

**WASTE TRANSPORTATION AND DISPOSAL AGREEMENT**

**BETWEEN**

**GENCORP INC.**

**AND**

\_\_\_\_\_

**DATED:**

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### EXHIBITS

- A. UNIFORM HAZARDOUS WASTE MANIFEST (THE MANIFEST)
- B. LAND DISPOSAL RESTRICTION NOTIFICATION REPORT/FORM (LDRN)
- C. CONTRACTORS ENVIRONMENTAL HEALTH & SAFETY STANDARDS
- D. DISPOSER APPROVED TREATMENT, STORAGE AND DISPOSAL (TSD) FACILITIES

## WASTE TRANSPORTATION AND DISPOSAL AGREEMENT

This Agreement (“AGREEMENT”) dated this \_\_\_\_\_ **st day of \_\_\_\_\_, 2008** is by and between, **GENCORP INC.**, an Ohio corporation with its principal offices at Hwy 50 at Aerojet Rd., Sacramento, CA. or any of its Affiliates (“GENCORP”), and \_\_\_\_\_, a \_\_\_\_\_ corporation with its principal offices at \_\_\_\_\_ (“DISPOSER”)

1. **DEFINITIONS.** As used in this AGREEMENT the following terms shall have the meanings described below:

“**Affiliate**” means, when used with reference to any entity, any other entity, which directly or indirectly controls, is controlled by or is under common control with, such entity.

“**AGREEMENT**” means this AGREEMENT, including all Exhibits to this AGREEMENT and any Service Order issued under this AGREEMENT.

“**Applicable Law**” means applicable federal, state and local laws, statutes, ordinances, rules and regulations.

“**DISPOSER**” means each of the entities which are designated as a DISPOSER on the signature page of this AGREEMENT, provided that unless the context otherwise requires, in determining the rights and obligations of the parties hereunder in respect of any particular Service Order, the use of the term DISPOSER in this AGREEMENT shall be deemed to include the DISPOSER to whom the Service Order was issued, and any assignee or delegate of such DISPOSER as approved by GENCORP.

“Generator Waste Material Profile Sheet” means the document used by the disposal facility to categorize and approve the Unit of Waste Material upon delivery at the TSD facility.

“**Hazardous Waste**” means a subset of solid wastes that poses substantial or potential threats to public health or the environment and meets any of the following criteria: (a) is specifically listed as a hazardous waste by EPA (40 CFR Part 261 Subpart D); (b) exhibits one or more of the characteristics of hazardous wastes: ignitability, corrosiveness, reactivity, and/or toxicity); (c) is generated by the treatment of hazardous waste; or (d) is contained in a hazardous waste.

“**Land Disposal Restriction Notification Report or Form**” (LDRN) is the document that establishes the standard for the treatment of the Hazardous Waste.

“**Nonconforming Waste Material**” means Waste Material: (a) that contains materials not described in the applicable Uniform Hazardous Waste Manifest: (i) that materially increases the cost to DISPOSER of providing Services; (ii) that materially increases the nature or extent of the hazard and risk of providing Services with respect to such Waste Material; or (iii) that causes such Waste Material to be unauthorized for the applicable Services at the designated Facilities under applicable law or due to the design, policies or permit conditions of the designated Facilities or (b) that is improperly containerized, labeled, marked or placarded by GENCORP. The term Nonconforming Waste Material excludes any Waste Material that DISPOSER has not rightfully revoked its acceptance pursuant to Section 5 hereof.

“**Services**” means analyzing, handling, transporting, treating, disposing and storing of Waste Material to the extent specified in a Service Order.

“**Service Order**” means a Purchase Order for the transportation, handling, treatment, disposal and storing of Hazardous Waste to and at a disposal site pre-approved by GENCORP pursuant to Section 2 of this AGREEMENT.

“**Service Provider**” means a broker or other third party with which GENCORP or its Affiliates have contracted to provide Services with respect to GENCORP or its Affiliates Waste Material.

“**Services Quotation**” means a quotation request from the DISPOSER to provide Services for the acceptable Waste Material profiled within a Generator Waste Material Profile Sheet.

“**Treatment**” refers to any method, technique, or process designed to change the physical, chemical or biological character or composition of a waste so as to render such waste non-hazardous, safer for transport, amenable for recovery, amenable for storage or reduced in volume. This would include, but not be limited to the removal of solids and/or pollutants from solid waste, waste-streams, effluents, and air emissions so as to substantially reduce or eliminate its potential for causing disease.

“Treatment, Storage, and Disposal Facility” (TSD) refers to any off-site facility regulated as a hazardous waste treatment storage or disposal facility under the provisions of 40 CFR 264 or 265. EPA and States approved by EPA regulate such TSD facilities under RCRA (Resource Conservation and Recovery Act), 42 U.S.C. Section 6901 et seq.

“Uniform Hazardous Waste Manifest (Manifest)” means the form, which contains the United States Department of Transportation description, including Proper Shipping Name, Hazard Class, ID Number, container type, quantity, weight, volume, and approved designated disposal facility. It is the tracking document used to track the shipment of Hazardous Waste from generator through ultimate disposition/disposal.

“Unit of Waste Material” or “Unit of Nonconforming Waste Material” refers to a single whole container of Waste Material or Nonconforming Waste Material, respectively..

“Waste Material” means the materials tendered by GENCORP to DISPOSER including, without limitation, materials tendered by GENCORP to DISPOSER by or through a Service Provider.

## **2. GENERAL TERMS**

This AGREEMENT sets forth the general terms and conditions under which DISPOSER will from time to time provide Services to GENCORP as provided for in a Service Order. If and to the extent GENCORP has contracted with a Service Provider for Services with respect to its Waste Material and the Service Provider contracts with DISPOSER for Services with respect to such Waste Material, then the right to receive and obligation to pay consideration for such Services shall be governed by such contracts, but GENCORP shall, with respect to the characterization and tender of delivery of such Waste Material, be obligated to DISPOSER to comply with this Agreement and DISPOSER shall, with respect to the handling, loading, transporting, storing, processing, treating, disposing, transferring, selling, recovering, recycling, reclaiming or using any such Waste Material, be obligated to GENCORP to comply with this Agreement. The terms of this AGREEMENT will control in the event there is any conflict between this AGREEMENT and any agreement with a Service Provider.

(a) The Service Order shall be used to establish the service type, performance period, billing schedule, approved disposal sites and any other pertinent details, which have been mutually agreed upon between the DISPOSER and GENCORP. An authorized Procurement Representative of GENCORP and an authorized officer of the DISPOSER can enter into an agreement under the Service Order.

## **3. WASTE MATERIAL APPROVAL PROCEDURE.**

(a) At the time GENCORP requires Services, GENCORP shall provide DISPOSER with a completed Generator Waste Material Profile Sheet containing all of the information specified therein. If required by DISPOSER, a sample of Waste Material will be provided.

(b) If DISPOSER does not desire to provide Services with respect to such Waste Material, it shall promptly so notify GENCORP. If DISPOSER desires to provide Services with respect to such Waste Material, it shall promptly issue a completed Service Quotation that incorporates the completed Generator Waste Material Profile Sheet.

(c) If GENCORP desires to accept the Service Quotation, it shall issue to DISPOSER a Service Order or authorization to provide Service under an existing Service Order that incorporates this Agreement and the Service Quotation, whereupon DISPOSER shall be obligated to provide and GENCORP obligated to accept Services in accordance with the applicable Service Order and this Agreement.

## **4. TENDER OF DELIVERY, ACCEPTANCE AND RISK OF LOSS**

GENCORP shall tender delivery of Units of Waste Material to DISPOSER as specified in the Service Order. DISPOSER shall be deemed to have accepted the tendered Units of Waste Material upon taking possession thereof or by the execution of shipping papers, manifest or other documents in respect of such Units of Waste Material, whichever occurs first. Upon acceptance of any Unit of Waste Material, title, risk of loss and all other incidents of ownership to such Unit of Waste Material shall transfer from GENCORP to DISPOSER.

## **5. REVOCATION OF ACCEPTANCE**

(a) Subject to Section 5(b), DISPOSER may revoke its acceptance of any Unit of Nonconforming Waste Material only if all of the following conditions are satisfied:

(1) DISPOSER provides GENCORP immediate telephonic notice at the time it has discovered a Unit of Nonconforming Waste Material and, within 30 days thereafter, provides GENCORP a written revocation notice at the GENCORP location at which the Nonconforming Waste Material was tendered. The written notice shall describe and set forth the basis of the alleged nonconformity; and

(2) Subsequent to the transfer of any Unit of Nonconforming Waste Material to DISPOSER, there has not been, any (A) mixture or consolidation of the Nonconforming Waste Material with any other waste or materials, (B) material change in the condition of the Nonconforming Waste Material, including without limitation, by treatment, processing, incineration, or stabilization or (C) transfer of ownership, possession or control of Nonconforming Waste Material by DISPOSER to a third party, the transfer of which was not approved by GENCORP; and

(3) DISPOSER did not accept such Nonconforming Waste Material with actual knowledge of the nonconformity.

(b) Any attempted revocation of acceptance of a Unit of Nonconforming Waste Material by DISPOSER shall be subject to the following:

(1) GENCORP may promptly, after receipt of a revocation notice from DISPOSER, notify DISPOSER of GENCORP's intent (A) to test such Nonconforming Waste Material to verify the alleged nonconformity, and/or (B) to correct any improper containerization, marking, labeling or placarding. If requested by GENCORP, DISPOSER, at the GENCORP's direction and expense, shall arrange for such testing or corrections. If Waste Material is determined by DISPOSER to be Nonconforming Waste Material only because it contains materials not described in the applicable Uniform Hazardous Waste Manifest that increase the cost of providing Services, then DISPOSER shall in good faith determine the amount of such increased cost and offer to provide Services to GENCORP with respect to such Waste Material for a fee increased by the amount of such increased cost.

If the alleged nonconformity relates to the chemical composition of the Waste Material and such testing establishes that the Waste Material is not Nonconforming Waste Material or if GENCORP's corrections eliminate the improper containerization, labeling, marking or placarding or GENCORP agrees to accept Services for such increased fee, then such Waste Material shall be deemed accepted by DISPOSER and DISPOSER shall proceed to provide Services with respect to such Waste Material. DISPOSER shall retain possession of any such Waste Material until such testing, correcting or re-offer has been completed.

(2) If DISPOSER rightfully revokes its acceptance of a Unit of Nonconforming Waste Material, DISPOSER and GENCORP shall, in good faith, attempt to amend the applicable Uniform Hazardous Waste Manifest and/or the Service Order to provide for Services to be performed with respect to any Units of Nonconforming Waste Material. If the parties cannot, within a reasonable time after such revocation (including any time provided for correction, testing or re-offering under Section 5(b)(i)), agree on necessary amendments, DISPOSER shall cooperate with GENCORP so that GENCORP can promptly cause any Units of Nonconforming Waste Material to be safely and lawfully removed from the facility to GENCORP's location or another lawful place of disposition. GENCORP shall pay DISPOSER its reasonable expenses and charges for handling and storing any Units of Nonconforming Waste Material, the acceptance of which has been rightfully revoked by DISPOSER.

(3) A justified revocation of acceptance by DISPOSER re-vests title to GENCORP, including risk of loss and all other incidents of ownership, at the time such revocation of acceptance is received by GENCORP; provided that during the period of DISPOSER's possession of Non-Conforming Waste Material after a justified revocation of acceptance has been received by GENCORP, the duty of DISPOSER with respect to such Non-Conforming Waste Material shall be that of a bailee for hire.

## **6. PERFORMANCE OF SERVICES**

(a) GENCORP shall be responsible for coordinating the delivery of Waste Material to DISPOSER's facility, unless DISPOSER has been directed otherwise.

(b) GENCORP will provide DISPOSER with a completed Manifest (Exhibit A) and LDRN (Exhibit B) at time of the Service request.

(c) DISPOSER shall, in accordance with the Service Order and this AGREEMENT, provide Services with respect to the Waste Material accepted by DISPOSER and comply with Applicable Laws, including but not limited to 40 CFR Parts 263 and 264 and 49 CFR Part 171-179.

(d) DISPOSER shall be solely responsible for determining the specific means and techniques for providing Services including, without limitation, the loading and securing of any loads onto transportation vehicles if transportation is being provided by DISPOSER and shall transport any Waste Material in a vehicle that conforms to United States Department of Transportation (DOT) regulations.

(e) DISPOSER, upon completion of Services with respect to a Unit of Waste Material, shall deliver to GENCORP proof of such completion (e.g., a certificate of treatment).

(f) DISPOSER shall be allowed to co-mingle GENCORP Waste Material with compatible Waste Material generated by other generators and being lawfully transported by DISPOSER's transporter unless otherwise directed by GENCORP.

(g) DISPOSER agrees to abide by the requirements set forth in GENCORP or its Affiliate's Contractors Environmental Health and Safety Standards (Exhibit C) when performing work on-site at either GENCORP's facility.

## **7. TERM AND TERMINATION**

(a) This AGREEMENT shall be effective on the date hereof and will continue until terminated as provided herein.

(b) DISPOSER may: (i) terminate this AGREEMENT and/or all or any outstanding Service Orders with or without cause, upon 60 days prior written notice to GENCORP; (ii) terminate this AGREEMENT and/or all or any outstanding Service Orders immediately upon notice to GENCORP if GENCORP (A) has been adjudicated a bankrupt, (B) has filed a voluntary petition in bankruptcy, (C) has made an assignment for the benefit of creditors, or (D) has had a receiver appointed for it; and (iii) terminate this AGREEMENT and/or all or any outstanding Service Orders immediately upon notice to GENCORP upon any material failure of GENCORP to perform any of its obligations under this AGREEMENT which failure is not cured within 14 days after receipt by GENCORP of written notice thereof.

(c) GENCORP may: (i) terminate this AGREEMENT and/or all or any outstanding Service Orders with or without cause, upon 60 days prior written notice to DISPOSER; (ii) terminate this AGREEMENT and/or all or any outstanding Service Orders immediately upon notice to GENCORP that DISPOSER (A) has been adjudicated a bankrupt, (B) has filed a voluntary petition in bankruptcy, (C) has made an assignment for the benefit of creditors, or (D) has had a receiver appointed for it; and (iii) terminate this AGREEMENT and/or all or any outstanding Service Orders immediately upon notice to GENCORP of any material failure of DISPOSER to perform any of its obligations under this AGREEMENT which failure is not cured within 14 days after receipt by DISPOSER of written notice thereof.

(d) Notwithstanding the termination of this AGREEMENT and the outstanding Service Orders, whether in whole or in part, (i) the obligations and rights under this AGREEMENT and any outstanding Service Orders shall survive such termination with respect to any Waste Material in the possession of DISPOSER or any agent, employee or delegate of DISPOSER, and DISPOSER shall promptly complete or cause the completion in accordance with this AGREEMENT and any applicable Service Order any Services to be performed with respect to any such Waste Material or, at GENCORP's direction and expense, promptly return the Waste Material to GENCORP or transport the Waste Material to another lawful place of disposal; (ii) such termination shall not prejudice any claim or cause of action accrued or to accrue on account of any breach of this AGREEMENT; and (iii) **Sections 1, 6, 7, 8, 9, 10, 11, and 16 through 26** of this AGREEMENT shall survive any such termination. If DISPOSER does not promptly return Waste Material to GENCORP after being requested to do so, then GENCORP shall have the right, but not the obligation, to come onto any premises owned or controlled by DISPOSER and remove such Waste Material.

## **8. COMPENSATION**

In consideration of Services rendered, GENCORP shall pay DISPOSER such fees as are provided for in the Service Order. The fee stated in the Service Order and Service Quotations shall be inclusive of all amounts to be paid by GENCORP for the Services including, without limitation, any tax, tariff, fee, or surcharge imposed on the Services by a governmental authority. The amount of any increase or decrease in any such tax, tariff, fee or surcharge or newly enacted new tax, tariff, fee or surcharge applicable to the Services shall be passed along to GENCORP. Any increases or newly enacted tax, tariff, fee or surcharge require prior notification to and acceptance by GENCORP prior to their incorporation into any Service Order. DISPOSER shall retain copies of invoices sent to GENCORP for a period of five (5) years.

## **9. DISPOSER's WARRANTIES**

(a) DISPOSER warrants and represents to and covenants with GENCORP that:

(i) DISPOSER has obtained, or shall obtain prior to rendering any Services, all necessary licenses, permits, certifications and registrations in full compliance with Applicable Laws and Regulatory Agencies and shall maintain in force such permits, licenses, certificates, registrations, approvals and clearances. Such conformity shall apply to any and all vehicles, vessels, containers, and personnel to be provided by DISPOSER in the performance of this AGREEMENT and subsequent Service Orders.

(ii) DISPOSER is an approved EPA and State regulated Hazardous Waste Treatment, Storage, and Disposal Facility in accordance with the Resource Conservation and Recovery Act (RCRA), 42 U.S. C. Section 6901 et seq.

(iii) DISPOSER understands the hazards and risks, which are presented to human beings, property and the environment with respect to the transportation of Waste Materials; DISPOSER's drivers, when providing the transportation of Waste Material, are fully trained in pre-trip safety inspection, vehicle controls and equipment operation and handling; compatibility and segregation of cargo in mixed loads; package handling methods; load securement.

(iv) DISPOSER has a drug screening policy for its drivers and all other personnel who are employed by the DISPOSER to providing services stated in the applicable Service Order in which this AGREEMENT is made a part of. Such policy shall be current and strictly enforced while DISPOSER is providing services to GENCORP.

(iv) DISPOSER is engaged in the business of providing the Services with respect to Waste Material and has developed the requisite expertise to provide such Services in conformity with accepted industry practices.

(v) DISPOSER, if providing the Transportation Services in support of the Service Order and this AGREEMENT, shall utilize suitable equipment, materials and skilled, experienced employees who are trained to perform their duties in accordance with the accepted industry practices. Training records and/or copies of drivers' training certificates are on file with DISPOSER and available for review by GENCORP upon request.

(vi) DISPOSER has a training program that addresses (a) facility evacuation, (b) use and inspection of safety and emergency equipment; (c) emergency response procedures and contingency plan follow-through; (d) container labeling and vehicle placarding; and (e) regular vehicle maintenance inspections.

(vii) DISPOSER has sufficient resources available to respond to emergencies/incidents, which may occur along established transportation routes, if DISPOSER is the transporter or arranger of such transportation.

(viii) DISPOSER is not listed in the List of Parties Excluded from Federal Procurement or Non-Procurement established pursuant to Executive Order 12549, May 26, 1988, or otherwise ineligible to perform services for the Federal Government or GENCORP.

(ix) DISPOSER shall provide the Services strictly in accordance with this AGREEMENT and the Service Order and shall not transport, store, process, recycle, treat, dispose or otherwise take action with respect to any Waste Material except as specified in the applicable Service Order.

(x) DISPOSER (A) is a corporation duly organized, validly existing, and in good standing under the laws of its state of incorporation; (B) is duly qualified to do business in each jurisdiction where the nature of its activities requires it to be so qualified; and (C) has full power and authority under its Certificate of Incorporation, Bylaws, Regulations or other constitutional or similar documents and the laws of the state of its incorporation to execute, deliver, and perform this AGREEMENT.

(xi) DISPOSER's execution, delivery and performance of this AGREEMENT has been duly authorized by all requisite corporate action, this AGREEMENT is a valid, binding, and legal obligation on DISPOSER; and neither its execution and delivery of this AGREEMENT nor its full performance of its obligations hereunder will violate or breach, or otherwise constitute or give rise to a default under, the terms or provisions of its Certificate of Incorporation, Bylaws, Regulations or other constitutional or similar documents or of any material contract, commitment, or other obligation to which it is a party.

(xii) DISPOSER shall abide by the requirements set forth in GenCorp's Contractors Environmental Health & Safety Standard when performing work on site at any GENCORP facility.

(xiii) All storage, processing, recycling, treatment and disposal facilities, which are used in providing Services under this AGREEMENT will be owned and operated by DISPOSER.

(xiv) The representations, warranties and covenants of a DISPOSER in this in Section 8(a) shall be deemed to be made again by a DISPOSER upon and with respect to each Service Quotation issued by such DISPOSER

## **10. GENCORP'S WARRANTIES**

(a) GENCORP warrants and represents to and covenants with DISPOSER that:

(i) GENCORP shall provide DISPOSER with a true and correct description of Waste Materials in a Generator Waste Material Profile Sheet and Uniform Hazardous Waste Manifest.

(ii) GENCORP shall notify DISPOSER of any material risks and necessary safety equipment requirements with respect to the Waste Materials covered by the Service Order which GENCORP has reason to believe are uniquely known to GENCORP.

(iii) GENCORP is under no legal restraint that prohibits the transfer of such Waste Materials to DISPOSER.

(iv) GENCORP, in the event it is not the generator (as defined in 40 CFR 260.10) of the Waste Material, has all necessary authority to enter in to this AGREEMENT with respect to such Waste Materials;

(v) GENCORP shall in connection with this AGREEMENT comply with all Applicable Law and shall provide DISPOSER with a reasonably safe work environment for any Services under this AGREEMENT that must be performed on premises owned or controlled by GENCORP.

(vi) GENCORP (A) is a corporation duly organized, validly existing, and in good standing under the laws of its state of incorporation; (B) is duly qualified to do business in each jurisdiction where the nature of its activities requires it to be so qualified; and (C) has full power and authority under its Certificate of Incorporation, Bylaws, Regulations or other constitutional or similar documents and the laws of the state of its incorporation to execute, deliver, and perform this AGREEMENT.

(vii) GENCORP's execution, delivery and performance of this AGREEMENT has been duly authorized by all requisite corporate action; this AGREEMENT is a valid, binding, and legal obligation on GENCORP; and neither its execution and delivery of this AGREEMENT nor its full performance of its obligations hereunder will violate or breach, or otherwise constitute or give rise to a default under, the terms or provisions of its Certificate of Incorporation, Bylaws, Regulations or other constitutional or similar documents or of any material contract, commitment, or other obligation to which it is a party.

(viii) GENCORP shall notify DISPOSER if special safety equipment or special handling is required for Waste Material being transported under the applicable Service Order.



## 11. INDEMNIFICATION

11.1 Definitions. As used in this AGREEMENT the following terms shall have the meanings indicated:

“Breach” shall mean a failure to comply with any of the terms of the AGREEMENT including, without limitation, any inaccuracy in or non-fulfillment of any representations, warranties, or covenants contained in this AGREEMENT.

“Third Party Claim” shall mean as to any party to this AGREEMENT the assertion of a claim or demand against it or the commencement against it of any suit or action or any legal, administrative, governmental or other proceeding or investigation or directive to investigate by any federal, state or local governmental body, agency, or authority or any other person or entity which is not a party to this AGREEMENT.

“Direct Claim” shall mean a claim asserted under Section 11.5 by DISPOSER against GENCORP or GENCORP against DISPOSER to enforce this AGREEMENT.

“Damages” means any and all liabilities, obligations, damages, judgments, orders, assessments, interest, penalties, fines, settlement payments, losses, costs and expenses including, without limitation, reasonable legal fees and out-of-pocket expenses incurred in connection with investigating, defending, negotiating and/or settling any Third Party Claim or enforcing this AGREEMENT, but Damages shall not include: (i) lost profits, punitive, special or consequential damages or (ii) costs and expenses incurred by an Indemnitee prior to giving an Indemnification Notice or after the defense of a Third Party Claim has been assumed by the Indemnitor.

“Indemnitee” shall mean the party making an Indemnification Claim.

“Indemnitor” shall mean the party against whom an Indemnification Claim is made.

“Indemnification Claim” shall mean a claim asserted by DISPOSER against GENCORP or GENCORP against DISPOSER under Section 11.2 or 11.3, respectively.

11.2 Indemnification by DISPOSER. DISPOSER shall indemnify, defend and hold GENCORP harmless from, against and in respect of, and shall on demand reimburse GENCORP for Damages imposed upon or incurred by GENCORP directly or indirectly, as a result of or arising from any of the following:

(a) A Breach of this AGREEMENT by DISPOSER; or

(b) Any Third Party Claim caused by, incident to or resulting from (i) Any negligence or willful misconduct by DISPOSER or any of its employees, agents or delegatee occurring on GENCORP’s premises or in connection with this AGREEMENT; or (ii) any analysis, handling, loading, transporting, or transferring any Waste Material after DISPOSER or its employees, agents or delegatee has taken possession of such Waste Material and such Waste Material has been removed from GENCORP’s premises.

11.3 Indemnification by GENCORP. GENCORP shall indemnify, defend and hold DISPOSER harmless from, against and in respect of, and shall on demand reimburse DISPOSER for Damages imposed upon or incurred by DISPOSER, directly or indirectly, as a result of or arising from the following:

(a) A Breach of this AGREEMENT by GENCORP; or

(b) Any Third Party Claim resulting or arising from personal injury or property damage which occurs on GENCORP’s premises and is caused by, incident to or resulting from the negligence or willful misconduct of GENCORP or any of its employees or agents in connection with this AGREEMENT.

11.4 Procedure for Third Party Claims. The rights and obligations of the Indemnitee and Indemnitor with respect to Indemnification Claims resulting from or arising out of a Third Party Claim shall be subject to the following conditions:

(a) If a party receives notice of the assertion of any Third Party Claim for which it intends to make an Indemnification Claim, the Indemnitee shall promptly provide written notice (an “Indemnification Notice”) of such assertion to the Indemnitor; provided that failure of the Indemnitee to give the Indemnitor prompt notice as provided herein shall not relieve the Indemnitor of any of its obligations hereunder except to the extent the Indemnitor is prejudiced by such failure. The Indemnification Notice shall describe in reasonable detail the nature of the Third Party Claim and the basis for an Indemnification Claim and shall be accompanied by papers and documents which have been served upon the Indemnitee and such other documents and information as may be

appropriate to an understanding of such Third Party Claim and the liability of the Indemnitor to indemnify the Indemnitee hereunder.

(b) Upon receipt of an Indemnification Notice, the Indemnitor shall have the right and obligation to promptly assume the defense, negotiation and/or settlement of such Third Party Claim with counsel reasonably satisfactory to the Indemnitee, and shall give prompt written notice to the Indemnitee of its intent to do so.

(c) Notwithstanding Section 11.4(b), if (i) an Indemnitee is obligated to permit an insurer to assume the defense of a Third Party Claim, (ii) an Indemnitee determines in good faith that there is a reasonable probability that a Third Party Claim may materially and adversely affect it or its Affiliates other than as a result of the payment of monetary damages, or (iii) the Indemnitor and Indemnitee are both named parties in a Third Party Claim and there are legal defenses available to the Indemnitee that are different from or in addition to those available to the Indemnitor, then, at the option of the Indemnitee, the Indemnitee may, by notice to the Indemnitor, reassume the defense, negotiation and/or settlement of any such Third Party Claim previously assumed by the Indemnitor and relieve Indemnitor of the obligation to assume its defense of the Third Party Claim, provided that the exercise of that option shall not relieve Indemnitor of its obligation to hold Indemnitee harmless and indemnify Indemnitee from Damages arising from such Third Party Claim.

(d) If the Indemnitor does not assume the defense of such Third Party Claim in accordance with Section 11.4(b) or Indemnitee assumes its own defense as provided in Section 11.4(c), the Indemnitee shall have full authority to defend, negotiate, settle or otherwise dispose of any such Third Party Claim at the risk of and sole cost and expense of the Indemnitor; provided that the Indemnitee shall at all times act reasonably and in good faith as if it were ultimately liable with respect to such Third Party Claim. If the Indemnitee receives an offer to settle such Third Party Claim which offer satisfies the conditions in Section 11.4(f)(i)-(iv) it shall present such offer to the Indemnitor, and if the terms of such offer are acceptable to and can be performed by the Indemnitor, then the Indemnitor's liability hereunder with respect to such Third Party Claim shall not exceed the Damages to which the Indemnitee is entitled at the time of such offer and the cost to implement the terms of such settlement offer.

(e) The party controlling the defense of a Third Party Claim shall keep the Indemnitee or Indemnitor, as the case may be, fully informed at all stages of the defense of such Third Party Claim. The party not controlling the defense of any such Third Party Claim shall have the right, at its sole cost and expense, to participate in, but not control, the defense of any such Third Party Claim.

(f) The Indemnitor shall not settle without the consent of the Indemnitee any such Third Party Claim the defense of which it has assumed unless: (i) such settlement requires only payment of money damages; (ii) all obligations to be performed under such settlement shall be performed by the Indemnitor; (iii) with respect to such settlement there is no finding or admission of any violation of law, any violation of the rights of any person or any liability to any person and (iv) the Indemnitee receives, as a part of such settlement, an unconditional release, in form and substance reasonably satisfactory to Indemnitee, providing that such Third Party Claim and any other liability asserted, or which could have been asserted against the Indemnitee in connection with such Third Party Claim, is being fully satisfied, discharged and released by reason of such settlement. If the Indemnitor receives an offer to settle such Third Party Claim or makes an offer (acceptable to the person or entity bringing the Third Party Claim) to settle such Third Party Claim which offer's terms can be performed by it and satisfy all of the conditions in (i) through (iv) above, it shall present such offer to the Indemnitee and if the Indemnitee refuses to accept such offer then the Indemnitor's liability to the Indemnitee hereunder with respect to such Third Party Claim shall not exceed the Damages to which the Indemnitee is entitled at the time of such offer and the cost to implement the terms of such settlement offer.

(g) So long as the Indemnitor is in good faith defending such Third Party Claim, Indemnitee shall not compromise or settle such Third Party Claim; provided, however, that the Indemnitee shall have the right to settle any Third Party Claim at any time if the Indemnitee waives its right to recover Damages therefor from the Indemnitor.

(h) Each party shall cooperate with the other in the defense, negotiation and/or settlement of any such Third Party Claim. In connection with any defense of a Third Party Claim undertaken by the Indemnitor, the Indemnitee shall provide Indemnitor, its counsel, accountants and other representatives with reasonable access to relevant properties, contracts, books and records and make available such personnel of the Indemnitee as the Indemnitor may reasonably request.

11.5 Procedure for Direct Claims.

(a) The rights and obligations of Indemnitee and Indemnitor with respect to Indemnification Claims resulting from or arising out of Direct Claims shall be subject to the following conditions: A party having an Indemnification Claim resulting from or arising out of a Direct Claim shall give prompt written notice to Indemnitor specifying in reasonable detail each provision of this AGREEMENT under which the Indemnification Claim is made and the nature and amount of the Indemnification Claim asserted. If the Indemnitor, within 20 days after the receipt of notice by Indemnitee, shall not give written notice to Indemnitee accepting in its entirety such Indemnification Claim, such Indemnification Claim shall be deemed rejected by the Indemnitor and the parties may, subject to this AGREEMENT, pursue such remedies as are provided by law.

(b) Notwithstanding Sections 11.2 and 11.3, to the extent that a party against whom a Direct Claim is brought prevails in such Direct Claim then the party which brought such Direct Claim shall reimburse the prevailing party for all reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in investigating and defending such Direct Claim.

11.6 Application.

(a) The rights of DISPOSER and GENCORP under this Section 11 are not conditioned upon: (i) the filing of any action or suit, (ii) the incurrence of any costs or expenses, (iii) the payment of any amounts in respect of any claim or (iv) upon the reduction to a judgment of a claim, but only upon and subject to the provisions of this Section 9.

(b) Neither the maintenance nor the amount of insurance held by a party shall be construed to limit in any way the indemnification rights or obligations of a party hereunder.

**12. INSURANCE**

(a) DISPOSER shall procure and maintain, at its expense, during the term of this AGREEMENT, at least the following insurance (the "Insurance") with insurance carriers reasonably acceptable to GENCORP:

<u>COVERAGE</u>	<u>AMOUNTS</u>
(1) Worker's Compensation	Statutory
(2) Employer's Liability	\$1,000,000 each accident \$500,000 policy limit bodily injury by disease \$1,000,000 each employee bodily injury by disease
(3) Commercial General Liability Insurance including, without limitation, coverage for (i) premises, (ii) operations, (iii) products, (iv) completed operations, and (v) contractual liability under this AGREEMENT (including, without limitation, Section 11 of this AGREEMENT).	\$5,000,000 bodily injury & property damage combined single limit each occurrence subject to an annual aggregate of not less than \$5,000,000
(4) Automobile Liability Insurance, including, without limitation, coverage for owned, non-owned and hired vehicles	\$5,000,000 bodily injury & property damage, combined single limit each occurrence subject to an annual aggregate of not less than \$15,000,000
(5) Environmental Impairment Liability Insurance, including, without limitation, coverage for both sudden and non-sudden occurrences at the GENCORP's Facilities and during transport of Waste Material.	\$10,000,000 bodily injury & property damage, combined single limit each occurrence subject to an annual aggregate of not less than \$10,000,000

(b) DISPOSER shall during the term of this AGREEMENT cause the Insurance to provide that it can only be canceled or materially altered upon not less than ten (10) days prior written notice to GENCORP.

(c) DISPOSER represents and warrants to GENCORP that they will maintain insurance during the life of the Service Order(s). Insurance must meet the requirements of Section 12 and, except for the Workers' Compensation Insurance, shall name GENCORP as an additional insured. DISPOSER shall demonstrate compliance by furnishing insurance certificates to GENCORP.

(d) DISPOSER represents and warrants that during the term of this AGREEMENT and any subsequent Service Orders, it will be registered with the State Department of Toxic Substances Control (DTSC).

### **13. WORK ON GENCORP'S PREMISES**

GENCORP shall provide DISPOSER with a reasonably safe working environment for any performance under this AGREEMENT which must be undertaken on premises owned or controlled by GENCORP. While DISPOSER, its employees, agents, or subcontractors are on GENCORP's premises, DISPOSER will maintain strict work discipline and perform its work in compliance with all Applicable Laws, including, without limitation, those pertaining to occupational safety and health and GENCORP's safety procedures (Exhibit C).

### **14. INSPECTIONS**

GENCORP shall have the right, but not the obligation, to (a) inspect and obtain, at its expense, copies of all (I) licenses, permits, clearances and approvals issued by any governmental entity or agency to DISPOSER which are applicable to the performance of this AGREEMENT and (ii) any documents which DISPOSER is required to file or maintain under any Applicable Law which are applicable to the performance of this AGREEMENT; (b) inspect and test, at its own expense, transportation vehicles or vessels, provided by DISPOSER; and (c) inspect the operations conducted by DISPOSER in the performance of this AGREEMENT. Any inspection or failure to inspect by GENCORP shall not operate to relieve or otherwise affect the representations, warranties, responsibilities or liabilities of DISPOSER under this AGREEMENT.

### **15. EXCUSE OF PERFORMANCE**

If and to the extent DISPOSER and GENCORP have agreed pursuant to a Service Order to provide and accept Services, then and to the extent GENCORP has not tendered Waste Material to DISPOSER or DISPOSER has not taken possession of Waste Material from GENCORP, the obligation to so tender or take possession of Waste Material and provide to or accept Services with respect thereto may be suspended by either party in the event that such tender or possession is prevented by a cause or causes beyond the reasonable control of such party. Such causes shall include, but not be limited to, acts of God, acts of war, riot, fire, explosion, accident, flood, or sabotage; acts of governmental agencies or officials; injunctions or restraining orders; strike or lockouts. The party asserting a right to suspend such performance under this Section shall, within a reasonable time after it has knowledge that it must suspend such performance, notify the other party of the cause for suspension, the performance suspended, and the anticipated duration of suspension and shall use reasonable efforts to resume performance. In no event shall DISPOSER have any right to suspend any performance hereunder with respect to any Waste Material, which is in its possession or the possession of its employees, agents or delegatee. Upon GENCORP's receipt of such notice advising of a suspension of performance of more than three (3) days, GENCORP may upon written notice to DISPOSER terminate any Service Order except that any such Service Order shall survive with respect to Waste Material in the possession of DISPOSER or any employee, agent or delegatee of DISPOSER. If the applicable Service Order has not been terminated, the party that suspended such performance shall promptly advise the other party when the suspending event has ended, and when performance will be resumed.

**16. DELEGATION AND ASSIGNMENT**

Subject to the prior written consent of GENCORP, DISPOSER may at any time delegate, in a writing which also contains the agreement of the delegatee, for the benefit of GENCORP, to be bound by this AGREEMENT as if it were the DISPOSER hereunder, for the performance of any Services to be provided by DISPOSER hereunder. Any such delegation shall not operate to relieve DISPOSER of any of its responsibilities hereunder and, notwithstanding any such delegation, DISPOSER shall remain obligated to GENCORP for the delegated performance. Upon any such delegation, DISPOSER shall be deemed to have guaranteed the performance by the delegatee of the delegated Services.

**17. INDEPENDENT CONTRACTOR**

DISPOSER is and shall perform this AGREEMENT as an independent contractor, and as such, shall be responsible for and have and maintain complete control over all of its employees, agents, and operations. DISPOSER shall cause all persons employed or engaged by it not to be represented, act, purport to act or be deemed to be the agent, representative, employee or servant of GENCORP.

**18. NOTICES**

Except as otherwise provided in this AGREEMENT or in a Service Order, any notice, communication or statement required or permitted to be given hereunder shall be in writing and deemed to have been sufficiently given: (I) if sent by hand or overnight courier, upon the delivery thereof, (ii) if sent by facsimile transmission, upon confirmation of receipt of such facsimile, and (iii) if sent by mail, 3 days after having been sent by registered or certified mail, postage prepaid, return receipt requested, to the address of the respective parties below:

**GENCORP:**

Gencorp Inc.  
Hwy 50 & Aerojet Road (courier only)  
P.O. Box 537012  
Sacramento, CA 95853  
Attn: Law Department

**DISPOSER:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax No: \_\_\_\_\_  
Attn: \_\_\_\_\_

Either party may, by notice to the other, change the addresses, names and facsimile numbers above given by notice in accordance herewith.

**19. ENTIRE AGREEMENT**

This AGREEMENT, Exhibits A, B,C and D attached hereto, and the Service Orders (including the Generator Waste Material Profile Sheet) issued hereunder represent the entire understanding and agreement between the parties hereto relating to the subject matter hereof and supersede any and all prior agreements, whether written or oral, that may exist between the parties regarding same. No terms, conditions, prior course of dealings, course of performance, usage of trade, understandings, legends, purchase orders, order acceptances or other document purporting to modify, vary, supplement or explain any provision of this AGREEMENT shall be effective unless in a writing, which (I) specifically refers to and purports to modify, vary, supplement or explain this AGREEMENT and (ii) is signed by representatives of both parties authorized to amend this AGREEMENT. In the event of any conflict or inconsistency between this AGREEMENT and a Service Quotation, a Service Order or a Uniform Hazardous Waste Manifest, the terms of this AGREEMENT shall control and any pre-printed general terms and conditions in any Service Order or Uniform Hazardous Waste Manifest form shall be null and void.

**20. WAIVER**

Any waiver by either party of any provision or condition of this AGREEMENT shall not be construed or deemed to be a waiver of any other provision or condition of this AGREEMENT, nor a waiver of a subsequent breach of the same provision or condition, unless such waiver be so expressed in writing and signed by the party to be bound.

**21. GOVERNING LAW**

The validity, interpretation and performance of this AGREEMENT shall be governed and construed in accordance with the laws of the State of California, exclusive of laws relating to conflicts of law.

**22. HEADINGS**

All paragraph headings herein are for convenience only and are in no way to be construed as part of this AGREEMENT or as a limitation of the scope of the particular sections to which they refer.

**23. SEVERABILITY**

If any Section, subsection, sentence or clause of this AGREEMENT shall be adjudged illegal, invalid or unenforceable in any jurisdiction, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of this AGREEMENT in any other jurisdiction. In the event that any provision of this AGREEMENT shall be finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform this AGREEMENT so that it is enforceable to the maximum extent permitted by law and the parties shall abide by such court's determination. If such provision cannot be reformed, such provision shall be deemed to be severed from this AGREEMENT, but every other provision of this AGREEMENT shall remain in full force and effect.

**24. SERVICES AGREEMENT**

This AGREEMENT is for the transportation of Waste Material to and/or disposal of Waste Material at an authorized TSD facility and it is not the intent of the parties that the transaction be characterized as a sale of goods.

**25. DISCLAIMER OF FIRM COMMITMENT**

This AGREEMENT is neither a requirement contract nor an output contract. GENCORP is not contractually committed to (a) any guaranty of a volume of business in quantity or dollars or; (b) require participation by any GENCORP location having requirements for the Services. The parties are contractually committed to provide and accept Services to the extent specified in a Service Order.

**26. POLICY STATEMENT**

As a service provider to GENCORP, the DISPOSER agrees to adopt GENCORP'S policy to conduct business with the highest regard for the preservation of our natural environment and human health and safety.

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed by their duly authorized representatives as of the day and year first above written.

**GENCORP** (or its Affiliate):

**DISPOSER:**

\_\_\_\_\_  
Representative Signature  
Representative Name: \_\_\_\_\_  
Representative Title: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Fax: \_\_\_\_\_

\_\_\_\_\_  
Representative Signature  
Representative Name: \_\_\_\_\_  
Representative Title: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Fax: \_\_\_\_\_

Exhibit A

UNIFORM HAZARDOUS WASTE MANIFEST  
(as applicable per Service Order)



Exhibit B

LAND DISPOSAL RESTRICTION NOTIFICATION REPORT/FORM  
(Site specific)

Exhibit C

CONTRACTORS ENVIRONMENTAL HEALTH & SAFETY STANDARDS

Exhibit D

DISPOSER APPROVED TREATMENT, STORAGE AND DISPOSAL (TSD) FACILITIES