

**REIMBURSEMENT  
AGREEMENT**



25 of their several Guaranty Payments to VRA for the account of SPSA.

26 **NOW THEREFORE**, in consideration of the Guarantors' several commitments  
27 set forth in the Guaranty Agreement, SPSA and the Guarantors agree as follows:

28 Section 1. REPAYMENT.

29 (a) SPSA shall repay the Guarantors any and all amounts of Guaranty  
30 Payments paid by the Guarantors pursuant to their respective obligations under the Guaranty  
31 Agreement, including any and all related costs reasonably incurred by the Guarantors in  
32 fulfillment of said obligations. To the extent more than one Guaranty Payment is made by the  
33 Guarantors, or any of them, each individual Guaranty Payment shall be treated as a separate  
34 repayment obligation governed by the terms of this Reimbursement Agreement.

35 (b) The entire amount of any Guaranty Payment made by a Guarantor shall be  
36 repaid by SPSA to such Guarantor in monthly installments with each installment being equal to  
37 the Guaranty Payment divided by the number of months in the "Repayment Term," defined  
38 below.

39 (c) In addition to the repayment obligation recited at subsection (b) above,  
40 SPSA shall pay to each Guarantor interest on the unreimbursed portion of its Guaranty Payment at  
41 an annual rate equal to the "Repayment Interest Rate," defined below, as well as any and all costs  
42 reasonably incurred by the City as a consequence of its compliance with the Guaranty Agreement.

43 (d) Repayment under subsections (b) and (c) above shall be due on the first, or  
44 if the first is not a business day then the next business day after the first, of each month during the  
45 Repayment Term.

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47           Section 2.           REPAYMENT TERM AND RATE.

48           (a)       The “Repayment Term” shall be the lesser of thirty-six (36) months or the  
49 number of months remaining to and including December 31, 2017, or as otherwise agreed by the  
50 parties by written addendum hereto. Repayment shall be made by SPSA on a monthly basis in an  
51 amount calculated in accordance with Section 1 above, to include reasonable costs and interest, and  
52 the first month of the Repayment Term shall be the second month following a Guarantor’s making  
53 any Guaranty Payment. Failure of SPSA to make any repayment in full in a timely manner shall  
54 constitute default.

55           (b)       The Repayment Interest Rate shall be a fluctuating rate of interest equal to  
56 the LIBOR (“London interbank offered rate”) Market Index Rate, plus two percent (2.00%), as  
57 that rate may change from day to day in accordance with changes in the “LIBOR Market Index  
58 Rate”. The “LIBOR Market Index Rate” for any day is the rate for 1-month U.S. dollar deposits  
59 as reported on Telerate page 3750 as of 11:00 a.m., London time, for such day, provided that if  
60 such day is not a London business day, the rate is set by the immediately preceding London  
61 business day (or, if not so reported, then as determined by the City from another recognized  
62 source or inter-bank quotation). Interest will accrue on any non-business day at the rate in effect  
63 on the immediately preceding business day.

64           Section 3.   PRIORITY OF OBLIGATIONS.   The obligations imposed upon  
65 SPSA by this Reimbursement Agreement shall be junior and subordinate to the lien of “4<sup>th</sup> Tier  
66 Subordinated Debt” and on a parity with the lien or liens of “5<sup>th</sup> Tier Subordinated Debt”, as  
67 each of those two terms are defined in the Guaranteed Subordinated Bond Resolution adopted by  
68 SPSA on May 14, 2009.

69                   Section 4. COVENANTS.

70                   (a)     *Rate Covenant.* SPSA shall, from time to time, fix and revise rates and  
71 charges for the services and facilities of the Disposal System that in the aggregate, together with  
72 its reserves, will be sufficient to meet all of its obligations allocable to the Disposal System,  
73 including its obligations under this Reimbursement Agreement.

74                   (b)     *Enforcement of Use and Support Agreements.* SPSA covenants, for the  
75 benefit of the Guarantors, that SPSA will defend and enforce the provisions of the Use and  
76 Support Agreements with each of its members in accordance with their respective terms.

77                   (c)     *Compliance with and Enforcement of the Service Agreement.* SPSA  
78 covenants, for the benefit of the Guarantors, that SPSA will comply with, and defend and  
79 enforce, the provisions of the Service Agreement, dated as of September 9, 2009, as amended,  
80 with Wheelabrator Technologies, Inc.

81                   (d)     *Additional Indebtedness.* SPSA covenants, for the benefit of the  
82 Guarantors, that SPSA will borrow no money and in evidence thereof issue any bonds, notes or  
83 other evidences of indebtedness, enter into any installment purchase, lease purchase, sale or  
84 lease-leaseback transactions or incur any additional certificated indebtedness (collectively,  
85 “Additional Indebtedness”) without the prior consent of each Guarantor; provided, however, that  
86 SPSA may, without such prior consent, issue any Additional Indebtedness in the following  
87 circumstances: (i) for any lawful purpose of SPSA, not to exceed \$10,000,000 in aggregate  
88 principal amount outstanding at any one time, and, (ii) direct and indirect obligations incurred, as  
89 required by the Virginia Department of Environmental Quality, for financial assurance relating  
90 to the capital costs associated with the closure of SPSA’s landfill and other facilities.

91 (e) *Extraordinary Measures.* In the event that SPSA shall determine at any  
92 time that it may not have sufficient Gross Revenues to enable the Trustee to make timely and  
93 sufficient deposits to pay debt service on the Guaranteed Bonds when due, SPSA covenants that  
94 it will in good faith consider alternatives to increasing its tipping fees under the Use and Support  
95 Agreements, not inconsistent with the provisions of its Bond Resolutions (as defined in the  
96 Guaranty Agreement), that would reduce or eliminate the anticipated shortfall in Gross  
97 Revenues.

98 Section 5. TERMINATION. This Reimbursement Agreement shall remain in  
99 effect at all times during which the Guaranty Agreement remains in effect and during which any  
100 repayments remain due hereunder.

101 Section 6. AMENDMENTS. This Reimbursement Agreement may not be  
102 amended or supplemented except by written agreement of all parties hereto.

103 Section 7. SEVERABILITY. If any clause, provision, or section of this  
104 Reimbursement Agreement shall be held illegal or invalid by any court, the illegality or  
105 invalidity of such clause, provision, or section shall not affect any of the remaining clauses,  
106 provisions, or sections hereof, and this Reimbursement Agreement shall be construed and  
107 enforced as if such illegal or invalid clause, provision, or section had not been contained herein.  
108 In case any question should arise as to whether any provision contained herein shall be in  
109 violation of law, then such provision shall be construed to be the agreement of the parties hereto  
110 to the fullest extent permitted by law.

111 Section 8. GOVERNING LAW. This Reimbursement Agreement shall be  
112 governed by and construed in accordance with the laws of the Commonwealth of Virginia.

113           Section 9. COUNTERPARTS. This Reimbursement Agreement may be  
114 executed in several counterparts, each of which shall be deemed an original copy and all of  
115 which together shall constitute one agreement binding on the parties hereto.

116           Section 10. NO THIRD PARTY BENEFICIARIES. This Reimbursement  
117 Agreement is solely for the benefit of the parties hereto, and no other person shall have any  
118 rights or benefit of the terms and provisions hereof.

119           Section 11. NOTICES. Any notice given under this Reimbursement Agreement  
120 shall be given in the same manner and to the same addresses as provided in the Guaranty  
121 Agreement.

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**SOUTHEASTERN PUBLIC SERVICE AUTHORITY  
OF VIRGINIA**

\_\_\_\_\_  
By: Executive Director

(Corporate seal)

ATTEST:

\_\_\_\_\_  
[Assistant]Secretary

CITY OF CHESAPEAKE, VIRGINIA

By: \_\_\_\_\_

Title: \_\_\_\_\_

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**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Deputy City Attorney

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CITY OF FRANKLIN, VIRGINIA

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By: \_\_\_\_\_  
\_\_\_\_\_

167 (Corporate seal)

168 ATTEST:

169 \_\_\_\_\_  
170 Clerk

171 Approved as to form:

172 \_\_\_\_\_  
173 City Attorney

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**CITY OF NORFOLK, VIRGINIA**

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By: \_\_\_\_\_  
\_\_\_\_\_

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178 (Corporate seal)

179 ATTEST:

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181 \_\_\_\_\_  
Clerk

182 Approved as to form:

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184 \_\_\_\_\_  
City Attorney

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**CITY OF PORTSMOUTH, VIRGINIA**

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By: \_\_\_\_\_  
\_\_\_\_\_

188 (Corporate seal)

189 ATTEST:

190 \_\_\_\_\_  
191 Clerk

192 Approved as to form:

193 \_\_\_\_\_  
194 City Attorney

CITY OF SUFFOLK, VIRGINIA

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By: \_\_\_\_\_  
\_\_\_\_\_

199 (Corporate seal)

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202 ATTEST:

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205 \_\_\_\_\_  
Clerk

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208 Approved as to form:

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211 \_\_\_\_\_  
City Attorney

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**CITY OF VIRGINIA BEACH, VIRGINIA**

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By: \_\_\_\_\_  
\_\_\_\_\_

217 (Corporate seal)

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220 ATTEST:

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222 \_\_\_\_\_

223 Clerk

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226 Approved as to form:

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229 \_\_\_\_\_

229 City Attorney

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COUNTY OF ISLE OF WIGHT, VIRGINIA

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By: \_\_\_\_\_  
\_\_\_\_\_

234 (Corporate seal)

235 ATTEST:

236 \_\_\_\_\_  
237 Clerk

238 Approved as to form:

239 \_\_\_\_\_  
240 County Attorney

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COUNTY OF SOUTHAMPTON, VIRGINIA

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By: \_\_\_\_\_  
\_\_\_\_\_

244 (Corporate seal)

245 ATTEST:

246 \_\_\_\_\_  
247 Clerk

248 Approved as to form:

249 \_\_\_\_\_  
250 County Attorney