchase Agreement" means the Amended and Restated Electric Service Contract between the Company and ComEd dated as of September 16, 1994, concerning the sale of electricity produced at the Facility, which contract has been further amended by the parties as follows:

- (i) Rate 18 Standby Electric Service Contract Addendum dated January 8, 1997;
- (iii) Addendum dated as of April 1, 1988;
- (iv) Addendum 2 dated as of January 1, 1999; and
- (v) Addendum 3 dated as of May 26, 1999 and effective as of January 1, 2000, as the same may be further amended or supplemented in accordance with its terms.

"Principal" or *"principal"* means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except as used in

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the Second Amended Indenture in connection with the authorization and issuance of Bonds, in which case "*principal*" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) and (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of a Sinking Fund Installment, if applicable, or at maturity.

"*Project*" means, collectively, the Facility together with associated materials, ancillary structures and related contractual and property interests and the Site.

"*Project Agreements*" means the Power Purchase Agreement, the O&M Agreement, the Operating Guaranty Agreement, the Waste Disposal Agreements, the Site Lease, the Laydown Site Lease, this Agreement, the Supplemental Agreement, the Services Contract, the Services Guaranty Agreement, the Ash Disposal Agreements, the Agency Agreement, the operating and maintenance agreement for the Transfer Station and all other existing contracts entered into by the Company and all additional contracts to which the Company is a party, relating to the Project or the Transfer Station.

"*Project Area*" means the Robbins Redevelopment Project Area, which is legally and commonly described on *Exhibit B* attached hereto, as heretofore established by the Issuer by Ordinance No. 8-30-94A, adopted by the Issuer on August 30, 1994.

"*Project Costs*" means all costs properly chargeable to the acquisition, construction, installation, equipping, improvement, renovation or restoration of the Project or to its financing, including, without limitation, any costs permitted under the Act.

"*Project Documents*" means each of the Project Agreements, the Second Amended Indenture, the Obligations, the Tax Agreement and the Security Documents.

"*Project Participants*" means the Company, ComEd, the Operator and FWC.

"*Project Purchase Price*" is defined in Section 8.1 hereof.

"*Prudent Engineering and Operating Practices*" means the practices, methods and acts generally engaged in or adopted by the electric utility industry that at a particular time for electrical generating facilities of similar design and construction as the Facility, in the exercise of reasonable judgment in light of the facts known or that reasonably should have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy and expedition.

"*PURPA*" means the Public Utility Regulatory Policies Act of 1978 and any amendments thereto or successor provisions.

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“*QSWEF*” means a “qualified solid waste energy facility” within the meaning of the Illinois Public Utilities Act, 220 ILCS 5/8-403.1, or any successor or similar legislation, as the same may be amended or enacted from time to time.

“*QSWEF Rate*” means a rate payable for electricity purchased by a public utility from a QSWEF which is equivalent to the electricity rate payable by the Issuer to such public utility for purchases of electricity by the Issuer from such public utility.

“*Qualifying Facility*” means the definition of such term (i) in the regulations promulgated by FERC pursuant to PURPA and set forth at 18 C.F.R. Section 292; and (ii) in any orders, rules, and/or regulations of FERC applicable to Qualifying Facilities.

“*Rebate Fund*” means the fund by that name created in Section 5.02(a)(x) of the Second Amended Indenture.

“*Redemption Date*” or “*redemption date*” means, with respect to each series of Obligations, the date fixed for redemption of such Obligations subject to redemption in any notice of redemption given in accordance with the terms of the Second Amended Indenture.

“*Redemption Fund*” means the fund by that name created in Section 5.02(a)(vii) of the Second Amended Indenture.

“*Redemption Price*” means, with respect to Current Interest Bonds, an amount equal to the principal of and premium, if any, and accrued interest, if any, on the Obligations to be paid on the Redemption Date and with respect to Capital Appreciation Bonds, an amount equal to their Accreted Value and premium, if any.

“*Release*”, when used in connection with any Environmental Discharge or Hazardous Materials, means and includes any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration, where such release is either regulated by applicable Environmental Law or may serve as a basis for liability of the Company, the Issuer or the Trustee under any applicable Environmental Law.

“*Repositories*” shall mean each National Repository and each State Repository.

“*Requirement of Law*” means, as to any Person, any Law applicable to or binding upon such Person or any of its properties or to which such Person or any of its properties is subject, and, as to the Company or the Project, any Law applicable to or binding on the Project or any of its properties or to which the Project or any of its properties is subject, including, without limitation, relevant Environmental Laws, restrictive land use covenants and zoning, use and building codes, laws, regulations and ordinances.

“*Revenue Fund*” means the fund of that name created in Section 5.02(a)(ii) of the Second Amended Indenture.

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"Revenues" means (a) all revenues, income, rents and receipts derived or to be derived by the Company from or attributable to the lease and/or operations of the Project, including all revenues and damage payments attributable to the Project or to be received by the Company under the Project Agreements; (b) the proceeds of any public liability insurance, automobile liability insurance, insurance covering a loss due to an interruption in the operation of any portion of the Project (including business interruption and use and occupancy insurance or any other insurance except as provided in clause (X) below; and (c) any other moneys, revenues or receipts which are specifically included in such definition by the terms of any supplemental indenture. Revenues shall not include (W) payments to the Company from the Operations and Maintenance Fund, the Construction Fund and the Surplus Fund; (X) proceeds of the sale of any Bonds; (Y) casualty insurance proceeds (or the proceeds of any insurance policy maintained for the repair or replacement of any portion of the Project); or (Z) payments of moneys under any Bond Insurance Policy, Credit Facility or Debt Service Reserve Account Facility. Neither Exit Payments nor Litigation Proceeds are Revenues.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Second Amended Indenture" means the Amended and Restated Mortgage, Security Agreement and Indenture of Trust, originally dated as of September 15, 1994, as amended and restated as of the Initial Exchange Date, from the Issuer to the Trustee, as it may be further supplemented or amended from time to time pursuant to the provisions thereof.

"Security" means any shares, stock, bonds, debentures, notes, evidences of indebtedness or any other instruments commonly known as "securities".

"Securities Depository" means DTC, or its nominee and its successors appointed by the Company in accordance with the provisions of Section 2.09 of the Second Amended Indenture.

"Security Documents" means, collectively, the Second Amended Indenture, this Agreement, the Supplemental Agreement, the Pledge of Partnership Interests, the Transfer Station Mortgage and any financing statements relating thereto.

"Series 1999A Bonds" means the Issuer's Mandatorily Exchangeable Resource Recovery Revenue Bonds (Robbins Resource Recovery Partners, L.P. Project) Series 1999A issued in the Initial Exchange to Owners of the 1994 Bonds; *provided, however*, that following the issuance of the Additional Bonds pursuant to the provisions of Section 2.07(d) of the Second Amended Indenture, Series 1999A Bonds means such Additional Bonds.

"Series 1999B Bonds" means the Issuer's Mandatorily Exchangeable Resource Recovery Revenue Bonds (Robbins Resource Recovery Partners, L.P. Project) Series

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1999B issued in the Initial Exchange to Owners of the 1994 Bonds; *provided, however*, that following the issuance of the Additional Bonds pursuant to the provisions of Section 2.07(d) of the Second Amended Indenture, Series 1999B Bonds means such Additional Bonds.

"*Series 1999C Bonds*" means the Issuer's Resource Recovery Revenue Bonds (Robbins Resource Recovery Partners, L.P. Project) Series 1999C issued in the Initial Exchange to Owners of the 1994 Bonds.

"*Series 1999D Bonds*" means the Issuer's Mandatorily Exchangeable Resource Recovery Revenue Bonds (Robbins Resource Recovery Partners, L.P. Project) Series 1999D issued in the Initial Exchange to the Owners of the 1994 Bonds.

"*Service Provider*" means FWI.

"*Services Contract*" means the Services Agreement dated as of October 15, 1999 by and between the Service Provider and the Company, as the same may be supplemented and amended in accordance with its terms.

"*Services Guaranty Agreement*" means the Services Guaranty Agreement dated as of October 15, 1999, by FWC for and in favor of the Company.

"*Sinking Fund Installment*" means (i) with respect to the Series 1999A Bonds, each principal amount of Series 1999A Bonds scheduled to be redeemed pursuant to Section 4.08 of the Second Amended Indenture, (ii) with respect to the Series 1999B Bonds, each principal amount of Series 1999B Bonds scheduled to be redeemed pursuant to Section 4.08(b) of the Second Amended Indenture and (iii) with respect to any other series of Bonds, each principal amount of Bonds scheduled to be redeemed through sinking fund redemption provisions by the application of amounts on deposit in a designated Sinking Fund Installment Subaccount to be established pursuant to Section 5.02 of the Second Amended Indenture.

"*Site*" means, collectively, the Facility Site, the Laydown Site and the Easements.

"*Site Lease*" means the Facility Site Lease and Host Benefits Agreement dated as of September 15, 1994 and amended as of October 15, 1999, as affirmed by the Company as of the Initial Exchange Date, between the Issuer and the Company, as the same may be supplemented or amended in accordance with its terms.

"*Site Lease Environmental Guaranty Agreement*" means the Site Lease Environmental Guaranty Agreement dated as of September 15, 1994, as affirmed by FWC as of the Initial Exchange Date, from FWC to the Issuer, as the same may be supplemented or amended in accordance with its terms.

"*Solid Waste Project*" means that portion of the Project financed with Tax-Exempt Bonds.

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"*Special Tax Allocation Account*" means the account by that name created in the Tax Equalization Fund in Section 5.02(a)(vi)(A) of the Second Amended Indenture.

"*Standard & Poor's*" means Standard & Poor's Ratings Group, a division of McGraw-Hill Inc., its successors and assigns, and, if such group shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Company.

"*State*" means the State of Illinois.

"*State Repository*" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission.

"*Subordinated Debt*" means, except as described in clause (iii) below, unsecured indebtedness issued by the Company for purposes of funding or operating the Project (i) that is in all respects fully subordinated to the Company's obligations under the Project Agreements, (ii) pursuant to which the holder of such indebtedness shall have no right to exercise remedies under the instruments or agreements evidencing such indebtedness, or as otherwise permitted by law, to enforce repayment of such indebtedness for as long as any Obligations are Outstanding and (iii) that shall be payable solely from and may be secured by a pledge of the rights of the Company in and to amounts released to the Company from the Surplus Fund in accordance with the Second Amended Indenture.

"*Supplemental Agreement*" means the Amendment No. 3 to Facility Lease Agreement dated as of July 1, 1997, by and between the Issuer and the Company, as from time to time supplemented and amended.

"*Surplus Fund*" means the fund by that name created in Section 5.02(a)(ix) of the Second Amended Indenture.

"*Tax Agreement*" means the Tax Compliance Agreement dated the Initial Exchange Date, among the Issuer, the Company and the Trustee relating to the 1999 Bonds, as amended from time to time, and any similar agreement entered into by such parties in connection with the issuance of other series of Tax-Exempt Bonds.

"*Tax-Exempt Bonds*" means the 1999 Bonds and Additional Bonds of the Issuer delivered under the Second Amended Indenture, if in connection with such delivery there was delivered to the Trustee an opinion of Bond Counsel to the effect that the interest on such Additional Bonds is not included in the gross income of the Owners of such Additional Bonds for purposes of Federal income taxation.

"*Third Party Engineer*" is defined in Section 9.8 hereof.

"*Third Party Engineer Dispute Resolution*" means the procedure set forth in Section 9.8 hereof.

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"*TIF Act*" means the Tax Increment Allocation Redevelopment Act, 65 ILCS 511174.4-1 *et seq.*, as amended from time to time.

"*Transfer*" means a sale, transfer, assignment, hypothecation, pledge or other disposition and, when used as a verb, shall have a correlative meaning.

"*Transfer Station*" means the waste transfer station located in the Village of Forest View, Illinois and owned by FWM.

"*Transfer Station Mortgage*" means the mortgage from FWM granting a mortgage on the Transfer Station and the site thereof and a security interest in the equipment located thereon.

"*Trust Estate*" is defined in the Granting Clauses of the Second Amended Indenture.

"*Trustee*" means SunTrust Bank, Central Florida, National Association, or any other bank or trust company duly incorporated and existing under and by virtue of the laws of any state or of the United States of America, which may be substituted in its place as provided in Section 8.02 of the Second Amended Indenture.

"*Uncontrollable Circumstances*" shall have the meaning ascribed to it in the O&M Agreement.

"*Uniform Commercial Code*" or "*UCC*" shall mean the Uniform Commercial Code as in effect from time to time in the State of Illinois.

"*Variable Rate Bonds*" means any Bonds the interest rate on which is not established at the time of issuance thereof at a single numerical rate for the entire term thereof.

"*Waste Disposal Agreements*" means each and every particular waste disposal agreement entered into between the Company and a municipality which provides for the delivery of waste to the Facility.

Section 1.2 Interpretations. In this Agreement, unless the context otherwise requires, any reference herein to a contract or agreement shall also refer to such contract or agreement as duly amended, supplemented, modified or replaced in accordance with its terms, the terms hereof and pursuant to the terms of the Second Amended Indenture, if applicable.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer represents and warrants as follows:

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(a) *Organization, Power & Status of the Issuer.* The Issuer (1) is a municipality duly organized and validly existing under the Constitution and laws of the State, (2) has full power and authority to enter into the transactions contemplated by the Issuer Documents and to carry out its obligations under the Issuer Documents, including the issuance of the Obligations, (3) is not in violation of any provisions of any Laws or any agreement or instrument to which the Issuer is a party or by which it is bound that could reasonably be expected to result in a Material Adverse Effect and (4) by proper corporate action has duly authorized the execution and delivery of the Issuer Documents.

(b) *Exemption from Taxes.* Under existing statutes and decisions, no taxes on income or profits are imposed on the Issuer.

(c) *No Conflicts; Laws and Contracts; No Default.* (i) Neither the execution, delivery and performance by the Issuer of this Agreement and the other Issuer Documents nor the consummation of any of the transactions contemplated hereby or thereby nor performance of or compliance with the terms and conditions hereof or thereof by the Issuer (A) contravenes any Requirement of Law applicable to the Issuer or any of the Trust Estate which contravention could reasonably be expected to result in a Material Adverse Effect, (B) constitutes a default under or results in the violation of the provisions of any Issuer Documents that could reasonably be expected to result in a Material Adverse Effect or (C) results in the creation or imposition of any Liens (other than Permitted Encumbrances) on any of the Trust Estate, or (D) results in the acceleration of any Obligation.

(d) *Authorization; Execution and Delivery; Enforceability.* Each of the Issuer Documents has been duly authorized, executed and delivered by the Issuer and each constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by laws related to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies.

(e) *Litigation.* Except as disclosed in the Offer Memorandum, there is no litigation or proceeding pending, or to the knowledge of the Issuer threatened, against the Issuer, or to the knowledge of the Issuer affecting it, which would adversely affect the validity or enforceability of the Issuer Documents, or the ability of the Issuer to comply with its obligations under the Issuer Documents, or the transactions contemplated thereby.

(f) *Conflicts of Interest.* No trustee, officer or official of the Issuer has any interest (financial, employment or other) in the Company, any of its Partners or the Project Participants or the transactions contemplated by the Issuer Documents.

(g) *Application of Proceeds.* The Issuer will apply the proceeds from the sale of the Obligations as specified in the Second Amended Indenture and this Agreement.

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(h) *Classification of Project.* The Project constitutes and will constitute an "industrial project", within the meaning of the Act, and a "redevelopment project", within the meaning of the TIF Act, and is located wholly within the Village of Robbins, Illinois. The Project Area has not been subject to growth and development through investment by private enterprise, and redevelopment could not be reasonably anticipated to occur in the Project Area without the designation of the Project Area and the acquisition and construction of the Project through the issuance of the Series 1994A Bonds.

(i) *Public Purposes.* The financing of a portion of the cost of the Project will further the public purposes of the Act and the TIF Act, including, but not limited to creating additional employment and eliminating blight conditions in the Village of Robbins, Cook County, Illinois.

(j) *Title to Facility Site.* The Issuer has acquired good and marketable title to the Facility Site, subject only to Permitted Encumbrances.

(k) *Financial Statements.* The Issuer's audited general purpose financial statement as and for the fiscal year ended April 30, 1998, is a fair presentation of the financial position of the Issuer as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since April 30, 1998, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the period ended that date; and the Issuer has not since April 30, 1998, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations.

(l) *Information Furnished Bond Counsel.* The written information provided by the Issuer to Bond Counsel for inclusion in the Project Certificate and Tax Agreement is true and correct in all material respects. The Issuer acknowledges that Bond Counsel is relying on the Tax Agreement in issuing its opinion with respect to the Bonds. The Issuer is acting as a "conduit issuer," within the meaning of the Treasury Regulations, with respect to these Bonds and it is understood that the expectations of the Issuer set forth in the Tax Agreement are based upon the facts and circumstances known to the Issuer and upon the representations of the Company set forth therein and not upon any independent investigation by the Issuer.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants as follows:

(a) *Organization, Power and Status of the Company.* The Company (i) is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware and (ii) is duly authorized to do business in the State and, to the extent necessary, in each other jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary. The Company has not engaged

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in any business or activity other than in connection with the development, acquisition, construction, leasing, operation and financing of the Project and activities in connection with the acquisition and operation of the Transfer Station all as contemplated by the Project Documents or the Plan to which the Company is a party. The Company has all requisite power and authority to lease and operate the property it purports to lease and to carry on its business as now being conducted and as proposed to be conducted in respect of the Project and the Transfer Station. The Company has not created, or suffered to exist, any interest, except for Permitted Encumbrances, in favor of any Person (other than the Issuer and the Company) in the Facility Site or the Laydown Site.

(b) *Authorization; Enforceability; Execution and Delivery.* (i) The Company has all necessary power and authority to execute, deliver and perform under this Agreement and each other existing Project Document to which it is a party.

(i) All action on the part of the Company that is required for the authorization, execution, delivery and performance of this Agreement and each other Project Document to which the Company is a party has been duly and effectively taken, and the execution, delivery and performance of this Agreement and each such other Project Document does not require the approval or consent of any holder or trustee of any Debt or other obligations of the Company which has not been obtained.

(ii) Each of this Agreement and each other Project Document to which the Company is a party has been duly executed and delivered by the Company. Each of this Agreement and each other Project Document to which the Company is a party constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with the terms thereof, except as such enforceability (A) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights and remedies generally and (B) is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(c) *No Conflicts; Laws and Contracts; No Default.*

(i) Neither the execution, delivery and performance by the Company of this Agreement nor of each other Project Document to which the Company is a party nor the consummation of any of the transactions contemplated hereby or thereby nor performance of or compliance with the terms and conditions hereof or thereof by the Company (A) contravenes any Requirement of Law applicable to the Company or any of the Collateral which contravention could reasonably be expected to result in a Material Adverse Effect, (B) constitutes a default under or results in the violation of the provisions of the Partnership Agreement or of any other Project Documents that could reasonably be expected to result in a Material Adverse Effect or (C) results in the creation or imposition of any Liens (other than

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Permitted Liens) on any of the Collateral under, or results in the acceleration of any obligation.

(ii) The Company, the Project and the Transfer Station are in compliance with and not in default under any and all Requirements of Law applicable to the Company, the Project or the Transfer Station, as applicable, and all terms and provisions of all Project Documents to which the Company is a party, unless such noncompliance or such default could not reasonably be expected to result in a Material Adverse Effect.

(iii) The Company has not given or received any notice of default under any executed Project Agreement, and each executed Project Agreement, to the best of the Company's knowledge, is in full force and effect.

(d) *Governmental Approvals.* To the knowledge of the Company, upon the performance of reasonable diligence in connection therewith, all material Governmental Approvals which are required to be obtained in the name of the Company in connection with (i) the construction, operation and maintenance of the Project (including the sale and delivery of electricity under the Power Purchase Agreement) and (ii) the execution, delivery and performance by the Company of the Project Documents are set forth in Schedule I hereto. To the knowledge of the Company, upon the performance of reasonable diligence in connection therewith, all Governmental Approvals which are required to be obtained in the name of any of the Project Participants in connection with the matters described in clauses (i) and (ii) of the preceding sentence, are set forth in Schedule II hereto, except for those Governmental Approvals the failure of which to obtain could not reasonably be expected to have a Material Adverse Effect.

To the knowledge of the Company, upon the performance of reasonable diligence in connection therewith, each of the Governmental Approvals set forth in Schedule I and in Schedule II hereto, has been duly obtained or made, was validly issued on the basis of an application and submission in respect thereof which was complete and accurate in all material respects, and is in full force and effect.

The Company, and to the knowledge of the Company upon the performance of reasonable diligence in connection therewith, each Project Participant is in compliance with all Governmental Approvals listed in Schedules I and II hereto, respectively, unless such noncompliance could not reasonably be expected to have a Material Adverse Effect.

The representations of the Company in this subsection (d) regarding Governmental Approvals that have been or should have been obtained by ComEd are made only as to the actual knowledge, without inquiry, of the Company.

(e) *Litigation.* Other than as described in the Offer Memorandum, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending against the Company or to the best of the Company's knowledge, threatened against the Company or pending or threatened against any Project Participant

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(other than ComEd as to which no representation is given) or any property or other assets or rights of the Company or any Project Participant (other than ComEd as to which no representation is given) with respect to this Agreement or any other Project Document, the Project or the Transfer Station that could reasonably be expected to result in a Material Adverse Effect.

(f) *Cogeneration Facility Status; Other Utility Regulation.*

(i) The Project has satisfied the requirements for a Qualifying Facility. Accordingly, and except as set forth in 18 C.F.R. 292.601 and 18 C.F.R. 292.602, the Company is not and will not be deemed by any Governmental Authority having jurisdiction to be subject to financial, organizational or rate regulation as an "electric utility", "electric corporation", "electrical company", "public utility", "public utility holding company" or any similar entity under any existing Law.

(ii) Neither the Trustee, the Issuer, nor any Owner will, solely by reason of (A) the construction, leasing, operation and maintenance of the Project or the Transfer Station by the Company, (B) purchase and ownership of the Obligations or (C) any other transaction contemplated by this Agreement be deemed by any Governmental Authority having jurisdiction to be subject to financial, organizational or rate regulation as an "electric utility", "electric corporation", "electrical company", "public utility", "public utility holding company" or any similar entity under any existing Law.

(g) *Collateral.*

(i) The Company has valid leasehold rights or good title to the Collateral purported to be covered by the Security Documents to which it is a party, subject only to Permitted Liens and is lawfully possessed of a valid and subsisting grant for a term in and of the Easements, subject only to Permitted Liens.

(ii) With respect to the personal property forming a part of the Collateral, all filings, recordings, registrations and other actions have been made, obtained and taken in all relevant jurisdictions that are necessary to create and perfect the Liens in favor of the Issuer in all right, title, estate and interest of the Company in the Collateral covered thereby subject to no prior, equal or junior Liens other than Permitted Liens.

(iii) To the best knowledge of the Company after due inquiry, the Company has obtained and holds in full force and effect, or has the right to obtain, all patents, trademarks, copyrights and other such rights or adequate licenses therein, free from restrictions which could reasonably be expected to result in a Material Adverse Effect, which are necessary for the leasing, construction, operation and maintenance of the Project or the Transfer Station.

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(h) *Taxes.* The Company has filed, or caused to be filed, all tax and information returns that are required to have been filed by it in any jurisdiction, and has paid all taxes shown to be due and payable on such returns and all other taxes and assessments payable by it, to the extent the same have become due and payable, except to the extent there is a Good Faith Contest thereof by the Company.

(i) *Environmental Matters.*

(i) To the best knowledge of the Company, after due inquiry, the Site and the real property upon which the Transfer Station operations are undertaken do not contain any Hazardous Materials or underground storage tanks that, under any Environmental Law currently in effect, (A) could reasonably be expected to result in a Material Adverse Effect or (B) could reasonably be expected to result in the imposition of a Lien other than a Permitted Lien on the Project, the Transfer Station or the Site.

(ii) Except as set forth in full in the Phase I and Phase II Environmental Site Assessment Records of the Facility and the Transfer Station, remediation of the Site has been completed by the Company on behalf of the Issuer pursuant to the Illinois pre-notice cleanup program and to the best knowledge of the Company after due inquiry, the Site is in compliance with all applicable Environmental Laws affecting the Site or the Facility, the noncompliance with which could reasonably be expected to result in a Material Adverse Effect, and there are no environmental conditions which could reasonably be expected to materially interfere with the commercial operation of the Facility.

(j) *Information Furnished Bond Counsel.* The written information provided by the Company to the Issuer and bond counsel for inclusion in the Project Certificate and the Tax Agreement is true and correct in all material respects.

(k) *Facilities Constituting Solid Waste Project.* The Solid Waste Project consists and will consist of the facilities described in Section 142(a)(6) of the Code, and no changes shall be made in the Solid Waste Project except as permitted by Section 5.6(d).

(l) *No Prohibited Facilities.* No portion of the proceeds of the Tax-Exempt Bonds will be used to provide any facilities described in Section 147(e) of the Code.

(m) *Beginning of Acquisition and Construction of Solid Waste Project.* Acquisition and construction of the Solid Waste Project commenced after March 16, 1988.

(n) *ERISA Representation.* The Company is not a party to and does not participate in or have any liability or contingent liability with respect to any "pension plan" as defined in ERISA.

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(o) *Creation of Employment.* The Project will create employment in the Village of Robbins, Cook County, Illinois.

ARTICLE IV

LEASE OF THE PROJECT AND RENTAL PROVISIONS

Section 4.1 Lease of the Project. The Issuer will lease to the Company and the Company will lease from the Issuer the Project for and during the Lease Term provided and on and subject to the terms and conditions set forth in this Agreement. The Company agrees during the term of this Agreement to use and occupy the Project in accordance with the Project Documents to which it is a party.

Section 4.2 Duration of Term. The term of this Agreement shall commence as of November 23, 1994, and unless terminated as provided in this Agreement, shall expire 32 years after January 22, 1997 (the "Lease Term").

The Issuer agrees to permit the Company to have and remain in sole and exclusive possession of the Project immediately on the commencement of the Lease Term. Except as otherwise expressly provided in this Agreement or in the Second Amended Indenture, neither the Issuer nor any person claiming through or under it shall enter on the premises demised hereby for any purpose without the prior written consent of the Company. The Issuer covenants and represents that it has full right and lawful authority to enter into this Agreement for its full term, including any extension of the term, and to grant the options to purchase contained in this Agreement. As long as the Company shall duly perform all its obligations under this Agreement, the Company shall have the right to have, hold, and enjoy peaceful, quiet and undisputed possession of the Project during the Lease Term, subject only to the matters specifically herein excepted, and the Issuer shall take all appropriate action requested by the Company to enforce such possession.

Section 4.3 Rental Provisions.

(a) The Company covenants to make or cause to be made rental payments during the term of this Agreement as follows: On or before the opening of business on each Business Day on which any payment of Debt Service on the Bonds shall become due and payable (whether at maturity, or upon redemption or acceleration or otherwise), the Company will pay or cause to be paid an amount which, together with other moneys held by the Trustee under the Second Amended Indenture and available therefor in the Bond Fund, will enable the Trustee to make such payment in full in a timely manner. Subject to the provisions of Section 5.08 of the Second Amended Indenture, the Company shall have the right and is hereby granted the option, to prepay the amounts payable under this Section 4.3(a) to (1) provide for the defeasance of the Bonds pursuant to Article XI of the Second Amended Indenture and (2) provide for the redemption of the Bonds when and as permitted pursuant to the provisions of Article IV of the Second Amended Indenture and the related provisions of any supplemental indenture executed in connection with the issuance of Additional Bonds. The Company covenants and agrees that if all or any part

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of the Bonds become subject to mandatory redemption in accordance with the Second Amended Indenture, it will prepay the rents due and to become due under this Section 4.3(a) in whole or in part, on or before the redemption date, in an amount which, when added to any moneys then on deposit in the Redemption Fund (including the accounts therein) and available for such purpose, will be equal to the Redemption Price of such Bonds on the date fixed for redemption thereof, all as provided in the Second Amended Indenture. All such rental payments are referred to herein as the "Lease Payments".

In the event Lease Payments are made from funds on deposit with the Trustee under the Second Amended Indenture, the Company will be credited under this Agreement with respect to its obligations to make Lease Payments to the extent of the Lease Payments made from such funds.

All Lease Payments are assigned by the Issuer to the Trustee pursuant to the Second Amended Indenture for the benefit of the Owners of the Bonds, but subject to the limitations expressed in the Second Amended Indenture. The Company consents to such assignment. Accordingly, the Company will pay directly to the Trustee at its principal corporate trust office all Lease Payments required to be paid hereunder.

There is expressly reserved to the Company the right, and the Company is authorized and permitted, at any time it may choose, to prepay, by deposit into the Bond Fund under the Second Amended Indenture, all or any part of the Lease Payments, and the Issuer agrees that the Trustee shall accept such prepayments of Lease Payments when the same are tendered by the Company.

(b) When (i) none of the Obligations shall remain Outstanding; (ii) the fees, charges and expenses of the Trustee and any other agents hereunder or under the Second Amended Indenture have been paid or provided for, and (iii) any other amounts required to be paid hereunder or under the Second Amended Indenture have been paid or provided for; the Issuer shall cause all excess moneys in all funds, accounts and subaccounts (except for amounts held in the Rebate Fund for payment to the United States of America, amounts in the Special Tax Allocation Account and the Incremental Tax Surplus Account and amounts constituting the Project Purchase Price) under the Second Amended Indenture from whatever source derived to be paid to the Company. This paragraph shall survive the termination or expiration of this Agreement for any reason.

(c) Any payments of Lease Payments shall be made in immediately available funds.

(d) In consideration for the payment of all Lease Payments, the Company shall not be obligated to make additional rental payments under this Agreement during the remainder of the Lease Term after all Lease Payments have been paid.

Section 4.4 Casualty and Eminent Domain.

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(a) (i) If prior to payment in full of the Bonds, there shall be a loss or damage to the Project by fire or other casualty, or the title in and to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any Governmental Authority, or the Project or any part thereof is sold in lieu of such exercise of the power of eminent domain, the Company shall be obligated to continue to make the payments required to be made by the Company under this Agreement.

(ii) The proceeds of any insurance received by reason of loss or damage to the Project or the Transfer Station, or any condemnation award or other compensation paid by reason of a conveyance in lieu of the exercise of such power, shall be deposited in the Insurance and Condemnation Proceeds Account and, except for proceeds of business interruption insurance, shall be disbursed therefrom, after deducting any reasonable and necessary expense incurred by the Issuer, the Trustee or the Company in collecting such proceeds, as provided in Section 5.03(c) of the Second Amended Indenture.

(b) Omitted.

(c) Immediately after the occurrence of loss or damage to the Project or the Transfer Station, the Company shall notify the Independent Engineer, the Trustee and the Issuer in writing of such event. The Company hereby agrees that the Trustee shall apply amounts representing the net proceeds of insurance paid on account of such loss or damage in the Insurance and Condemnation Proceeds Account in accordance with Section 5.03(c) of the Second Amended Indenture.

Immediately after the commencement of any condemnation or similar proceedings by a third party in the exercise of a power of eminent domain, or a power in the nature of eminent domain, the Company shall notify the Independent Engineer, the Issuer and the Trustee in writing. The Company hereby agrees that the Trustee shall apply amounts representing the net proceeds of such condemnation or similar proceeding in the Insurance and Condemnation Proceeds Account in accordance with Section 5.03(c) of the Second Amended Indenture.

Section 4.5 Obligation of the Company Unconditional. During the Lease Term:

(a) the obligation of the Company to pay the Lease Payments and to make all other payments required by this Agreement, shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment, or counterclaim it might otherwise have against the Issuer; and

(b) the Company will not suspend or discontinue any such payment or terminate this Agreement for any cause including, without limiting the generality of the foregoing, any act or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or commercial frustration of purpose, or any damage to or destruction of the Project, or the taking by eminent domain of title to or the right of

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temporary use of all or any part of the Project, or any change in the tax or other laws of the United States, the State or any political subdivision of either thereof, or any failure of the Issuer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability, or obligation arising out of or connected with this Agreement.

The foregoing sentence shall not be construed to release the Issuer from the performance of any of its agreements contained in this Agreement or, except to the extent provided in this Section, prevent or restrict the Company from asserting any rights which it may have against the Issuer, the Trustee or any other persons under this Agreement or under any provision of law or prevent or restrict the Company, at its own cost and expense and in its name or in the name of the Issuer, from prosecuting or defending any action or proceeding against or by third parties or taking any other action to secure or protect its right of possession and use of the Project and its or their other rights under this Agreement.

Section 4.6 Security Interest in Collateral. So long as any of the Bonds remain Outstanding, in order to (x) provide for the operation and maintenance of the Project, (y) secure the prompt payment of all amounts due under this Agreement, to the extent provided herein and in the Second Amended Indenture and (z) secure the due performance and observance by the Company of all covenants, agreements and provisions of this Agreement, for the uses and purposes and subject to the terms hereof and of the Second Amended Indenture, the Company does hereby mortgage, grant, assign, transfer, convey, pledge and confirm unto the Issuer, its successors and assigns, in trust, a security interest in all right, title and interest of the Company in and to the following collateral (the "Collateral"):

- (a) this Agreement, the Site Lease, the Laydown Site Lease and the Transfer Station Mortgage;
- (b) the Project Agreements, together with the Company's rights to consent to the assignment thereof;
- (c) all Governmental Approvals, to the extent assignable;
- (d) all machinery, equipment and other tangible personal property owned by the Partnership;
- (e) all Revenues and all funds held under the Second Amended Indenture; and
- (f) any and all proceeds of any public liability insurance, automobile liability insurance, insurance covering a loss due to an interruption in the operation of any portion of the Project (including business interruption and use and occupancy insurance or any other insurance), casualty insurance and insurance for the repair or replacement of any portion of the Project or the Transfer Station maintained by the Company in connection with the Project and the Transfer Station.

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So long as any of the Bonds remain Outstanding the Company shall cause all Revenues and any other proceeds of the Collateral to be paid to the Trustee as soon as practicable after receipt thereof by the Company. Nothing contained in this Section shall be construed to require the Company to return to the Trustee for deposit in the Revenue Fund any amounts theretofore received by the Company from the Surplus Fund, the Operations and Maintenance Fund, the Construction Fund and the Construction Revenue Account, except that the Company shall return any amounts paid to it by the Trustee in error or otherwise not in full compliance with the Second Amended Indenture.

The security interest in the Collateral created by this Section 4.6 shall cease and terminate and be of no further force and effect at such time as no Bonds, Series 1999C Bonds or Series 1999D Bonds shall remain outstanding under the Second Amended Indenture.

ARTICLE V

COMPANY COVENANTS AND AGREEMENTS

The Company hereby covenants and agrees:

Section 5.1 Reporting Requirements. The Company shall furnish to the Trustee so long as any of the Bonds remain Outstanding and to any Bondholder or any Beneficial Owner upon their written request:

(a) as soon as practicable and in any event within 60 days after the end of the first, second and third quarterly accounting periods of each Fiscal Year of the Company (commencing with the first quarter ending after the Initial Exchange Date), an unaudited balance sheet of the Company as of the last day of such quarterly period and the related statements of income, cash flows and reports of all distributions to the Company from the Distribution Account pursuant to Section 5.04(b)(vi)(C) of the Second Amended Indenture during such quarterly period and (in the case of second and third quarterly periods) for the portion of the Fiscal Year ending with the last day of such quarterly period, setting forth in each case in comparative form corresponding unaudited figures from the preceding Fiscal Year and accompanied by an Officer's Certificate to the effect that such financial statements fairly represent the Company's financial condition and results of operations at and as of their respective dates;

(b) as soon as practicable and in any event within 120 days after the end of each Fiscal Year (commencing with the first Fiscal Year ending after the Initial Exchange Date), (i) a balance sheet of the Company as of the end of such Fiscal Year and the related statements of income and cash flow during such Fiscal Year setting forth in each case in comparative form corresponding figures from the preceding Fiscal Year, accompanied by an audit report thereon of a firm of independent public accountants of recognized national standing and (ii) an Officer's Certificate setting forth the Debt Service Coverage Ratio for such Fiscal Year;

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(c) at the same time as the annual financial statements are delivered pursuant to clause (b) above (except that the Company's obligation to furnish such certificate shall commence with the first Fiscal Year ending after the Initial Exchange Date), an Officer's Certificate (i) confirming that all insurance policies required pursuant to Section 5.8 are in full force and effect on the date thereof, (ii) confirming the names of the companies issuing such policies, (iii) confirming the amounts and expiration dates of such policies, (iv) stating that payment of premium on such policies has been made, (v) stating that such policies comply with the requirements of Section 5.8 and (vi) including a summary of all claims against insurance and the status of each during the preceding Fiscal Year;

(d) at the same time as the financial statements are delivered pursuant to clauses (a) and (b) above (except that the Company's obligation to furnish such certificate shall commence with the first Fiscal Year ending after the Initial Exchange Date), an Officer's Certificate to the effect that (i) no Event of Default exists under this Agreement or, to the knowledge of the Company, under the Second Amended Indenture and (ii) to the knowledge of the Company, no default by the Company which could not reasonably be expected to be cured within the applicable cure period or event of default exists under any Project Document which could reasonably be expected to result in a Material Adverse Effect, or, in either case, if such statement cannot be so certified, specifying in reasonable detail the exceptions to such statement and the actions to be taken with respect to such exceptions;

(e) at the same time as the financial statements are delivered pursuant to clauses (a) and (b) above (except that the Company's obligation to furnish such certificate shall commence with the first Fiscal Year ending after the Initial Exchange Date), an Officer's Certificate stating that all routine and major maintenance to the Project has been performed substantially in accordance with the O&M Agreement;

(f) each of the following items:

(i) promptly after the Company learns of the occurrence thereof, written notice of the occurrence of any event or condition which constitutes (or that, upon notice or lapse of time or both, would constitute) an Event of Default under this Agreement, specifically stating that such event or condition has occurred and describing it and any action being or proposed to be taken with respect thereto;

(ii) written notice of the occurrence of any Event of Eminent Domain or any Event of Loss and an Officer's Certificate setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto; and

(iii) written notice of the occurrence of any event giving rise to a claim under any insurance policy which might be expected to be in an amount greater than \$500,000, together with copies of any document relating thereto (including

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copies of any such claim) in possession or control of the Company or any agent thereof.

(g) copies of any information required to be furnished under this Agreement to any securities pricing service designated in a notice to the Company from a Bondholder or Beneficial Owner; provided that the Company agrees that in the event that it shall be provided under any statute or rule of the Securities and Exchange Commission, Municipal Securities Rulemaking Board or other regulatory body that information relating to the Issuer, the Company or any other Person be made available to the public or any Person (including without limitation any municipal securities information depository) in order to assure the liquidity of the Bonds, then the Company shall use its best efforts to cause such information to be so made available.

Section 5.2 Omitted.

Section 5.3 Operating Disclosure. For so long as any of the Bonds remain Outstanding, the Company shall provide semi-annual operating reports, as described below, to the Trustee, the Independent Engineer, and upon written request, any Bondholders or any Beneficial Owners, no later than 30 days after each June 30 and December 31. The operating reports shall include, for the previous six or twelve months, as the case may be, statistics relating to plant availability, power sales pursuant to the Power Purchase Agreement, a report on the amount of waste secured under Waste Disposal Agreements and the tipping fees for such waste quantities, the quantity of solid waste received and processed, or contracted to be paid for, in lieu thereof, and comparative operating budget data for the previous and the current year and actual costs incurred for the year to date.

Section 5.4 Annual Forecast. Not less than 60 days prior to the commencement of each Fiscal Year following termination of FWC's obligations under the O&M Agreement, the Company shall submit to the Independent Engineer and the Trustee in draft form an operation plan and a budget, detailed by month (the "Annual Forecast"). Each Annual Forecast shall specify the estimated power sales pursuant to the Power Purchase Agreement the estimated rates and revenues for such sales, contract and spot waste revenues, revenues from the sale of recycled materials, the fixed operating and maintenance cost projected by the Company, pass through costs and Company expenses. The Independent Engineer shall provide its comments, if any, to the Company within 30 days of its receipt of the proposed Annual Forecast and the Company shall incorporate the Independent Engineer's reasonable suggestions into a final Annual Forecast, which, so long as any Bonds remain Outstanding, shall then be provided to the Trustee. If, after reasonable efforts, the Company and the Independent Engineer cannot concur on items in a final Annual Forecast, the Company may invoke the Third Party Engineer Dispute Resolution described in Section 9.8 hereof. If a final Annual Forecast for a given Fiscal Year is not established by the process described above by the end of the prior Fiscal Year, pass through costs for such Fiscal Year shall, until a final Annual Forecast is so established, be deemed to consist of the previous year's pass through costs, escalated at the CPI from the previous year. The Company will use reasonable efforts, consistent with

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normal operations and requirements, to operate and maintain the Project or cause the Project to be operated and maintained, substantially in accordance with the final Annual Forecast as approved by the Independent Engineer.

Section 5.5 Maintenance Plan. Every year following termination of the O&M Agreement, the Company shall prepare and submit to the Independent Engineer a maintenance plan which forecasts major maintenance for the next five years (the "Maintenance Plan"). The Maintenance Plan shall be submitted at the same time as the Annual Forecast. The Independent Engineer shall provide its comments, if any, to the Company within 30 days of its receipt of the proposed Maintenance Plan and the Company shall incorporate the Independent Engineer's reasonable suggestions into a final Maintenance Plan, which, so long as any of the Bonds remain Outstanding, shall then be provided to the Trustee. If, after reasonable efforts, the Company and the Independent Engineer cannot concur on items in a final Maintenance Plan, the Company may invoke the Third Party Engineer Dispute Resolution described in Section 9.8.

Section 5.6 Maintenance of Existence, Properties, Project Agreements, Maintenance of Property, Cogeneration Facility Status, Governmental Approvals.

(a) The Company shall preserve and maintain (i) its legal existence as a limited partnership and its good standing under the laws of the State of Delaware and its qualification to do business in the State and (ii) all of its rights, privileges and franchises necessary for the operation of the Project and the Transfer Station and the maintenance of its existence.

(b) The Company shall perform in all material respects all of its covenants and agreements contained in any of the then existing Project Documents (including any covenants and agreements that are deemed to be part of such Project Documents by operation of Law) to which it is a party, the nonperformance of which could reasonably be expected to result in a Material Adverse Effect.

(c) The Company shall not make any change or amendment in the components of the Project if such change or amendment causes the economic life of the Project to be reduced unless the Company shall have delivered to the Trustee a Favorable Opinion of Bond Counsel with respect to such change or amendment.

(d) The Company will maintain and operate the Project and the Transfer Station, or cause the Project or the Transfer Station to be maintained and operated (i) in good order and repair, (ii) in compliance with the provisions of the Project Agreements, the noncompliance with which could reasonably be expected to result in a Material Adverse Effect, (iii) substantially in accordance with Prudent Engineering and Operating Practices and (iv) in accordance with all material Requirements of Law.

(e) The Company shall use all reasonable efforts to obtain and to maintain in full force and effect all Governmental Approvals that are necessary from time to time (i) to conduct its business as currently conducted and as proposed to be conducted, (ii) for the

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Facility to produce and sell electric energy in accordance with and as contemplated by the Power Purchase Agreement, or any permitted replacements (including the designation of the Facility as a "QSWEF" under the Illinois Public Utilities Act) thereof and (iii) to perform its obligations under the Project Documents to which it is a party, unless the failure to so obtain or maintain any such Governmental Approval could not reasonably be expected to result in a Material Adverse Effect.

(f) The Company shall preserve and maintain good title or valid leasehold rights to the Facility Site, the Laydown Site Lease, the Transfer Station (after the Transfer Station is acquired by the Company) and the tangible personal property forming a part of the Collateral purported to be subject to the Lien of the Security Documents to which it is a party, subject only to Permitted Liens and the terms of the then existing Project Documents, unless such failure could not reasonably be expected to result in a Material Adverse Effect.

(g) So long as the Company operates the Facility, it will operate it as an "industrial project" as contemplated by the Act and, so long as any Tax-Exempt Bond remains Outstanding, it will use all portions of the Project financed in whole or in part from proceeds of Tax-Exempt Bonds exclusively and solely as a solid waste disposal facility within the meaning of Section 142(a)(6) of the Code and the regulations promulgated thereunder, and will at all times operate the Project in such a manner that it will not impair the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

Section 5.7 Compliance with Laws. The Company shall comply in all material respects with all Requirements of Law applicable to the Company, the Project or the Transfer Station (a) in conducting its business as currently conducted and as proposed to be conducted pursuant to the then existing Project Documents and (b) in performing its material obligations under the Project Documents except for any Requirements of Law the noncompliance with which could not reasonably be expected to result in a Material Adverse Effect.

Section 5.8 Insurance.

(a) To the extent available on commercially reasonable terms, the Company shall at all times during the Lease Term effect, maintain and keep in force, or cause to be effected, maintained and kept in force, the insurance listed in Schedule III. Insurance required pursuant to Schedule III shall be with responsible insurance carriers which are authorized to do business in the State and have a Best's Rating of "A-XII" or as agreed upon by the Issuer and the Company. The Company shall cause copies of the commitments for all such insurance to be furnished to the Issuer.

(b) So long as any of the Bonds are Outstanding, the Trustee shall be named as a joint loss payee, under all required property and business interruption/extra expense insurance, and shall be identified as an insured to the extent of its insurable interests with respect to such insurance as required by Schedule III. The Issuer and the Trustee (so long

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as any Bonds remain Outstanding) shall also be identified as insureds with respect to General Liability, Excess Liability and Automobile Liability insurance required by Schedule III as to claims based upon or relating to the acts or omissions of the Company in connection with the Project or the Transfer Station.

(c) The insurance carried in accordance with Schedule III shall include the following provisions:

(i) To the extent permitted by Law, all insurers shall waive all rights of subrogation against the Trustee and its respective officers, employees, agents, successors and assigns, and shall waive any right of set-off and counterclaim and any other right to deduction whether by attachment or otherwise;

(ii) Such insurance shall be primary without right of contribution of any other insurance carried by or on behalf of the Trustee, with respect to its interest as such in the Project and the Transfer Station and each policy shall contain a severability-of-interests or cross liability provision; and

(iii) If, at any time, such insurance is canceled, or any material change is made in the coverage which affects the interests of the Trustee, such cancellation or change shall not be effective as to the Trustee for 60 days, except for nonpayment of premium, which shall be ten days, after receipt by the Trustee of written notice from such insurer of such cancellation or change.

(d) Upon procurement by the Company of the insurance set forth in Schedule IV, the Company shall furnish to the Trustee certification of all required insurance. Such certification shall be executed by each insurer or by an authorized representative of each insurer. Such certification shall identify insurers, the type of insurance, the insurance limits, a description of the Facility and/or operations, the risks covered thereby and the policy term. The Company shall certify that the premiums on all such policies have been paid in full for the current year or will be paid when due. Upon request by the Trustee, the Company will promptly furnish to the Trustee copies of all insurance policies, binders and cover notes or other evidence of such insurance relating to the Project and the Transfer Station, subject to the Trustee executing a confidentiality agreement substantially in the form of Schedule IV. Notwithstanding anything contained herein or in the confidentiality agreement to the contrary, the Company shall furnish to any Bondholder or Beneficial Owner requesting the same, copies of all insurance policies, binders and cover notes or other evidence of such insurance relating to the Project or the Transfer Station without the necessity of any such Bondholder or Beneficial Owner executing a confidentiality agreement.

(e) If at any time any of the insurance required pursuant to this Section 5.8 shall no longer be available on commercially reasonable terms, the Company shall procure substitute insurance coverage that is the most equivalent to the required coverage and available on commercially reasonable terms. The Company shall deliver to the Trustee a certificate of the independent Insurance Advisor stating that the required insurance

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coverage is no longer available on commercially reasonable terms and that the proposed substitute insurance coverage is the most equivalent to the required coverage available on commercially reasonable terms.

(f) The loss, if any, under any property and/or business interruption/extra expense insurance required to be carried under Schedule III shall be adjusted with the insurance companies or otherwise collected, including the filing in a timely manner of appropriate proceedings, by the Company. In addition, the Company shall take all other steps necessary or requested by the Trustee to collect from insurers any loss covered by any of the insurance policies in Schedule III. All such policies shall provide that the loss, if any, under such insurance shall be adjusted and paid as provided in this Section 5.8.

(g) The Issuer, the Company and the Trustee shall cooperate and consult with each other in all matters pertaining to the settlement or adjustment of any and all claims and demands for damages on account of any taking or condemnation of the Project or the Transfer Station or pertaining to the settlement, compromise or arbitration of any claim on account of any damage or destruction of the Project or the Transfer Station or any portion thereof.

(h) No provision of this Section or any other provision of this Agreement shall impose on the Trustee any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the Company, nor shall the Trustee be responsible for any representations or warranties made by or on behalf of the Company to any insurance company or underwriter.

Section 5.9 Payment of Taxes and Claims. The Company shall, prior to the time penalties shall attach thereto, pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges or levies lawfully imposed upon it or upon its income or profits or upon any of the Collateral and all lawful claims or obligations that, if unpaid, would become a Lien upon the Collateral real or personal, or upon any part thereof; provided the Company shall not be required to pay any such tax, assessment, charge, levy, claim or obligation if there is a Good Faith Contest thereof by the Company. The Company shall promptly pay or cause to be paid any valid, final judgment enforcing any such tax, assessment, charge, levy or claim and cause the same to be satisfied of record unless such judgment is then the subject of a Good Faith Contest.

Section 5.10 Books and Records. The Company shall at all times keep proper books and records of all of its business and financial affairs and all of the business and financial affairs of the Project and the Transfer Station in accordance with GAAP. The Company shall keep books of account or records concerning its accounts, inventory, contract rights, equipment and proceeds at its offices located on the Facility Site or at the offices of the General Partner.

Section 5.11 Right of Inspection. Subject to requirements of applicable Law and safety requirements and upon reasonable notice from the Trustee, the Company shall permit the Issuer, the Trustee, or any agents or representatives thereof, from time to time

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during normal business hours to conduct reasonable inspections and examinations at all reasonable times of the Project and the Transfer Station and the records of the Company relating to the Project and the Transfer Station.

Section 5.12 Use of Original 1994 Bond Proceeds. The Company will apply all of the proceeds from the sale of the Original 1994 Bonds (exclusive of accrued interest) in accordance with the provisions hereof and of the Second Amended Indenture, to the extent it is within the power of the Company to do so.

Section 5.13 Compliance with Environmental Laws. The Company (i) shall comply in all material respects with all Environmental Laws applicable to the leasing, operation or use of the Facility Site, the Project or the Transfer Station, and shall cause all tenants and other persons occupying the Facility Site, the Project or the Transfer Station to comply in all material respects with all such Environmental Laws except, in all events, where the failure to comply with such Environmental Laws would not result in a Material Adverse Effect, (ii) shall immediately pay or cause to be paid all costs and expenses incurred in connection with such compliance as such costs and expenses become due and payable (unless the payment of any such costs or expenses is the subject of a Good Faith Contest by the Company) and (iii) shall keep or cause to be kept the Facility Site, the Transfer Station and the Project free and clear of any Liens other than Permitted Encumbrances imposed pursuant to such Environmental Laws (unless any such Lien is stayed or bonded). The Company shall not generate, use, treat, store, release, dispose of, or transport or permit the generation, use, treatment, storage, release, disposal or transportation of Hazardous Materials on, at, from, or to the Facility Site, the Transfer Station or the Project except in all events, in material compliance with all applicable Environmental Laws.

Section 5.14 Debt. So long as any of the Bonds remain Outstanding, the Company shall not create or incur or suffer to exist any Debt except:

(a) Debt arising under the Project Documents (including any obligations with respect to a Debt Service Reserve Account Facility, if any);

(b) Subordinated Debt;

(c) purchase money or lease obligations incurred to finance discrete items of equipment not comprising an integral part of the Project that extend only to the equipment being financed and that do not in the aggregate have annual debt service or lease payment obligations exceeding \$200,000 (escalating at the CPI from November 1994);

(d) trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within 90 days of the date the respective goods are delivered or the respective services are rendered; and

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(e) obligations in respect of surety bonds or similar instruments (excluding any Debt Service Reserve Account Facility, if any) in an aggregate amount not exceeding \$2,000,000 (escalating at the CPI from November 1994) at any one time outstanding.

Section 5.15 Liens.

(a) So long as any of the Bonds remain Outstanding, the Company shall not create or suffer to exist or permit any Lien upon or with respect to any of its properties or leasehold interests, except for the following, which collectively shall constitute "Permitted Liens":

- (i) Permitted Encumbrances;
- (ii) Liens specifically permitted by, or created by, any Project Document; and
- (iii) Liens with respect to Debt permitted pursuant to Section 5.14.

(b) When Bonds are no longer Outstanding, the Company may permit Liens upon or with respect to any of its properties or leasehold interests to secure any Debt.

Section 5.16 Guaranties. So long as any of the Bonds remain Outstanding, the Company shall not contingently or otherwise be or become liable, directly or indirectly, in connection with any Guaranty except (i) Guaranties arising in the ordinary course of business, (ii) indemnities with respect to unfiled materialmen's, mechanic's, workmen's, repairmen's employee's or other like Liens arising in the ordinary course of operations or maintenance of the Project or the Transfer Station, and (iii) indemnities to federal, state or local governmental agencies or authorities relating to any expenses incurred that are incidental to obtaining easements or permits for the benefit of the Project or the Transfer Station.

Section 5.17 Prohibition on Disposition of Assets. Except as contemplated by the Project Documents and in connection with the Plan, the Company shall not sell, lease (as lessor) or transfer (as transferor) any property or assets material to the operation of the Project or the Transfer Station, except in the ordinary course of business to the extent that such property is worn out or is no longer useful or necessary in connection with the operation of the Facility or to the extent that such property is replaced with property of equal value and utility, so long as such property's fair market value does not exceed \$2,500,000 (escalated at the CPI from November 1999); *provided, however,* that the Company may sell, lease (as lessor) or transfer (as transferor) any of such property or assets if the Independent Engineer shall certify (which certification shall not be unreasonably withheld or delayed) that such sale, lease or transfer will not result in a Material Adverse Effect. To the extent that the Company receives proceeds from the sale of any property replaced with property of equal value and utility, the Company may apply the proceeds from the sale of such property to the purchase of such replacement

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property upon the written approval of the Independent Engineer (which approval shall not be unreasonably withheld or delayed) to replace such existing property.

Notwithstanding the foregoing, the Company may enter into agreements to share certain equipment and real and personal property with entities that develop other facilities on or adjacent to the Facility Site upon delivery of an Officer's Certificate to the Trustee (with a copy of such agreement or agreements attached) certifying that such agreement or agreements are reasonable, which certification shall be accompanied by an Independent Engineer's Certificate confirming (which confirmation shall not be unreasonably withheld or delayed) that the Company's certification is reasonable and would not be reasonably expected to (1) result in a Material Adverse Effect or (2) materially increase the likelihood of the occurrence of a future Material Adverse Effect.

Section 5.18 Omitted.

Section 5.19 Amendments; Additional Agreements. Other than in connection with the Plan and so long as any of the Bonds remain Outstanding, the Company may terminate, amend or modify any of the then existing Project Documents to which it is a party or enter into additional agreements only if a Company Representative certifies to the Trustee, and the Independent Engineer confirms (which confirmation shall not be unreasonably withheld or delayed) that (i) such termination, amendment, modification or additional agreement could not reasonably be expected to result in a Material Adverse Effect, and (ii) termination, amendment or modification would not reasonably be expected to materially increase the likelihood of the occurrence of a future Material Adverse Effect; provided that the confirmation of the Independent Engineer is not required with respect to terminating, amending, modifying or executing agreements which relate to (a) waste supply, having a term of 1 year or less, (b) transportation of materials, having a term of 5 years or less, (c) sale of recyclables, having a term of 5 years or less and (d) any other matter, having a term of 2 years or less and a total obligation of not more than \$200,000 over such 2-year period. The Company may execute additional Waste Disposal Agreements, which satisfy the provisions of Section 5.28 hereof, without any additional certification (or confirmation by the Independent Engineer) relating to the likelihood of a Material Adverse Effect, except as provided in Section 5.28 hereof.

Section 5.20 Prohibition on Fundamental Changes. So long as any of the Bonds remain Outstanding and except as contemplated in the Plan, the Company shall not enter into any transaction of merger or consolidation, change its form of organization or its business, liquidate or dissolve itself (or suffer any liquidation or dissolution). So long as any of the Bonds remain Outstanding, the Company shall not purchase or otherwise acquire all or substantially all of the assets of any Person, except as permitted in Section 5.30.

Section 5.21 Subordinated Debt Payments. So long as any of the Bonds remain Outstanding, the Company shall not make any payments on any Subordinated Debt except from distributions from the Surplus Fund and as otherwise permitted by the Second Amended Indenture and this Agreement.

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Section 5.22 Nature of Business. Except as permitted by Section 5.30, so long as any of the Bonds remain Outstanding, the Company shall not engage in any business other than the development, acquisition, construction, operation, leasing and financing of the Project and the Transfer Station and related activities as contemplated by the Project Documents.

Section 5.23 Employee Plans. So long as any of the Bonds remain Outstanding, the Company shall not become a party to, participate in or assume any liability with respect to any "pension plan" as defined in ERISA.

Section 5.24 Transactions with Affiliates. So long as any of the Bonds remain Outstanding, the Company shall not enter into any transaction or agreement, nor permit the Operator to enter into any contract related to the Project (except as permitted by the O&M Agreement and the Services Contract), with any Affiliate other than (a) the Project Documents or the Guarantor Agreement and (b) transactions in the ordinary course of business on terms that are certified by the Company and confirmed by the Independent Engineer (which confirmation shall not be unreasonably withheld or delayed) as being fair and reasonable to the Company.

Section 5.25 Omitted.

Section 5.26 Arbitrage. The Company covenants with the Issuer and for and on behalf of the purchasers and Owners of the Tax-Exempt Bonds from time to time Outstanding that so long as any of the Tax-Exempt Bonds remain Outstanding, moneys on deposit in any fund or account in connection with the Tax-Exempt Bonds, whether or not such fund or account is created pursuant to the terms of the Second Amended Indenture and whether or not such moneys were derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other sources, will not be used in a manner which will cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and any lawful regulations promulgated thereunder, including Sections 1.148-1 through 1.148-11 and 1.150-1 and 1.150-2 of the Income Tax Regulations (26 CFR Part 1), as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised to the extent applicable to the Tax-Exempt Bonds. The Company further agrees for and on behalf of the purchasers and holders of the Tax-Exempt Bonds to perform its obligations under the Tax Agreement. The Company reserves the right, however, to make any investment of such moneys permitted by the Second Amended Indenture and State law, if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the written opinion of Bond Counsel, result in making the interest on the Tax-Exempt Bonds subject to Federal income taxation to which such interest is not otherwise subject.

Section 5.27 Company's Obligation with Respect to Tax Exemption of Interest Paid on the Tax-Exempt Bonds. Notwithstanding any other provision hereof, the Company covenants and agrees that it will not take or authorize or permit, to the extent

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such action is within the control of the Company, any action to be taken with respect to the Project, or the proceeds of the Obligations or the 1997 Bonds (including investment earnings thereon), insurance, condemnation, or any other proceeds derived directly or indirectly in connection with the Project, which will result in the loss of the exemption of interest on the Tax-Exempt Bonds from Federal income taxation under Section 103(a) of the Code (except for any Tax-Exempt Bond during any period while any such Tax-Exempt Bond is held by a person referred to in Section 147(a) of the Code); and the Company also will not knowingly omit to take any action in its power which, if omitted, would cause the above result. This provision shall control in case of conflict or ambiguity with any other provision of this Agreement.

The Company covenants and agrees to notify the Trustee and the Issuer of the occurrence of any event of which the Company has notice and which event would require the Company to prepay the amounts due hereunder because of a redemption upon a Determination of Taxability.

Section 5.28 Waste Disposal Agreements. The Company covenants and agrees that it will use reasonable efforts to enter into Waste Disposal Agreements with Illinois municipalities, which (a) have terms that extend through the final maturity date of the Series 1999A Bonds and the Series 1999B Bonds, (b) will provide annual Revenues from such Waste Disposal Agreements (including Revenues derived from Waste Disposal Agreements in effect as of November 23, 1994) at least equal to \$15.1 million (escalating at the CPI from November 1994), as confirmed by the Independent Engineer, which confirmation shall not be unreasonably withheld or delayed, and (c) to the extent then available, contain terms, conditions, prices and risk allocation which, in the reasonable judgment of the Company, are at least as favorable to the Project as the Waste Disposal Agreements in effect on November 23, 1994, in light of the then current market conditions for long-term contracts; provided, that such Waste Disposal Agreements may be on terms less favorable to the Project than such Waste Disposal Agreements so long as such agreements do not result in a Material Adverse Effect as determined by the Independent Engineer (which determination shall not be unreasonably withheld or delayed). On and after the date that the Company enters into Waste Disposal Agreements meeting the requirements of this Section, it shall have no further obligation under this Section. So long as the Company is using reasonable efforts to enter into Waste Disposal Agreements meeting the requirements of this Section, the failure of the Company to actually enter into Waste Disposal Agreements meeting the requirements of this Section shall not be considered, in and of itself, to constitute a breach of its obligations under this Section. In preparing its confirmation under clause (b) of this Section, the Independent Engineer shall use the same methodology used in the preparation of the report delivered in connection with the issuance of the 1994 Bonds.

Section 5.29 Omitted.

Section 5.30 Acquisition of Transfer Stations. The Company shall be permitted, but not obligated, to acquire transfer stations which enhance the ability of the Company to secure long-term waste commitments to the Facility; provided that (i) the costs of such

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acquisition are paid solely from Subordinated Debt or funds of the Company which are not subject to the lien of the Second Amended Indenture, (ii) all revenues generated from such transfer stations are pledged to the Trustee as security for the Series 1999A Bonds and the Series 1999B Bonds and (iii) any assets acquired by the Company relating to such transfer stations, including real and personal property and contract rights, shall be collaterally assigned to the Trustee as security for the Series 1999A Bonds and the Series 1999B Bonds. In addition, any such acquisition shall not reasonably be expected to result in a Material Adverse Effect, as determined by the Independent Engineer (which determination shall not be unreasonably withheld or delayed). The acquisition of the Transfer Station by the Company as contemplated in the Plan is permitted without regard to the foregoing.

Section 5.31 Financing Statements.

(a) The Company will, at its expense, take all necessary action to maintain and preserve the liens and the security interests of this Agreement so long as any of the Bonds remain Outstanding.

(b) The Company will, forthwith after the execution and delivery of this Agreement, and thereafter from time to time, cause this Agreement (including any amendments thereof and supplements thereto) and any financing statements in respect of this Agreement to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect the lien and security interest created thereby; and from time to time will execute or cause to be executed and will file or will cause to be filed any and all continuation statements and further instruments that may be requested by the Issuer or the Trustee for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Company will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, said financing statements and such instruments of further assurance.

Section 5.32 Omitted.

Section 5.33 Omitted.

Section 5.34 Reimbursement to State. The Company agrees to assume the obligation of the Facility under Section 8-403.1 of the Illinois Public Utilities Act, and the rule promulgated thereunder at 83 Illinois Administrative Code, Part 445, entitled "Purchase and Sale of Electric Energy from Qualified Solid Waste Energy Facilities", as in effect on the date hereof, to reimburse the General Revenue Fund of the State for the tax credits accumulated on behalf of the Facility by ComEd during the term of this Agreement commencing not later than the end of the twenty-first year after January 22,

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1997. The obligation of the Company under this Section shall survive the termination of this Agreement.

Section 5.35 Omitted.

Section 5.36 Continuing Disclosure.

(a) Purpose. This Continuing Disclosure Covenant is being entered into for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

(b) Provision of Annual Reports.

(i) The Company shall, or shall cause the Dissemination Agent to, not later than 120 days after the end of the Company's fiscal year, commencing with the report for the Company's fiscal year ending December 31, 1999, provide to the Issuer and to each Repository an Annual Report which is consistent with the requirements of clause (c) of this Section 5.36; *provided, however,* the Dissemination Agent shall have no obligation to examine said Annual Report as to its form, substance, or compliance with (c) below. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in clause (c) of this Continuing Disclosure Covenant; provided that the audited financial statements of the Company may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the fiscal year of the Company shall change, the Company shall give notice of such change in the same manner as for a Listed Event under clause (d)(vi) of this Continuing Disclosure Statement.

(ii) Not later than thirty (30) Business Days prior to the date specified in subclause (i) of this clause (b) for providing the Annual Report to the Repositories, the Company shall provide sufficient copies of the Annual Report to the Issuer, the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent) for each of the Repositories. If by such date the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Company and the Dissemination Agent (if the Trustee is not the Dissemination Agent) to determine if the Company is in compliance with the first sentence of this subclause (ii).

(iii) If the Trustee is unable to verify that an Annual Report has been provided to the Issuer and the Repositories by the date required in subclause (i) of this clause (b), the Trustee shall send a notice to the Issuer and to each Repository in substantially the form set forth below:

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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Name of Issuer: VILLAGE OF ROBBINS, ILLINOIS

Name of Bond Issue: RESOURCE RECOVERY REVENUE BONDS
(ROBBINS RESOURCE RECOVERY PARTNERS, L.P. PROJECT), \$ _____
SERIES 1999A AND \$ _____ SERIES 1999B

Name of Obligated Person: ROBBINS RESOURCE RECOVERY PARTNERS,
L.P.

Original Date of Issuance: NOVEMBER 23, 1994

Date of First Exchange: OCTOBER 15, 1996

Date of Most Recent Exchange: _____, 2000

NOTICE IS HEREBY GIVEN that the Company has not provided an Annual Report with respect to the above-named Bonds as required by Section 5.36 of the Amended and Restated Facility Lease Agreement dated as of _____, 1999, as amended, between the issuer and the Company.

[The Company has advised the undersigned that it anticipates that the Annual Report will be filed by [INSERT DATE].]

Dated: _____

SunTrust Bank, Central Florida, National Association, as Dissemination Agent on behalf of the Company

cc: Company
Issuer

(iv) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(2) file a report with the Company, the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report, in the form furnished to it by the Company, has been provided pursuant to this Continuing Disclosure Covenant, stating the date it was provided, and listing all the Repositories to which it was provided.

(c) Content of Annual Reports. The Annual Report, commencing with the Annual Report for the Company's fiscal year ending December 31, 1999, shall contain or include by reference the audited financial statements of the Company, for the prior fiscal year prepared in accordance with GAAP. If such audited financial statements are not

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available by the time the Annual Report is required to be filed pursuant to subclause (i) of clause (b) of this Continuing Disclosure Covenant, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. The Company shall also include in each Annual Report the operating data required to be delivered by it pursuant to Section 5.3 of this Agreement. The Company shall also include in each Annual Report information regarding the receipt by the Issuer of Incremental Taxes for the prior fiscal year. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Company is an "obligated person" (as defined by the Rule) which have been filed with each of the Repositories and reports regarding the Company which have been filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Company shall clearly identify each such other document so included by reference.

(d) Reporting of Significant Events.

(i) Pursuant to the provisions of this clause (d), the Trustee shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of security holders;
- (8) Bond calls (but not scheduled redemptions of Bonds from sinking funds);
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds; and

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(11) Rating changes.

(ii) The Trustee shall, within five (5) Business Days of obtaining actual knowledge of the occurrence of any of the Listed Events (except events listed in subclauses (i)(1), (8) or (9)), contact the Issuer and the Company Representative, inform them of the event, and request that the Company promptly notify the Issuer and the Trustee in writing whether or not to report the event pursuant to subclause (vi) below.

(iii) Whenever the Company obtains knowledge of the occurrence of a Listed Event, because of a notice from the Trustee pursuant to subclause (ii) immediately above or otherwise, the Company shall as soon as possible determine whether such event would constitute material information for Owners and Beneficial Owners of the Bonds; *provided, however*, that any event under subclause (i)(11) will always be deemed to be material. The Company may consult with representatives of the Issuer and its consultants, counsel and advisors as to whether any Listed Event constitutes material information for Owners and Beneficial Owners of the Bonds and reflects financial difficulty, if appropriate.

(iv) If the Company has determined that knowledge of the occurrence of a Listed Event would be material, the Company shall promptly notify the Issuer and the Trustee in writing. Such notice shall instruct the Trustee to report the occurrence pursuant to subclause (vi).

(v) If in response to a request under subclause (ii), the Company determines that the Listed Event would not be material, the Company shall so notify the Issuer and the Trustee in writing, giving the reason that the Listed Event is not material, and shall instruct the Trustee not to report the occurrence pursuant to subclause (vi) below.

(vi) If the Trustee (or the Dissemination Agent, if not the Trustee) has been instructed by the Company to report the occurrence of a Listed Event, the Trustee shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository with a copy to the Issuer and the Company. Notwithstanding the foregoing, notice of Listed Events described in subclauses (i)(8) and (9) need not be given under this subsection any earlier than the notice (if any) that the underlying event is given to Owners of affected Bonds pursuant to the Second Amended Indenture.

(e) Termination of Reporting Obligation. The Company's obligations under this Continuing Disclosure Covenant shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Company's obligations under the Facility Lease Agreement are assumed in full by some other Person, such Person shall be responsible for compliance with this Continuing Disclosure Covenant in the same manner as if it were the Company and the original Company shall have no further obligations hereunder so long as, but solely to the extent that, the Company delivers a written

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assumption by such Person of the Company's obligations under this Continuing Disclosure Covenant, in form and substance satisfactory to the Trustee and the Issuer. If such termination or substitution occurs prior to the final maturity of the Bonds, the Company shall give notice of such termination or substitution in the same manner as for a Listed Event under clause (d)(vi).

(f) Dissemination Agent. The Company may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Covenant, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the form, substance or content of any notice or report prepared by the Company pursuant to this Continuing Disclosure Covenant. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. No Owner, Beneficial Owner, Participating Underwriter or any other person shall have any action against the Dissemination Agent for damages of any kind or nature whatsoever.

(g) Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Covenant, the Company and the Trustee may amend this Continuing Disclosure Covenant (and the Trustee shall agree to any amendment so requested by the Company) and any provision of this Continuing Disclosure Covenant may be waived, provided that the following conditions are satisfied:

(i) If the amendment or waiver relates to the provisions of clauses (b)(i), (c) or (d)(i), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated Person with respect to the Bonds or the type of business conducted;

(ii) The undertaking, as amended or taking into account such waiver, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance or remarketing (in either case, for which the Rule was first effective) of the Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver either (A) is approved by the Owners or Beneficial Owners of the Bonds in the same manner as provided in Section 10.01 of the Second Amended Indenture for amendments to the Second Amended Indenture with the consent of Owners, or (B) does not, in the opinion of the Trustee or Bond Counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Covenant, the Company shall describe such amendment, in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the

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amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented with respect to the Company. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (Y) notice of such change shall be given in the same manner as for a Listed Event under Section (d)(vi), and (Z) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(h) Additional Information. Nothing in this Continuing Disclosure Covenant shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Covenant or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Covenant. If the Company chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Covenant, the Company shall have no obligation under this Continuing Disclosure Covenant to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

(i) Default. In the event of a failure of the Company or the Dissemination Agent to comply with any provision of this Continuing Disclosure Covenant, the Trustee may, and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds shall, or any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Company or the Trustee, as the case may be, to comply with its obligations under this Continuing Disclosure Covenant. A default under this Continuing Disclosure Covenant shall not be deemed an Event of Default under the Second Amended Indenture or the Agreement, and the sole remedy under this Continuing Disclosure Covenant in the event of any failure of the Company or the Trustee to comply with this Continuing Disclosure Covenant shall be an action to compel performance. Any such action shall be commenced only in a court of competent jurisdiction, be it federal or state, located in Cook County, Illinois.

(j) Duties; Immunities and Liabilities of Trustee and Dissemination Agent. As to the obligations of the Trustee hereunder, Article VIII of the Second Amended Indenture is hereby made applicable to this Continuing Disclosure Covenant as if this Continuing Disclosure Covenant were (solely for this purpose) contained in the Second Amended Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Continuing Disclosure Covenant, and the Company agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and

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expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Company under this clause (j) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(k) Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Covenant shall be given in the manner provided in Section 13.14 of the Second Amended Indenture.

(l) Beneficiaries. This Continuing Disclosure Covenant shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters, and Owners and Beneficial Owners from time to time of the Bonds and shall create no rights in any other Person or entity.

ARTICLE VI

ISSUER COVENANTS

Section 6.1 Maintenance of Existence. The Issuer shall use its best efforts to preserve and maintain (i) its legal existence and form and (ii) all of its rights, privileges and franchises necessary for ownership of the Project and the maintenance of its existence.

Section 6.2 Compliance with Certain Agreements and Performance of General Covenants.

(a) The Issuer shall perform in all material respects all of its obligations under the Issuer Documents, the non-performance of which could reasonably be expected to result in a Material Adverse Effect.

(b) The Issuer shall comply in all material respects with all Requirements of Law applicable to the Issuer and the Project in performing its obligations under the Issuer Documents, except any thereof the noncompliance with which could not reasonably be expected to result in a Material Adverse Effect.

(c) The Issuer further covenants that, to the extent permitted by Law, it shall take no action nor enter into any agreement which could reasonably be expected to result in a Material Adverse Effect.

Section 6.3 Issuance of Additional Bonds. Upon the written request of the Company, the Issuer shall use its best efforts to issue Additional Bonds as provided in Section 2.07 of the Second Amended Indenture.

Section 6.4 Confidentiality. The Issuer agrees that, except as otherwise required by Law, it will not disclose any written information it receives from the Company, the Trustee or the Independent Engineer pursuant to the Issuer Documents,

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without the prior written consent of the Company and the Person providing such information.

Section 6.5 Availability of Funds. The Issuer agrees that it will make available to the Company the funds and amounts identified in the Second Amended Indenture for the acquisition, construction and equipping of the Project (including reimbursement to the Company for costs incurred in connection therewith, all in accordance with the provisions of the Second Amended Indenture).

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default.

(a) So long as any Bonds remain Outstanding, the term "Event of Default", whenever used herein, shall mean any of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or come about or be affected by operation of law, or be pursuant to or in compliance with any applicable Law), and any such event shall continue to be an Event of Default if and for so long as it shall not have been remedied:

(i) Failure to pay any Lease Payment due hereunder within three days of when the same becomes due and payable; *provided, however*, the payment of a Lease Payment out of moneys drawn from the Debt Service Reserve Account, if any, shall not constitute, in and of itself, an Event of Default under this Agreement.;

(ii) The Company shall fail to perform or observe its covenant or agreement contained in Sections 5.8 (Insurance), 5.6(f) (Governmental Approvals), 5.6(a) (Maintenance of Existence), 5.14 (Debt), 5.15 (Liens), 5.16 (Guarantees), 5.17 (Disposition of Assets), 5.19 (Amendments; Additional Agreements), 5.20 (Prohibition on Fundamental Changes), 5.21 (Subordinated Debt Payments) or 5.22 (Nature of Business) herein and such failure shall continue uncured for 30 or more days after the Company has actual knowledge of such failure; or

(iii) The Company shall fail to perform or observe any of its covenants contained in any other provision of this Agreement (other than those referred to in paragraph (ii) above) and such failure shall continue uncured for 30 or more days after the Company has actual knowledge of such failure; or

(iv) Any representation or warranty made by the Company herein shall prove to have been false or misleading in any respect as of the time made, confirmed or furnished and the inaccuracy of such representation or warranty has resulted or would reasonably be expected to result in a Material Adverse Effect,

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and such misrepresentation shall continue uncured for 30 or more days from the date the Company has actual knowledge thereof; or

(v) The Company shall fail to make any payment in respect of any Debt in an amount exceeding \$1,000,000 which it has incurred and which shall remain outstanding (other than any amount due under or pursuant to this Agreement or any Subordinated Debt) when due and payable (subject to any applicable grace period); or

(vi) A final, non-appealable order from FERC revoking the Facility's status as a Qualifying Facility under PURPA; *provided, however*, that such revocation shall not be an Event of Default if within 270 days of such revocation the Company (A)(1) obtains recertification from FERC as a Qualifying Facility or (2) obtains all requisite approvals necessary to operate the Facility as an "exempt wholesale generator" and, in either case, the Company files with the Trustee a certificate, confirmed by the Independent Engineer, which confirmation shall not be unreasonably withheld or delayed, certifying the occurrence of the matters described in either clause (A) or (B) above; or

(vii) RESERVED; or

(viii) With respect to any Project Document (other than the Waste Disposal Agreements): (A) such Project Document is declared unenforceable by a Governmental Authority of competent jurisdiction in a final, non-appealable judgment, or (B) any other party thereto denies it is required to comply with any material obligation under such Project Document, or (C) any other party thereto defaults in respect of its material obligations under such Project Document and in the case of clauses (A), (B) and (C) above, such event would reasonably be expected to result in a Material Adverse Effect; or

(ix) Except as otherwise permitted by Section 5.19, with respect to any Waste Disposal Agreement: (A) such Waste Disposal Agreement is terminated by either party thereto except as otherwise permitted in this Agreement, or (B) an Event of Default (as defined in such Waste Disposal Agreement) shall occur and be continuing under such Waste Disposal Agreement, and, in the case of clauses (A) and (B) above, such event would reasonably be expected to result in a Material Adverse Effect; or

(x) A final and non-appealable judgment or judgments for the payment of money in excess of \$1,000,000 shall be rendered against the Company, and the same shall remain unpaid for a period of 30 or more consecutive days from the date of entry thereof, or

(xi) Any grant of a Lien to the Trustee on the Collateral contained in the Security Documents shall cease to be a perfected Lien with the priority

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purported to be created thereby; *provided, however*, that the Company shall have ten days after knowledge or constructive knowledge to cure any such cessation; or

(xii) Other than in connection with the Plan or to otherwise effect an exchange of Bonds under the Second Amended Indenture, the Company shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (C) make a general assignment for the benefit of its creditors, (D) commence a voluntary case under the Federal Bankruptcy Code, (E) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (F) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against such Person in an involuntary case under the Federal Bankruptcy Code, or (G) take any corporate or other action for the purpose of effecting any of the foregoing; or

(xiii) A proceeding or case shall be commenced without the application or consent of the Company in any court of competent jurisdiction, seeking (A) its liquidation, reorganization, dissolution, winding-up, or the composition or readjustment of debts, (B) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or (C) any order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 90 or more consecutive days, or any order for relief against such Person shall be entered in an involuntary case under the Federal Bankruptcy Code.

(b) When no Bonds are Outstanding, the term "*Event of Default*", whenever used herein, shall mean any of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or come about or be affected by operation of law, or be pursuant to or in compliance with any applicable Law), and any such event shall continue to be an Event of Default if and for so long as it shall not have been remedied:

(i) The Company shall fail to perform or observe any of its covenants contained in any other provision of this Agreement and such failure shall continue uncured for 30 or more days after the Company has actual knowledge of such failure; provided that if the Company commences efforts to cure such default within such 30-day period, the Company may continue to effect such cure of the default (and such default shall not be deemed an "*Event of Default*" hereunder) for an additional 90 days so long as a Company Representative provides an Officers' Certificate to the Trustee stating that the Company is diligently pursuing the cure; or

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(ii) Any representation or warranty made by the Company herein shall prove to have been false or misleading in any respect as of the time made, confirmed or furnished and the inaccuracy of such representation or warranty has resulted or would reasonably be expected to result in a Material Adverse Effect, and such misrepresentation shall continue uncured for 30 or more days from the discovery; provided that if the Company commences efforts to cure such inaccuracy within such 30-day period, the Company may continue to effect such cure of the misrepresentation (and such misrepresentation shall not be deemed an "Event of Default" hereunder) for an additional 90 days so long as a Company Representative provides an Officers' Certificate to the Trustee stating that the Company is diligently pursuing the cure; or

(iii) The Company shall fail to make any payment in respect of any Debt in an amount exceeding \$10,000,000 which it has incurred and which shall remain outstanding (other than any amount due under or pursuant to this Agreement or any Subordinated Debt) when due and payable (subject to any applicable grace period); or

(iv) A final and non-appealable judgment or judgments for the payment of money in excess of \$10,000,000 shall be rendered against the Company, and the same shall remain unpaid or unstayed for a period of 30 or more consecutive days from the date of entry thereof; or

(v) Other than in connection with the Plan, the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code, (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (vi) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against such Person in an involuntary case under the Federal Bankruptcy Code, or (vii) take any corporate or other action for the purpose of effecting any of the foregoing; or

(vi) A proceeding or case shall be commenced without the application or consent of the Company in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution, winding-up, or the composition or readjustment of debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 90 or more consecutive days, or

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any order for relief against such Person shall be entered in an involuntary case under the Federal Bankruptcy Code.

Section 7.2 Remedies.

(a) Upon the occurrence of an Event of Default described in Section 7.1(a)(xii) or (xiii) above, all Lease Payments shall become automatically due and payable. Upon the occurrence of an Event of Default under Section 7.1(a)(i), the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Company, declare all Lease Payments immediately due and payable. Upon the occurrence of an Event of Default described in Section 7.1(a)(ii) through and including (a)(xiv) (except for Section 7.1(a)(xii) or (xiii)), the Trustee, upon the written request of the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall by notice in writing delivered to the Issuer and the Company, declare all Lease Payments immediately due and payable. The Trustee shall not declare all Lease Payments to be due and payable unless it has also declared the principal of and accrued interest on all Bonds then Outstanding to be due and payable under Section 7.02 of the Second Amended Indenture. Such acceleration provisions, however, are also subject to the condition that if, after the principal of any Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided in the Second Amended Indenture, the Company shall cause to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Second Amended Indenture) and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all events of default under the Second Amended Indenture other than nonpayment of the principal of Bonds which shall have become due by said declaration shall have been remedied, such Event of Default shall be deemed waived and such declaration and its consequences rescinded or annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Issuer and the Company and shall give notice thereof to all holders of Outstanding Bonds previously notified of the acceleration, but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(b) Upon the occurrence of an Event of Default described in Section 7.1(b), the Issuer shall have and may directly exercise in its own name any or all of the remedies granted to the Trustee in Sections 7.3 and 7.4 hereof (without regard to or effect given to references to the acceleration of Lease Payments contained in such sections) and shall have all of the rights and options of the Trustee contained in Sections 7.5 through 7.8 hereof.

Section 7.3 Additional Remedies on Default; Obtaining the Collateral upon Default. Whenever any Event of Default under this Agreement shall have occurred and

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be continuing and all Lease Payments have been declared to be due and payable and such acceleration has not been rescinded, the Trustee shall have all the rights and remedies of a secured party under the Uniform Commercial Code to enforce this Agreement and the security interests contained herein, and, in addition, subject to any requirements of applicable law then in effect and the provisions hereof, the Trustee may, in addition to its other rights and remedies hereunder, do any of the following to the extent permitted by applicable law and the provisions hereof:

(i) personally, or by trustees or attorneys, immediately take possession of the Collateral or any part thereof, from the Company or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon the premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Company;

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation constituting the Collateral to make any payment required by the terms of such instrument, agreement or obligation directly to the Trustee;

(iii) take possession of the Collateral or any part thereof, by directing the Company in writing to deliver the same to the Trustee at any place or places designated by the Trustee, in which event the Company shall at its own expense:

(A) forthwith cause the same, to the extent reasonably feasible, to be moved to the place or places so designated by the Trustee and there be delivered to the Trustee;

(B) store and keep any Collateral so delivered to the Trustee at such place or places pending further action by the Trustee as provided in Section 7.4; and

(C) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition.

To the extent permitted by law, the Company's obligation to deliver the Collateral is of the essence of this Agreement and, accordingly, upon application to a court of equity having jurisdiction, the Trustee shall be entitled to obtain a decree requiring specific performance by the Company of said obligations. It is the intention of the parties that leasehold mortgages are granted pursuant to Section 4.6(a) above, and the Trustee shall have all the rights and remedies of a "Mortgagee" under the Illinois Foreclosure Law with respect to such mortgages.

Section 7.4 Remedies; Disposition of the Collateral. If an Event of Default has occurred and is continuing and all Lease Payments have been declared to be due and payable and such acceleration has not been rescinded, any Collateral repossessed by the

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Trustee under or pursuant to Section 7.3 and any other Collateral, whether or not so repossessed by the Trustee, may, to the extent permitted by any contract terms governing such Collateral, be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale of the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Trustee may, in compliance with any requirements of applicable law, determine to be commercially reasonable. Any such disposition shall be made upon not less than 30 days' written notice to the Company specifying the time such disposition is to be made and, if such disposition shall be a public sale, specifying the place of such sale. Any such sale may be adjourned by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Trustee or after any overhaul or repair which the Trustee shall determine to be commercially reasonable. To the extent permitted by law, the Trustee may itself bid for and become the purchaser of the Collateral or any item thereof offered for sale at a public auction without accountability to the Company (except to the extent of any surplus money received as provided in Section 7.10 of the Second Amended Indenture).

Section 7.5 Waiver. (i) Except as otherwise provided in this Agreement, THE COMPANY HEREBY WAIVES TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH THE TRUSTEE'S TAKING POSSESSION OR THE TRUSTEE'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH THE COMPANY WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, and the company, for itself and all who may claim under it, hereby further waives, to the fullest extent permitted by applicable law:

(A) all damages occasioned by such taking of possession of any Collateral;

(B) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Trustee's rights hereunder; and

(C) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof.

(ii) Without limiting the generality of the foregoing and to the extent permitted by law and subject to the provisions hereof, if an Event of Default shall have occurred and be continuing and all Lease Payments have been declared to be due and payable and such acceleration has not been rescinded, the Company hereby: (A)

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authorizes the Trustee, in its sole discretion and without notice to or demand upon the Company and without otherwise affecting the obligations of the Company hereunder from time to time, to take and hold other collateral (in addition to the Collateral) for payment of any Bonds, or any part thereof, and to exchange, enforce or release such other collateral or any part thereof, and to accept and hold any endorsement or guarantee of payment of the Bonds or any part thereof, and to release or substitute any endorser or guarantor or any other person granting security for or in any way obligated upon any Bonds, or any part thereof, and (B) waives and releases any and all right to require the Trustee to collect any of the Bonds from any specific item or items of Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Bonds or from any collateral (other than the Collateral) for any of the Bonds.

(iii) To the extent permitted by law, any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Company therein and thereto.

Section 7.6 Application of Proceeds. The proceeds of any Collateral obtained pursuant to Section 7.5 or disposed of pursuant to Section 7.4 shall be applied to the payment and satisfaction of the Bonds and otherwise in accordance with the terms of Section 7.16 of the Second Amended Indenture.

Section 7.7 Remedies Cumulative; No Waiver. Each and every right, power and remedy hereby specifically given to the Trustee shall be in addition to every other right, power and remedy specifically given under this Agreement or now or hereafter existing at law or in equity, or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Trustee. All such rights, powers and remedies shall be cumulative, and the exercise or the partial exercise of one shall not be deemed a waiver of the right to exercise of any other. No delay or omission of the Trustee in the exercise of any of its rights, remedies, powers and privileges hereunder or partial or single exercise thereof, and no renewal or extension of any of the Bonds, shall impair any such right, remedy, power or privilege or shall constitute a waiver thereof.

Section 7.8 Discontinuance of Proceedings. In case the Trustee shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then, in every such case, the Company, the Trustee, the Issuer and each holder of any of the Bonds shall be restored to their former positions and rights hereunder with respect to the Collateral, subject to the security interest created under this Agreement, and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been instituted.

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ARTICLE VIII

OPTION TO PURCHASE PROJECT

Section 8.1 Company Option to Purchase. The Company shall have the option to purchase the Project, the Facility Site and the interests of the Issuer in the Transfer Station and terminate this Agreement and release the Transfer Station Mortgage at any time after the commencement of the term hereof. To exercise any such option and terminate this Agreement pursuant to Section 11.10, the Company shall give written notice to the Issuer, and to the Trustee if any Bonds remain outstanding, specifying therein the date of closing such purchase, which shall be not less than 45 nor more than 90 days from the date such notice is mailed, shall file with the Issuer and the Trustee (x) an Officer's Certificate stating the Company intends to exercise its option to purchase, and (y) a Favorable Opinion of Bond Counsel, and shall, no later than the date of closing, pay, as appropriate to the Trustee for deposit in the Redemption Fund under the Second Amended Indenture, the purchase price which shall be the greater of (i) Fair Market Sales Value and (ii) the amount necessary to defease the principal of, premium, if any, and interest accrued on the outstanding Obligations (the "Project Purchase Price"). The Issuer shall cause the Project Purchase Price to be deposited with the Trustee in the Redemption Fund. Moneys so deposited in accordance with this Section shall be held and invested in accordance with the Second Amended Indenture and the Tax Agreement and used to defease the then Outstanding Obligations. Any Project Purchase Price moneys received by the Issuer pursuant to this Article VIII remaining, after defeasance of the Obligations and discharge of the lien of the Second Amended Indenture, shall be paid to the Issuer. Purchase of the Project, release the Transfer Station Mortgage and termination of this Agreement pursuant to this Section shall not limit or discharge any other obligations which the Company may have hereunder which by the terms of this Agreement survive termination hereof.

Section 8.2 Method of Determination of Fair Market Sales Value. The Fair Market Sales Value of the Project shall be determined by qualified real estate appraisers (an "Appraiser"), selected as provided in this Section 8.2. Within 60 days of delivery of the notice of the Company's election to purchase the Project described in Section 8.1, the Company and the Issuer shall each select a qualified Appraiser and shall provide written notice of such appointment to the other and to the Trustee. The Appraisers so selected by the Company and the Issuer shall consult and select a third, independent Appraiser. The three Appraisers so appointed shall then proceed independently to appraise the fair market value of the Project and shall submit such appraisals to the Company, the Issuer and the Trustee no later than 45 days following the selection of Appraisers by the Company and the Issuer (or such longer period as the Company and the Issuer shall agree upon). The appraisals so submitted which contain the highest and the lowest appraised values of the Project shall be disregarded and the Fair Market Sales Value of the Project shall equal the appraised value of the Project in the remaining appraisal. The determinations and calculations of the Appraisers, made in accordance with this Section 8.2, shall be conclusive and binding upon the Company, the Issuer and the Trustee, subject to unanimous agreement to the contrary.

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Section 8.3 Conveyance. At the closing of any purchase of the Project by the Company and termination of this Agreement, the Issuer will, on receipt of the Project Purchase Price by the Trustee and payment of or provision for payment of the Bonds, deliver or cause to be delivered to the Company:

(a) a release or satisfaction of the Second Amended Indenture, the Transfer Station Mortgage and other documents transferring and conveying to the Company good and merchantable title to the Project or the Transfer Station, as such property then exists, and all rights, privileges and appurtenances thereto belonging or anywise appertaining, subject to Permitted Encumbrances; and

(b) documents releasing and conveying to the Company all of the Issuer's rights and interests in and to any rights of action, or any insurance proceeds or other rights with respects to such property.

Concurrently with the delivery of such title documents, there shall be delivered by the Issuer to the Trustee any instructions or other instruments required by the Second Amended Indenture to discharge the Second Amended Indenture and pay the Obligations.

Section 8.4 Issuer's Option to Require Company to Dismantle Project. The Company agrees that, within two years after the termination of this Agreement in accordance with Section 11.10 hereof, at its own cost and expense and upon the written request of the Issuer, it will dismantle and remove (or cause to be dismantled and removed) the Facility from the Facility Site and will restore the Facility Site as nearly as reasonably practicable to its condition on the date of commencement of construction.

ARTICLE IX

MISCELLANEOUS COVENANTS

Section 9.1 No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either expressed or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs.

Section 9.2 Release and Indemnification Covenants with Respect to the Issuer. To the extent permitted by Law, the Company will, at its expense, indemnify and save harmless the Issuer and its trustees, officers, employees and agents against and from any and all claims, damages, demands, expenses, liabilities of every kind (other than the negligence or willful, wrongful acts of the Issuer, its officers, agents, servants, and employees) asserted by or on behalf of any person, firm, corporation or Governmental Authority arising out of, resulting from the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing or ownership of the Project or the Transfer Station. To the extent permitted by Law, the Company will also, at its expense, indemnify and save harmless the Issuer against and from all costs, counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against the

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Issuer by reason of any such claim or demand, the Company will, upon notice from the Issuer, defend such proceeding on behalf of the Issuer. Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Issuer or any of its trustees, officers, employees or agents or hold any of them harmless against or from or in respect of any claim, damage, demand, expense, liability or loss arising from the intentional or willful misconduct or gross negligence of the Issuer or any of its trustees, officers, employees or agents. The Issuer shall not be liable for any settlement of any claim, suit, action or proceeding made without its consent (which consent shall not be unreasonably withheld). This Section shall survive the termination or expiration of this Agreement for any reason.

Section 9.3 Release and Indemnification Covenants with Respect to the Trustee. The Company will indemnify and hold harmless, the Trustee, its officers, agents, servants and employees against and from any and all claims, costs, damages, demands, expenses and liabilities of every kind asserted by or on behalf of any person, firm, corporation or Governmental Authority which may be asserted against the Trustee and for which the Trustee may be liable (other than the negligence or willful, wrongful acts of the Trustee, its officers, agents, servants, and employees) in connection with, arising out of, or resulting from (a) the acceptance or administration of the Second Amended Indenture and (b) the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing or ownership of the Project or the Transfer Station. The Company will also, at its expense, indemnify and save harmless the Trustee against and from all costs, counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. The Trustee shall give prompt notice to the Company of any claim, suit, action, or proceeding (of which it has knowledge) to which this indemnity relates and shall cooperate with the Company, in the defense or settlement thereof provided that the Company shall inform the Trustee as to the status of such defense or settlement on a regular basis. The Trustee shall not be liable for any settlement of any claim, suit, action or proceeding made without its consent (which consent shall not be unreasonably withheld). This Section shall survive the termination or expiration of this Agreement for any reason.

Section 9.4 Compensation and Expenses of the Trustee. The Company shall within 30 days of receipt of written notice thereof pay reasonable compensation to the Trustee and any paying agent and all other fiduciaries and agents serving under the Second Amended Indenture for their services under or in connection with enforcement of the Second Amended Indenture and this Agreement, and all reasonable actual out-of-pocket expenses (including counsel fees) reasonably incurred by the Trustee and any paying agent in performing their duties thereunder or hereunder or the enforcement thereof or hereof. The Company shall also pay all expenses (other than applicable taxes, fees, or other governmental charges) incurred in connection with exchanges, registrations, or registration of transfers of Obligations. This Section shall survive the termination or expiration of this Agreement for any reason.

Section 9.5 Expenses of the Issuer. The Company shall pay the reasonable out-of-pocket expenses of the Issuer (including reasonable counsel fees) in connection with the performance of the duties of the Issuer under the Issuer Documents, and the

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authorization, execution, delivery, and sale of the Obligations. This Section shall survive the termination or expiration of this Agreement for any reason.

Section 9.6 Covenant with Respect to Use of Proceeds of Obligations. Pending application of amounts in the Bond Fund and Construction Fund under the Second Amended Indenture for the purposes for which such funds are established, the moneys therein shall be invested by the Trustee as directed by the Company Representative in accordance with the Second Amended Indenture and the Tax Agreement.

Section 9.7 Restrictions on Sale of the Project by the Issuer. Except as contemplated or permitted by the Issuer Documents, the Issuer agrees that it will not sell, assign, convey, mortgage, encumber, or otherwise dispose of any part of the Project during the Lease Term prior to delivering (a) a Favorable Opinion of Bond Counsel to the Trustee to the effect that such sale, assignment, conveyance, mortgage, encumbrance or other disposition will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Owners thereof for Federal income tax purposes and (b) written notice of such transfer to the Company at least 30 days prior to such transfer. In addition, the Issuer shall remain liable for all of its obligations hereunder and under the Second Amended Indenture.

Section 9.8 Third Party Engineer Dispute Resolution. If the Company and the Independent Engineer are in dispute in respect of a test, notice, plan, report, certificate or budget, determination or other matter required to be confirmed, certified, approved, given or made by the Independent Engineer under this Agreement or any other Project Document and they are unable to resolve the dispute within seven days of issuance by the Independent Engineer of a written notice to the Company (with a copy to the Trustee) expressing its disagreement with such test, notice, plan, report, certificate, budget, determination or other matter, a single independent engineer (the "Third Party Engineer") shall be designated to consider and decide the issues raised by such dispute. The Company shall designate the Third Party Engineer not later than the third day following the expiration of the seven day period described above and such designation shall become effective in three days unless the Trustee gives notice of its disagreement with such selection within such three-day period. Within three days of the designation of a Third Party Engineer, each of the Company and the Independent Engineer shall submit to the Third Party Engineer a notice setting forth in detail such Person's position in respect of the issues in dispute. Such notice shall include supporting documentation, if appropriate.

The Third Party Engineer shall complete all proceedings and issue his decision with regard to the issues in dispute as promptly as reasonably possible, but in any event within ten days of the date on which he is designated as Third Party Engineer, unless the Third Party Engineer reasonably determines that additional time is required in order to give adequate consideration to the issues raised. In such case, the Third Party Engineer shall state in writing his reasons for believing that additional time is needed and shall

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specify the additional period required, which such period shall not exceed ten days without the Company's agreement.

If the Third Party Engineer determines that the concerns set forth in the Independent Engineer's notice are valid, he shall so state and shall state the corrective actions to be taken by the Company. In such case, the Company shall promptly take such actions. The Company shall thereafter bear all costs which may arise from actions taken pursuant to the Third Party Engineer's decision. If the Third Party Engineer determines that the concerns set forth in the Independent Engineer's notice are not valid, he shall so state and shall state the appropriate actions to be taken by the Company. In such case, the Company shall take such actions and for purposes of the Second Amended Indenture and this Agreement, the Independent Engineer shall be deemed to have approved, confirmed, concurred in or consented to the test, notice, plan, report, certificate, budget, determination or other matter in dispute. The decision of the Third Party Engineer shall be final and non-appealable. The Company shall bear all reasonable costs incurred by the Third Party Engineer in connection with this dispute resolution mechanism.

Section 9.9 Performance of Independent Engineer. References herein and in the Second Amended Indenture to the performance of actions by the Independent Engineer, when modified by the phrase "which shall not be unreasonably withheld or delayed" or similar language shall require the Independent Engineer to render its written decision with respect to the test, plan, report, certificate, consent, budget, determination or other matter within 10 Business Days after receipt of written notice from the Company. In the event the Independent Engineer fails to act after 10 Business Days (or such longer period as the Independent Engineer may reasonably request, which additional period shall in no event exceed 30 days), the Company may immediately invoke Third Party Engineer Dispute Resolution.

Section 9.10 Resignation or Removal of Engineers. The Independent Engineer or Third Party Engineer may at any time resign and be discharged of the duties and obligations created by this Agreement and the Second Amended Indenture by giving not less than 90 days' written notice to the Trustee and the Company. The Company may remove the Independent Engineer in the event that the Independent Engineer breaches any of the duties imposed on it under this Agreement, the Second Amended Indenture or such agreement as may at the time be in effect between the Company and the Independent Engineer pursuant to which the Independent Engineer has undertaken to act in such capacity by giving not less than 30 days' notice to the Independent Engineer and the Trustee. Any such notice shall specify the date when such resignation or removal shall take effect. Such resignation or removal shall take effect upon the date specified in such notice unless previously an Eligible Successor shall be appointed by the Trustee and the Company, in which event such resignation or removal shall take effect immediately upon the appointment and acceptance of such Eligible Successor; *provided, however*, that no such resignation or removal may take effect until an Eligible Successor has been so appointed and has accepted. Upon the receipt of any such notice of resignation or removal, the Trustee and the Company shall promptly appoint an Eligible Successor.

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Section 9.11 Assignment; Successors and Assigns. This Agreement may be assigned in whole or in part by the Company only with the prior written consent of the Issuer; *provided, however,* that no assignment shall relieve the Company from liability for any of its obligations hereunder, and in the event of any such assignment, the Company shall continue to remain primarily liable for the payments specified in Sections 4.3, 9.2, 9.3, 9.4 and 9.5 hereof and for performance and observance of the other agreements and covenants on its part herein provided. The Issuer may not assign its rights and obligations hereunder except as provided in the Second Amended Indenture, unless it receives a Favorable Opinion of Bond Counsel and the prior written consent of a Company Representative. This Agreement and all covenants, promises and agreements made by or on behalf of the Issuer or the Company herein shall inure to the benefit of, and shall be binding upon the Issuer, the Company and their respective successors and assigns.

ARTICLE X

AMENDMENTS

This Agreement may not be effectively terminated except in accordance with the provisions hereof and may not be effectively amended or supplemented except by a written agreement in accordance with Article X of the Second Amended Indenture and signed by the parties hereto.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed as provided in the Second Amended Indenture.

Section 11.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, subject, however, to the limitations contained in Section 9.10.

Section 11.3 Severability. If any provision of this Agreement shall be determined to be unenforceable at any time, that shall not affect any other provision of this Agreement or the enforceability of that provision at any other time.

Section 11.4 Amendments. This Agreement may not be effectively amended or terminated without the written consent of the Trustee and in accordance with the provisions of Article X hereof and in Article X of the Second Amended Indenture.

Section 11.5 Right of Company to Perform Issuer's Agreements. The Issuer irrevocably authorizes and empowers the Company to perform in the name and on behalf of the Issuer any agreement made by the Issuer in this Agreement or in the Second

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Amended Indenture which the Issuer fails to perform in a timely fashion, after prior written notice to the Issuer, if the continuance of such failure could result in an "Event of Default" under the Second Amended Indenture. This Section will not require the Company to perform any agreement of the Issuer. No such performance or advance shall operate to release the Issuer from any such failure and any sums so advanced by the Company shall constitute an obligation of the Issuer to the Company, shall, to the extent permitted by Law, be repayable by the Issuer on demand and shall bear interest at the rate of 1% per annum over the prime rate of the Trustee, to the extent permitted by Law. The Company may not set-off, abate or reduce any such obligation of the Issuer to the Company against amounts owed by the Company hereunder.

Section 11.6 Right of Issuer to Perform Company's Agreements. In the event the Company shall fail to (a) pay any tax, charge, assessment or imposition pursuant hereto, (b) remove any lien, encumbrance or charge pursuant hereto, (c) maintain the Project in repair pursuant hereto, (d) procure the insurance required hereby, in the manner herein described or (e) fail to make any other payment or perform any other act required to be performed hereunder, and the Company is not contesting the same, then and in each such case the Issuer may (but shall not be obligated to) remedy such failure for the account of the Company and make advances for that purpose. No such performance or advance shall operate to release the Company from any such failure and any sums so advanced by the Issuer shall be added to the indebtedness secured by the Second Amended Indenture, shall be repayable by the Company on demand and shall bear interest at the rate of 1% per annum over the prime rate of the Trustee if advanced by the Issuer. The Issuer shall have the right of entry on the Facility Site or any portion thereof in order to effectuate the purposes of this Section 11.6, subject to the permission of a court of competent jurisdiction, if required by Law.

Section 11.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.8 Captions; References to Sections. The captions in this Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Agreement. References to Articles and Sections are to the Articles and Sections of this Agreement, unless the context otherwise requires.

Section 11.9 Complete Agreement. This Agreement represents the entire agreement between the Issuer and the Company with respect to its subject matter.

Section 11.10 Termination. This Agreement shall terminate upon the earliest to occur of (a) the end of the Lease Term, (b) the Company's exercise of its option to purchase the Project pursuant to the provisions of Article VIII hereof or (c) termination of this Agreement by the Trustee or by the Issuer pursuant to Section 7.3 hereof.

Section 11.11 Counterparts. This Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

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Section 11.12 Recording of Agreement. This Agreement and every modification and assignment hereof shall be recorded in the Office of the Recorder of Deeds for Cook County, Illinois, or in such other office as may be at the time provided by Law as the proper place for such recording.

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IN WITNESS WHEREOF, the Issuer and the Company have caused this Agreement to be signed in their behalf by their duly authorized representatives as of the date first written above.

VILLAGE OF ROBBINS, COOK COUNTY,
ILLINOIS

By *Shane H. Brodie*
President

Attest:

Salma L. Jara
Village Clerk

ROBBINS RESOURCE RECOVERY
PARTNERS, L.P. by Foster Wheeler
Robbins, Inc., its general partner

By *Peter Rose*
Its Vice President

Attest:

Steven T. Weinsten
Its Assistant Secretary

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STATE OF ILLINOIS)
)ss.:
COUNTY OF COOK)

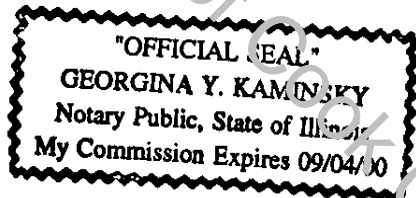
Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Irene H. Brodie and Palma L. James, who acknowledged to me that they are President and Village Clerk, respectively, of the Village of Robbins, Cook County, Illinois (the "Issuer"), and that for and on behalf of the Issuer and as its act and deed, they signed and delivered the above and foregoing instrument on the 20th day of October, 1999, they having been first duly authorized so to do by the Issuer.

WITNESS MY HAND AND OFFICIAL SEAL, this the 20th day of October, 1999.



Notary Public

[SEAL]



Cook County Clerk's Office

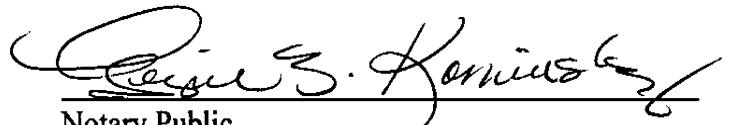
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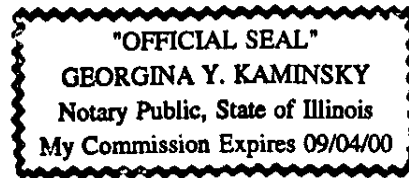
STATE OF ILLINOIS)
)ss.:
COUNTY OF COOK)

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Peter D. Rose and Steven I. Weinstein, who acknowledged to me that they are the Vice President and Assistant Secretary, respectively, of Foster Wheeler Robbins, Inc., the general partner of Robbins Resource Recovery Partners, L.P., a Delaware limited partnership, and that for and on behalf of said corporation and as its act and deed, they signed and delivered the foregoing instrument on the 20th day of October, 1999, they having been first duly authorized so to do by said partnership.

Sworn to before me this
20th day of October, 1999.



Notary Public



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EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of a recycling and waste-to-energy facility designed to process approximately 1,600 tons of municipal solid waste per day (the "Facility"), together with associated materials, ancillary structures and related contractual and property interests (including the Facility Site (as defined in this Agreement)). The Facility consists of two material recovery and fuel preparation processing lines, two refuse-derived fuel circulating fluidized bed combustion systems, two air pollution control systems and a single turbine generator designed to produce 41.5 (net) megawatts of electric power for sale to Commonwealth Edison Company.

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EXHIBIT B

DESCRIPTION OF FACILITY SITE

LEGAL DESCRIPTION

A PARCEL OF LAND IN THE EAST ½ OF THE SOUTH EAST ¼ OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN COMPRISING ALL OR PARTS OF LOTS 26 TO 45, BOTH INCLUSIVE, LOTS 88 TO 107, BOTH INCLUSIVE, LOTS 148 TO 167 BOTH INCLUSIVE, LOTS 209 TO 228, BOTH INCLUSIVE, LOTS 269 TO 287, BOTH INCLUSIVE, LOTS 331 TO 348, BOTH INCLUSIVE, LOTS 389 TO 407, BOTH INCLUSIVE, LOTS 450 TO 468, BOTH INCLUSIVE, THE NORTH AND SOUTH PUBLIC ALLEYS ADJOINING AFORESAID LOTS, PART OF TURNER AVENUE, PART OF SPAULDING AVENUE, PART OF SAWYER AVENUE AND PART OF 134TH STREET ALL IN JAS. JAY SMITH AND COMPANY'S 2ND ADDITION TO CLAIRMONT, BEING A SUBDIVISION OF LOT 3 OF ENGELLAND'S SUBDIVISION OF THE EAST ½ OF THE SOUTH EAST ¼ OF SECTION 35 AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED MAY 3, 1893 AS DOCUMENT NO. 1860792 AND PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH WEST CORNER OF LOT 450, BEING A POINT ON THE EAST LINE OF HOMAN AVENUE; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 450 TO THE NORTH WEST CORNER OF LOT 407; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 407 TO THE NORTH WEST CORNER OF LOT 331; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 331 TO THE NORTH WEST CORNER OF LOT 287; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 287 TO THE NORTH WEST CORNER OF LOT 209; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 209 TO THE NORTH WEST CORNER OF LOT 167; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 167 TO THE NORTH WEST CORNER OF LOT 88; THENCE EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID LOT 88 TO THE NORTH WEST CORNER OF LOT 45; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 45 TO A LINE DRAWN PARALLEL WITH AND 65 FEET WESTERLY OF THE EAST LINE OF THE SOUTH EAST ¼ OF SECTION 35 AFORESAID; THENCE SOUTH ALONG THE LAST DESCRIBED PARALLEL LINE TO THE SOUTH LINE OF LOT 41; THENCE EAST ALONG THE SOUTH LINE OF LOT 41, 20 FEET TO A LINE DRAWN PARALLEL WITH AND 45 FEET WESTERLY OF THE EAST LINE OF THE SOUTH EAST ¼ OF SECTION 35 AFORESAID; THENCE SOUTH ALONG THE LAST DESCRIBED PARALLEL LINE TO THE SOUTH LINE OF LOT 29; THENCE SOUTHERLY TO THE POINT OF INTERSECTION OF THE NORTH LINE OF LOT 28 AND A LINE DRAWN PARALLEL WITH AND 40 FEET WESTERLY OF THE EAST LINE OF THE SOUTH EAST ¼ OF SECTION 35 AFORESAID;

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THENCE SOUTH ALONG THE LAST DESCRIBED PARALLEL LINE, BEING THE WEST LINE OF KEDZIE AVENUE, AS WIDENED, TO THE SOUTH LINE OF LOT 26; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF SAID LOT 26 TO THE SOUTH EAST CORNER OF LOT 107; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF SAID LOT 107 TO THE SOUTH EAST CORNER OF LOT 148; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF SAID LOT 148 TO THE SOUTH EAST CORNER OF LOT 228; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF LOT 228 TO THE SOUTH EAST CORNER OF LOT 269; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF SAID LOT 269 TO THE SOUTH EAST CORNER OF LOT 348; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF LOT 348 TO THE SOUTH EAST CORNER OF LOT 389; THENCE WEST ALONG THE SOUTH LINE, AND SAID SOUTH LINE EXTENDED WEST, OF LOT 389 TO THE SOUTH EAST CORNER OF LOT 468; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 468 TO THE SOUTH WEST CORNER THEREOF, SAID SOUTH WEST CORNER BEING A POINT ON THE EAST LINE OF HOMAN AVENUE; THENCE NORTH ALONG THE EAST LINE, AND SAID EAST LINE EXTENDED ACROSS 134TH STREET, OF HOMAN AVENUE TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

SAID PARCEL ALSO BEING DESCRIBED AS FOLLOWS:

THAT PART OF BLOCKS 1 THROUGH 8 OF JAMES J. SMITH AND COMPANY'S SECOND ADDITION TO CLAIRMONT, A SUBDIVISION OF LOT 3 IN ENGELLAND'S SUBDIVISION OF THE EAST ½ OF THE SOUTHEAST ¼ OF SECTION 35, TOWNSHIP 37 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 25 IN SAID BLOCK 1; THENCE ON AN ASSUMED BEARING OF NORTH 89 DEGREES 25 MINUTES 49 SECONDS WEST ALONG THE SOUTH LINE OF LOT 26 FOR A DISTANCE OF 7.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89 DEGREES 25 MINUTES 49 SECONDS WEST FOR A DISTANCE OF 1256.24 FEET TO THE SOUTHWEST CORNER OF LOT 468 IN SAID BLOCK 8, SAID POINT BEING ON THE EAST LINE OF HOMAN AVENUE; THENCE NORTH 0 DEGREES 10 MINUTES 45 SECONDS EAST ALONG THE EAST LINE OF HOMAN AVENUE FOR A DISTANCE OF 562.59 FEET TO THE NORTHWEST CORNER OF LOT 450 IN BLOCK 7; THENCE SOUTH 89 DEGREES 25 MINUTES 49 SECONDS EAST ALONG THE NORTH LINE OF LOT 450 FOR A DISTANCE OF 1230.08 FEET TO A POINT ON THE NORTH LINE OF LOT 45 IN BLOCK 2 THAT IS 65 FEET WEST OF THE EAST LINE OF THE SOUTHEAST ¼ OF SECTION 35; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST ALONG A LINE THAT IS 65 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE SOUTHEAST ¼ OF SECTION 35, FOR A DISTANCE OF 125.00 FEET TO A POINT ON THE NORTH

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LINE OF LOT 40 IN BLOCK 2; THENCE SOUTH 89 DEGREES 25 MINUTES 49 SECONDS EAST ALONG THE NORTH LINE OF LOT 40 FOR A DISTANCE OF 20.00 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST ALONG A LINE 45 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE SOUTHEAST ¼ OF SECTION 35 FOR A DISTANCE OF 302.60 FEET TO A POINT ON THE SOUTH LINE OF LOT 29 IN BLOCK 2; THENCE SOUTH 4 DEGREES 45 MINUTES 38 SECONDS EAST FOR A DISTANCE OF 60.26 FEET TO A POINT ON THE NORTH LINE OF LOT 28 IN BLOCK 1; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS WEST ALONG A LINE THAT IS 40 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE SOUTHEAST ¼ OF SECTION 35 FOR A DISTANCE OF 75.00 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

Property Address: Approximately 16.1 acres of vacant land lying north of 135th Street, east of Roman Avenue, south of 133rd Street and west of Kedzie Avenue, in Robbins, Illinois

Permanent Index Numbers:

~~24-35-402-002 through -021
24-35-403-002 through -030
24-35-404-002 through -034
24-35-405-002 through -018
24-35-405-022 through -026
24-35-405-031 through -034
24-35-405-037
24-35-405-040
24-35-409-001 through -010
24-35-409-026 through -033
24-35-410-001 through -005
24-35-410-021 through -023
24-35-411-001 through -003
24-35-411-019 through -021
24-35-412-001 through -003
24-35-412-018 through -020~~

24-35-418-001-0000

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SCHEDULE 1

PERMITS AND APPROVALS

Qualified Small Power Production Facility Certification — issued by Federal Energy Regulatory Commission on 4/17/89 and Notice of Self-Recertification dated May 20, 1994;

Order granting Company blanket pre-approval to issue securities and assume obligations or liabilities issued by the FERC on September 23, 1994.

Letter dated April 28, 1989 accepting for filing the Electric Service Contract between [RRRC] and ComEd and order authorizing the transfer of this contract from [RRRC] to the Company issued by the FERC on August 5, 1994.

State Qualified Solid Waste/Energy Facility Certification Order — issued by Illinois Commerce Commission on 8/17/94 (Docket No. 91-0594);

Air Pollution Control Construction/Prevention of Significant Deterioration Approval Permit #88120055 - issued by IEPA on 6/11/90 as extended on 4/23/93 and transferred to the Company by letter dated July 20, 1994;

Solid Waste Permit #1990-068-DE — issued by IEPA on 6/11/90, extended on 8/12/93 and transferred to the Company by letter dated July 20, 1994;

Local Site Approval Ordinance 2-9-93-A — issued by the Issuer on 2/9/93;

Water Pollution Control Construction Permit 1994 — EN — 1115 — issued by IEPA on 7/5/94;

Historic, Architectural, and Archeological Findings — issued by Illinois Historic Preservation Agency on 7/6/94 and 7/13/94 log numbers 94-0614005 PCK and 940606010 SCK;

Cook County Air Installation Permit #930232 — issued by Cook County Department of Environmental Control on 7/5/94;

Acknowledgment of Notice of Proposed Construction of a Stack — issued by FAA on 6/3/94;

Finding that there are no Endangered and Threatened Species located in the vicinity of the Project — issued by Illinois Department of Conservation on 5/27/94;

Illinois Environmental Protection Agency, Division of Air Pollution Control, Operating Permit #88120055 - Refuse Derived Fuel Process & Circulating Fluidized Bed Incinerators; Issue date: June 2, 1997; Expiration Date: June 1, 2000 or upon issuance of CAAP Permit

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State of Illinois, Cook County, Department of Environmental Control
Certification of Operation (for process equipment and control devices)

Illinois Environmental Protection Agency, Bureau of Land, Development Permit
#1990-068-DE and Operating Permit #1997-072-OP; Issue date: June 2, 1997, as
supplemented and superceded by Supplemental/Development Permit #1998-314-DE/SUP

Metropolitan Water Reclamation District - Industrial User Discharge
Authorization #24644-1; Issue date: May 21, 1996; Expiration date: May 20, 2000

Illinois Environmental Protection Agency, NPDES Permit #ILR005418; Issue
date: October 1997; Expiration date: May 2003

Notice to Illinois Environmental Protection Agency and Illinois Attorney
General's Office regarding change in holder of stock

Federal Energy Regulatory Commission Notice of Self-Recertification

Notice to Illinois Commerce Commission of FERC Self-Recertification and
Change in Stock Ownership

Certificate of Occupancy issued by the Village of Robbins for the administration
building located at the Robbins facility

Wastewater and Sanitary Discharge Permit or equivalent approval to discharge
wastewater — issued by MWRD or appropriate agency;

Stormwater Retention/Discharge Permit or equivalent approval to discharge
stormwater — issued by MWRD or appropriate agency;

Sewage System Hook-up Permit or equivalent needed to discharge to sewer
system — issued by MWRD or appropriate agency;

Roadway and Signal Permit — issued by Cook County Highway Department or
Illinois Department of Transportation;

Water Connection Permit — issued by the Issuer;

Sewer Connection Permit — issued by the Issuer;

Powerline Interconnection Approval — issued by ComEd;

Spill Prevention Control and Countermeasure Plan — obtained/submitted to/from
USEPA;

Special Waste Hauling Permit obtained from IEPA

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KEY TO ABBREVIATIONS:

FAA —	Federal Aviation Administration
FERC —	Federal Energy Regulatory Commission
IEPA —	Illinois Environmental Protection Agency
MWRD —	Metropolitan Water Reclamation District of Greater Chicago (Illinois)
NPDES —	National Pollution Discharge Elimination System
USEPA —	United States Environmental Protection Agency

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SCHEDULE II

OTHER PERMITS AND APPROVALS

Confirmation that the Project is authorized under Nationwide Permit 26 — issued by United States Army Corps of Engineers to the Issuer on 7/20/94;

Water Quality Certification — issued by IEPA to the Issuer on July 29, 1994;

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SCHEDULE III

REQUIRED INSURANCE

1. The Company shall maintain or cause to be maintained the following insurance:

1.1. *Employer's Liability Insurance.* Employer's liability insurance with limits of \$500,000 per accident or employee disease/aggregate as to disease or as required by Law, whichever is greater, with the Operator as named insured, and no deductible.

1.2. *Commercial General Liability Insurance.* Commercial general liability insurance on a project specific basis including premises, operations, independent contractors, product/completed operations and contractual liability, XCII and personal injury coverages with limits of liability of \$1,000,000 combined single limit per occurrence for bodily injury and property damage, identifying the Trustee, the Company and the Issuer as additional insureds as to claims based upon the acts or omissions of the Operator, and shall have a \$50,000 deductible.

1.3. *Automobile Liability Insurance.* Automobile liability insurance covering owned, non-owned and hired vehicles with combined single limit for bodily injury and property damage of \$1,000,000, identifying the Trustee, the Company, and the Issuer as additional insureds as to claims based upon the acts or omissions of the Operator.

1.4. *Excess or Umbrella Liability Insurance.* Excess or Umbrella liability insurance on a project specific basis with limits of \$25,000,000 per occurrence/aggregate combined single limit to be excess of the required Commercial General Liability, Automobile Liability, and Employer's Liability set forth above, identifying the Trustee, the Company and the Issuer as additional insureds as to claims based upon the acts or omissions of the Operator, and shall have a \$50,000 deductible.

1.5. *"All Risk" Property Damage Insurance.* Insurance for loss, damage, or destruction of the Facility on an "all risk" basis, including boiler and machinery coverage (having flood and earthquake sublimits (which shall each be no less than \$100,000,000 per occurrence/annual aggregate) and deductible amounts deemed adequate by the Partnership) in an amount at all times equal to the full replacement value of the Facility with the Trustee and the Company as additional insureds, to the extent of their respective insurance interests. The deductible shall not exceed \$100,000, except \$250,000 as to boiler and machinery losses.

1.6. *Business Interruption and Extra Expense Insurance.* Business interruption and extra expense insurance covering one year of continuing costs, lost profits and extra expenses due to business interruptions caused by an insured peril described in B-1.5 of this Schedule III with up to a 30-day waiting period.

1.7. *Workers' Compensation.* Workers' Compensation, including statutory limits as required by law.

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2. All policies shall be on reasonable and customary terms, conditions and exclusions which conform to reasonably accepted industry standards for the insured risks.

3. The Operator, to the extent permitted by law, will provide a waiver of subrogation in favor of the Trustee on all policies stated above.

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