

Authorized on August 31, 1994 by Ordinance 578,  
Yamhill County Board of Commissioners  
Effective Date: October 1, 1994

SOLID WASTE DISPOSAL LICENSE AGREEMENT

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1994 between YAMHILL COUNTY, a political subdivision of the state of Oregon (the "Licensor" or "County"), SANIFILL, INC., a Delaware Corporation ("Sanifill") and RIVERBEND LANDFILL CO., an Oregon corporation (the "Licensee" or "RLC") a wholly owned subsidiary of Sanifill.

RECITALS

A. The present and future health, safety, and welfare of the residents, businesses and industry of the County require the availability of a cost effective and environmentally sound solid waste disposal facility. Such facility must comply with the requirements of the applicable governmental agencies with jurisdiction over the disposal of solid waste.

B. The County and RLC acknowledge that the potential for joint and several liability militates that disposal of the County's solid waste occur at facilities meeting state and federal design and performance standards.

C. RLC is the owner and operator of a solid waste disposal facility in Yamhill County (the "Disposal Site") which holds all required permits, including an Oregon State Department of Environmental Quality ("DEQ") solid waste disposal facility permit, and complies with the requirements of all applicable governmental agencies and meets all current and reasonably anticipated state and federal design and performance standards.

D. ORS 459.085 provides the County with the authority to regulate the disposal of solid waste, including but not limited to, the right to license and/or franchise solid waste disposal.

E. The County and RLC entered into a franchise agreement, Board Order 80-73, dated February 6, 1980, as amended by Board Order 81-659, dated December 24, 1981 (the "Current Agreement"), under which the RLC commenced solid waste disposal services for residents, businesses and industry of Yamhill County and the municipalities within it.

F. On March 6, 1991, pursuant to Board Order 91-127, the County adopted "Solid Waste Management Plan Policies & Implementation Measures" (the "Policies") which call for the Disposal Site to be maximized, within a reasonable rate structure, to meet the needs of Yamhill County residents, businesses and industry. The Policies further recognize that the

continued importation of solid waste from outside the County is appropriate to support the availability of a landfill within the County and to stabilize in-County rates.

G. The State of Oregon has required the RLC, as part of its operating permit renewal, to prepare a plan for the development, operation, closure and post-closure of the Disposal Site (the "Operations Plan") and an engineering plan for construction of all new cells and ancillary facilities at the Disposal Site (the "Engineering Plan"). At current approximate volumes of solid waste accepted at the Disposal Site, the Operations Plan indicates the Disposal Site has approximately 4 million tons of disposal capacity.

H. In order to insure the residents, businesses and industry of the County long term solid waste disposal capacity at the least cost, the Licensee requires a predictable and optimum waste stream.

NOW THEREFORE, under the terms and conditions set forth herein, the County, Sanifill and RLC here enter into to this Solid Waste Disposal License Agreement:

#### DEFINITIONS

A. "Acceptable Waste" means any and all waste that is "Solid Waste" as defined herein but is not "Unacceptable Waste" as defined hereafter and which, in compliance with governmental licenses and permits in effect, may be disposed of at the Disposal Site.

B. "Beneficial Use" of Solid Waste shall mean the use or reuse of any Solid Waste in lieu of other materials, in the construction or operation of the Disposal Site or any ancillary facilities, including but not limited to road construction, landscaping, soil amendment, disposal cell construction, leachate or landfill gas management, daily, interim or final landfill cover material, all as may be approved by DEQ. Except for purposes of calculating the unrestricted host fee, Solid Waste beneficially used or reused as described above, shall not be considered "disposed" at the Disposal Site.

C. "County" means the municipal corporation for the geographical area comprising the County of Yamhill.

D. "County Tipping Fee" shall have the meaning assigned in Section 4.

E. "CPC Trust" shall mean the Closure/Post-Closure Trust established pursuant to the Riverbend Landfill Closure/Post-Closure Trust Agreement, as amended, attached hereto and incorporated herein as Exhibit A.

F. "Customer" shall mean a waste generator, residing or located within incorporated or unincorporated Yamhill County or solid waste collection or transport company which under contract to RLC, delivers Acceptable Waste generated from residences or commercial establishments located in Yamhill County (but not including wastes which are the products of an industrial process or manufacturing or Special Waste) to the Disposal Site during the term of this Agreement.

G. "DEQ" shall mean the Oregon Department of Environmental Quality.

H. "Disposal Site" shall mean the Riverbend Landfill operated by the Licensee and located on property within Section 1 & 12, T5S, R5W, W.M., Yamhill County, Oregon more particularly described in the attached Exhibit B.

I. "Disposal Site Permit" shall mean the Solid Waste Disposal Permit No. 345 issued for the Disposal Site by DEQ dated July 1, 1993, incorporated into this agreement by reference. (A copy is on file with the Yamhill County Solid Waste Coordinator and DEQ.)

J. "Effective Date" shall mean the date following execution and approval of this Agreement by the County when this Agreement becomes effective.

K. "Facilities" shall mean those facilities that are ancillary to or necessary for the operation of the Disposal Site.

L. "Force majeure" means acts of God, landslides, lightning, forest fires, storms, floods, freezing, earthquakes, civil disturbances, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, materials shortage (but not solid waste materials), or damage to or destruction of the Disposal Site or Facilities as a result of events described herein or other similar causes which are not reasonably within the control of the party whose ability to perform under this Agreement is impaired or prevented by the Force Majeure event. However, a Force Majeure event shall not include damage to or destruction of the Disposal Site or Facilities when the damage or destruction is caused by any of the following events: operational error; improperly designed facilities; lack of preventative maintenance; or careless or improper operation.

M. "Hazardous Waste" shall have the meaning set forth in ORS 466.005(7) and/or is required to be accompanied by a written manifest or shipping document describing the waste as "hazardous waste" or "dangerous waste," pursuant to any state or federal law, including but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., and the Hazardous Waste Management Act, Chapter 466 ORS, as amended, and the regulations promulgated thereunder. Hazardous Waste shall not include

incidental Household Hazardous Waste or Small Quantity Generator Waste which is commingled with Solid Waste.

N. "License Fee" shall have the meaning assigned it in Section 5.

O. "Regulatory Oversight Responsibility" means any responsibility that the County assumes under its authority stated in ORS 203.035, 1993 replacement part, to protect the health, welfare, safety and property of County residents.

P. "RLE Trust" shall mean the Revocable Landfill-Environmental Trust established pursuant to the Riverbend Landfill Revocable Landfill-Environmental Trust Agreement attached hereto and incorporated herein as Exhibit C.

Q. "Solid Waste" means all putrescible and non-putrescible wastes, whether in solid or semi-solid form, including but not limited to: garbage, trash, rubbish, refuse, ashes, sewage sludge; septic tank and cesspool pumpings or other sludge; commercial and industrial wastes; demolition and construction wastes; manure, vegetable or animal solid or semi-solid wastes including yard debris; dead animals; medical and infectious waste as defined in ORS 459.386 and OAR 340-93-030(42) and (52); all wastes capable of being recycled that are commingled with other wastes; and, incidental Household Hazardous Waste or Small Quantity Generator Hazardous Waste as defined under 40 CFR 261.5. The term "Solid Waste" shall not include Hazardous Waste as defined in ORS 466.005.

R. "Special Waste" shall mean Acceptable Waste resulting from an industrial and/or manufacturing process or waste which requires special handling or extraordinary management at the Disposal Site, including, without limitation, asbestos, petroleum contaminated soil, sludge, containerized or bulk tanker waste, waste from pollution control processes, waste containing free liquids and other wastes that may be covered by a Special Waste Handling Plan for the Disposal Site as approved by DEQ in accordance with the Disposal Site Permit.

S. "Suspicious Waste" shall mean waste which the Licensee, based on visual inspection or other information, reasonably suspects may be or contains "Unacceptable Waste."

T. "Tipping Fees" shall mean the rates charged Customers for disposal of Acceptable Waste at the Disposal Site, as provided by Section 4 and as adjusted in accordance with Section 6 of this Agreement.

U. "Unacceptable Waste" shall mean any and all waste that is either:

1. waste which is prohibited from being received at the Disposal Site by state, federal or local law, regulation, rule, code, ordinance, order, permit or permit condition; or

2. Hazardous Waste as defined above.

V. "Uncontrollable Circumstances" shall mean (a) any event reasonably beyond the control of the Licensee that restricts or substantially affects the ability of the Licensee to treat landfill leachate by means of irrigation to poplar trees, or (b) a Force Majeure event.

### AGREEMENTS

In consideration of the mutual covenants and promises contained herein, the parties hereto hereby agree as follows:

1. Capacity Guarantee; Flow Reports; Reserved Capacity Reports.

1.1 Capacity Guarantee. During this Agreement, and pursuant to its terms and conditions, Licensee agrees to assure sufficient capacity at the Disposal Site for all Acceptable Waste generated and self delivered to the Disposal Site by Yamhill County residents and all Acceptable Waste generated within the County delivered by third parties pursuant to a written contract for disposal executed with Licensee.

1.2 Flow Reports. Within thirty (30) days after the end of each month during the term of this Agreement, Licensee shall transmit to Licensor a written report itemizing the volume, by tons, of all Acceptable Waste (including Special Waste) from any source, disposed of at the Disposal Site in the previous month.

1.3 Reserved Capacity Reports. On each anniversary of this agreement, Licensee shall provide to Licensor, engineering reports, computer data or photographic mapping materials as necessary to verify that remaining disposal capacity is available at the Disposal Site to meet the requirements of Section 1.1 of this Agreement.

2. Right of Rejection/Conditions of Acceptance. The Licensee has the right to reject any and all Solid Waste delivered to the Disposal Site for the following reasons:

2.1 The Licensee shall not be required to receive, accept or dispose of any Unacceptable Waste. The Licensee reserves the right to inspect any and all Solid Waste and other material delivered to the Disposal Site for proposed treatment and/or disposal and may reject any Unacceptable Waste or such Suspicious Waste that the Licensee reasonably believes would, upon disposal, be a violation of local, state or federal law or

regulation or in its opinion would present a significant risk to human health or the environment or create or expose the Licensor or the Licensee to potential liability.

2.2 The Licensee may refuse the right of access to the Disposal Site to any user of the Disposal Site who violates the rules and regulations prescribed by the Licensee or by law, provided that the Licensee shall give notice to the Licensor of the nature of any violations and an opportunity to cure. The Licensee may also assess to users of the Disposal Site a reasonable additional fee or charge as a penalty for failure to comply with the rules and regulations prescribed by the Licensee or by law.

2.3 The Licensee may refuse the right of access to the Disposal Site to any user that is more than forty-five (45) days delinquent in payment of Tipping Fees.

3. Term. The term of this Agreement shall be twenty (20) years, commencing on the Effective Date and, unless sooner terminated in accordance with the provisions of this Agreement, expiring on the same day twenty years later; Provided, however, that the obligations contained herein to comply with the state and federal requirements to fund and implement closure and post closure maintenance of the Disposal Site shall continue as obligations of Licensee until such time as final closure and post closure of the Site is certified complete by DEQ or successor regulatory agency with jurisdiction.

4. Disposal Fees.

4.1 General. During the Term of this Agreement, the Licensee shall be authorized to charge for the disposal of Acceptable Waste at the Disposal Site, disposal "Tipping Fees" as set forth below and as may be adjusted pursuant to Section 6. Without limiting the foregoing, based on the disposal fees set forth below, Licensee shall also develop a Tipping Fee schedule for small public loads delivered to the Disposal Site. In addition, for all Acceptable Waste disposed of at the Disposal Site, Licensee shall also charge and collect the Landfill Environmental Expense Charge set forth in Section 4.2 below.

4.1.1 Tipping Fees for County Customers. All Customers residing or located in the unincorporated areas of the County that dispose of Acceptable Waste, with the exception of Special Wastes, shall be charged a Tipping Fee commencing at \$22.63 per ton, subject to the adjustments pursuant to Section 6 (the "County Tipping Fee"). For a period of one hundred and twenty (120) days following the execution of this Agreement, Licensee shall offer the County Tipping Fee, subject to substantially the same terms and conditions set forth in this Agreement, to Customers residing or located in the incorporated areas of the County. All Customers residing in incorporated or unincorporated areas of the County who accept substantially all

the terms and conditions of this Agreement within the 120 day period shall be referred to as "County Customers." Customers residing or located in the incorporated areas of the County who have not entered into an agreement accepting substantially the same terms and conditions as offered to the County pursuant to this Agreement, may be charged such disposal Tipping Fees as Licensee in its sole discretion may establish.

4.1.2 Other Customers; Special Tipping Fee Schedules. Licensee shall have sole discretion to establish and charge disposal Tipping Fees for Acceptable Waste and Special Waste, not governed by the provisions of Section 4.1.1 above.

4.1.3 Volume Based Adjustments to Tipping Fee. Commencing July 1, 1995, and each year thereafter throughout this Agreement, the Tipping Fee set forth in Section 4.1.1, and modified by Section 6.1, shall be reduced based upon the volume of Acceptable waste generated within the County and received and disposed at the Disposal Site during the preceding twelve months ending March 31 of each year. The schedule of Tipping Fee Reduction as set forth in Schedule "A" below, shall be adjusted each year, commencing July 1, 1995, pursuant to the provisions of Section 6.1. For example, if 120,000 tons of Acceptable waste generated from within Yamhill County was disposed at the Disposal Site during the twelve months preceding April 1, 1997, the applicable Tipping Fee for the year commencing July 1, 1997 (as set forth in Section 4.1.1 and adjusted by Section 6.1) would be reduced by \$1.07 per ton (assuming CPI inflates at 4% per year). The \$1.00 per ton Tipping Fee Reduction would adjust by 3.4% (.85% of 4% CPI) or \$1.03 per ton on July 1, 1996 and 3.4% of \$1.03 or \$1.07 per ton effective July 1, 1997.

SCHEDULE A

<u>Annual Volume</u>	<u>Tipping Fee Reduction</u>
100,000 to 119,999	\$ .50/Ton
120,000 to 139,999	\$1.00/Ton
140,000 to 159,999	\$1.50/Ton
160,000 to 179,999	\$2.00/Ton
180,000 to 199,999	\$2.50/Ton
200,000 and above	\$3.00/Ton

4.2 Landfill Environmental Expense Charge. In addition to the Tipping Fees set forth in Sections 4.1 above, and excluding waste which is beneficially used or reused by Licensee in the operation or development of the Disposal Site, the Licensee shall also charge and collect on every ton of Acceptable Waste disposed in the Disposal Site, a landfill environmental expense charge (the "LEE Charge"). The LEE charge shall commence at \$1.83 per ton, subject to adjustment pursuant to Section 6.1. Upon receipt, the LEE Charge shall be allocated and paid into the

CPC Trust and/or the RLE Trust in accordance with the following: (1) on a periodic basis, as required by and in accordance with Oregon state laws, Licensee shall determine the amount of funds, if any, required to be deposited into the Closure Fund and/or the Post-Closure Fund of the CPC Trust and shall arrange for deposit into the CPC Trust the portion of the LEE Charge equal to such amount of funds, if any; (2) Licensee shall arrange for deposit into the RLE Trust the remainder of the LEE Charge not otherwise deposited into the CPC Trust. All funds collected under this subsection shall be managed in accordance with the terms and conditions of the trust agreements governing the CPC Trust and the RLE Trust.

5. Annual License Fee and Host Fees Payable to County.

5.1 License Fee. To compensate the County for its reasonable costs associated with administration of this Agreement, the Licensee shall pay to the County an annual License Fee of \$200,000. The License Fee shall be escalated pursuant to Section 6.1.

5.2 Restricted Host Fee. As additional consideration and to assist in funding the unanticipated costs associated with the Whiteson and Newberg Landfills, Licensee agrees to pay the County the sum of \$0.60 per ton (the "Restricted Host Fee") on all Acceptable Waste delivered to and disposed at the Disposal Site for which payment has been received during the term of this License. The Restricted Host Fee of \$0.60 per ton shall be adjusted pursuant to the provisions of Section 6.1. The funds generated from payment of this Restricted Host Fee shall be reserved and dedicated by the County for the following uses according to the following priority:

- 1) payment for any long term groundwater monitoring required at the Whiteson Landfill whether required for closure or post-closure or as a corrective or remedial action;
- 2) payment of any costs associated with the closure/post-closure or corrective action at the Newberg Landfill; and
- 3) payment of any costs associated with the County's solid waste program.

With respect to costs incurred at the Whiteson Landfill for groundwater monitoring, excluding the cost of well installation and initial testing, whether required by permit or corrective action order issued by any regulatory agency with jurisdiction, the County agrees that it shall first exhaust all funds accumulated from the Restricted Host Fee for such costs before it may file for coverage under the RLE Trust. To the extent the County receives funds from the RLE Trust for such expenses, it

shall reimburse the RLE Trust as funds are generated from subsequent Restricted Host Fee payments.

5.3 Unrestricted Host Fee. As additional consideration for this Agreement, and in addition to the License Fee and the Restricted Host Fee, Licensee also agrees to pay Licensor an Unrestricted Host fee on Beneficial Use waste delivered to the Disposal Site and certain other Acceptable Waste delivered to and disposed of at the Disposal Site for which payment has been received during the term of this License as provided below:

5.3.1 Unrestricted Host Fee on Beneficial Use Waste. Licensee shall pay Licensor a sum equivalent to 10% of the gross fee received by Licensee for each ton of waste delivered to the Disposal Site and used by the Licensee as Beneficial Use waste.

5.3.2 Unrestricted Host Fee on Certain Acceptable Waste. For each ton of Acceptable Waste not subject to the County Tipping Fee, Licensee shall pay Licensor a sum equivalent to 10% of the difference between the then applicable County Tipping Fee and the price received for all other Acceptable Waste where the price received for the other Acceptable Waste exceeds the County Tipping Fee.

5.4 On or before the tenth day of each month, the Licensee shall pay the County the Restricted Host Fee and Unrestricted Host Fee from disposal fees received and collected during the preceding month and one-twelfth of the annual License Fee.

6. Adjustments to Tipping Fee, License Fee and LEE Charge.

6.1 CPI Adjustment. Commencing on July 1, 1995 and on July 1 of each year thereafter throughout the term of this Agreement, (the "Adjustment Date"), the then-current County Tipping Fee, License Fee and LEE Charge shall be adjusted in a percentage amount equal to .85 times the percentage change in the Consumer Price Index for all Urban Consumers for West-A, All Items (1982-84=100) published by the Bureau of Labor Statistics (the "Index"), as reported for the twelve month period ending April 1 of the same year. By no later than May 1, 1995 and on May 1 of each year thereafter during the term of this Agreement, Licensee shall provide notice to all Customers and users of the Disposal Site of the adjusted Tipping Fees to be effective as of July 1.

6.2 Increases in County Tipping Fee and/or LEE Charge. In accordance with this Section, the Licensee may, after obtaining the County's written approval, which shall not be unreasonably withheld, increase the County Tipping Fee and/or LEE Charge to reflect the Licensee's reasonable actual increased costs due to events set forth in Sections 6.2.1, 6.2.2 and 6.2.3;

provided however, that any increased costs, except as provided in Section 6.2.1 shall be assessed and allocated equally among all users of the Disposal Site by volume of waste disposed.

6.2.1 Changes in Federal, State and Local Law.

The Licensee may increase the County Tipping Fee and/or LEE Charge for reasonable actual increased costs resulting from changes in federal or state laws. The Licensee may increase the County Tipping Fee and/or LEE Charge for reasonable actual increased costs resulting from changes in County law which are not imposed as a result of a change in federal or state law or regulation, provided, however, that the cost to comply with a change in County law that affects only the Disposal Site or disposal of solid waste at the Disposal Site and not other solid waste disposal or handling facilities in the County, shall only be passed-through to County Customers who dispose of waste at the Disposal Site and shall, under no circumstances, be required to be passed-through to other customers or users of the Disposal Site. For purposes of determining the amount of reasonable actual increased costs under this Section 6.2.1, the Licensee's costs incurred to satisfy laws in effect as of June 1, 1994 shall constitute the baseline costs. For purposes of this Section, the term "change in law" means any new or revised statute, regulation or ordinance or any judicially mandated change in the interpretation, effect or application of any existing statute, regulation, ordinance or common law effective at any time after June 1, 1994 including but not limited to (1) new or revised regulations issued after June 1, 1994 but pursuant to a statute in effect prior to June 1, 1994 and (2) changes in the definition of Hazardous Waste or the substances that comprise that term as defined in the Definitions Section above.

6.2.2 Uncontrollable Circumstances.

Subject to the Licensee's compliance with the terms of Section 7 below, the Licensee may increase the County Tipping Fee and/or LEE Charge for reasonable actual increased costs resulting from Uncontrollable Circumstances.

6.2.3 State or Federal Taxes, Fees or Surcharges.

The Licensee may increase the County Tipping Fee and/or LEE Charge for reasonable actual increased costs caused by the imposition of or increases in the rates of state or federal taxes, fees or surcharges other than state or federal income taxes. The Licensee shall be obligated to pass-through to County Customers only, any future imposition of or increase in County taxes, fees or surcharges, but shall not be required to pass-through such County taxes, fees or surcharges to out-of-County customers who dispose of waste at the Disposal Site if such County taxes, fees or surcharges affect only the Disposal Site on the disposal of solid waste at the Disposal Site and do not affect other solid waste disposal or handling facilities in the County.

6.3 Conditions and Limitations on and Procedures for County Tipping Fee and/or LEE Charge Increases.

6.3.1 Conditions, Limitations. As a condition to the Licensee's right to any increase under Section 6.2 above, the Licensee must submit a request for an adjustment that includes documentation demonstrating the Licensee's reasonable actual increased costs and need for such adjustment. The County shall allow increases in the County Tipping Fee and/or LEE Charge under Section 6.2 only for reasonable costs, taking into account variations in base costs, experience, expertise and other relevant factors, that will or have been incurred by the Licensee in complying with changes in law or increases in taxes, fees or surcharges, or responding to events of Uncontrollable Circumstances; provided, however that the increase in the County Tipping Fee and/or LEE Charge under section 6.2 shall be allowed only to the extent necessary to enable the Licensee to recover the same percentage of incurred costs as the percentage of the total solid waste volume attributable to users who are charged the County Tipping Fee. No County Tipping Fee or LEE Charge increases shall be allowed for cost increases that are attributable to defective structures or deficient operations or activities at the Disposal Site that are caused by the Licensee or its subcontractors, employees, agents or servants, or are otherwise within the Licensee's control.

6.3.2 Capital Expenditures for Facilities. In calculating adjustments to the County Tipping Fee to reflect capital expenditures relating to Facilities required by a change in federal or state law or the occurrence of an Uncontrollable Circumstance, such expenditures shall be allocated among all users of the Disposal Site and amortized (and accordingly allocated to the County Tipping Fee) over a period equal to the useful life of the Facilities under federal tax law, or if the useful life of the Facilities is longer than the remaining capacity of the Disposal Site, then over the remaining years of this Agreement. If the useful life of the Facilities is shortened by reductions in the Disposal Site's useful life due to state or federal environmental laws or regulations, then the capital expenditures relating to the Facilities shall be amortized (and accordingly allocated to the County Tipping Fee) over that shortened useful life.

6.3.3 Procedures. Upon the Licensee's submittal of an adjustment request under Section 6.3, the County shall act to approve or disapprove the proposed adjustment within sixty (60) days. If the adjustment is approved, the new tipping fee shall take place beginning 60 days after the County issues its order approving the request. If the adjustment is not approved within 60 days or if the County approves an adjustment less than that sought by the Licensee, the licensee may submit the matter to arbitration as provided in Section 19. Unless authorized in writing by the County, no rate adjustment may become effective

until a written arbitration award that allows the adjustment has been issued as provided in Section 19.

6.3.4 Burden of Proof. Before the County shall allow a rate adjustment constituting an increase, the Licensee has the burden to establish by clear and objective evidence that it has or will incur specific and identifiable additional costs due to an event specified in Sections 6.2.1, 6.2.2 or 6.2.3.

6.4 County Tipping Fee and/or LEE Charge Decreases. County Tipping Fees and/or LEE Charges may be reduced in accordance with this section.

6.4.1 Cancellation of County Tipping Fee and/or CPC Increases. At the County's request and subject to the confidentiality provisions of Section 13, the Licensee shall provide the County access to documentation supporting Licensee's continuing need for any increase in the County Tipping Fee or LEE Charge granted in accordance with Section 6.2 and 6.3. If such documents, in the County's reasonable opinion, do not support the continuing need for any such increase, the County may give written notice to Licensee to cancel such County Tipping Fee and/or LEE Charge increase. The Licensee shall reduce County Tipping Fees and/or LEE Charges within thirty (30) days of the County's written notice; provided that if the Licensee disagrees with the County's assessment that the need for an increase no longer exists, it may submit the matter to arbitration pursuant to the terms of Section 19.

6.4.2 Reduced County Tipping Fees for Reduced Costs due to Changes in Law or Taxes and Fees. Subject to the conditions stated in this subsection 6.4.2, the County may cause the Licensee to reduce the County Tipping Fees to reflect any actual reduced costs of the Licensee's performance under this Agreement which are attributable to a change in law, Uncontrollable Circumstance or change in taxes, fees or surcharges. The County may at any time notify the Licensee to reduce County Tipping Fees under this subsection including the reasons for that reduction. The Licensee shall reduce County Tipping Fees and/or LEE Charges within thirty (30) days of the County's written notice, provided that if the Licensee disagrees with the County's determination that the County Tipping Fee reduction is justified, it may submit the matter to arbitration pursuant to the terms of Section 19.

6.4.3 Notice. The Licensee shall promptly notify the County upon learning of the cessation of conditions that justified a County Tipping Fee and/or LEE Charge increase.

7. Allocation of Risk/Uncontrollable Circumstances.

7.1 Uncontrollable Circumstances. The obligations of the Licensee and the County under this Agreement are subject to

Uncontrollable Circumstances that necessarily and unavoidably prevent performance of disposal obligations hereunder. Provided that the requirements of this Section 7 are met, neither party hereto shall be considered in default in the performance of its obligations under this Agreement to the extent that such performance is prevented or impaired by the occurrence of an event of Uncontrollable Circumstances. The Licensee and the County agree that no other events however catastrophic or uncontrollable shall excuse nonperformance of either party of its obligations under this Agreement and no events within the control of the parties, including breakage or accidents to machinery, equipment or other Facilities, shall excuse nonperformance of the parties' obligations under this Agreement.

7.2 Notice of Uncontrollable Circumstances; Suspension of Performance. If, as a result of an event of Uncontrollable Circumstances, either the Licensee or the Licensor is wholly or partially unable to meet its obligations under this Agreement, then the affected party shall give the other party prompt notice of such event, describing it in reasonable detail. The obligations under this Agreement of the party giving the notice of the event of Uncontrollable Circumstances shall be suspended, other than for payment of monies due, but only with respect to the particular component of obligations affected by the event and only for the period during which the event of Uncontrollable Circumstances exists. The affected party shall use due diligence to resume performance at the earliest practicable time and shall notify the other party when the effect of the event has ceased.

7.3 Alternative Performance. If the Licensee notifies the County of the Licensee's inability to carry out any obligation under this Agreement due to an event of Uncontrollable Circumstances, the Licensee shall, as soon as practicable, submit to the County a plan for correcting or reconstructing the Facilities made inoperable due to the event of Uncontrollable Circumstances which plan shall include but not be limited to the schedule, cost, proposed financing method and estimated Tipping Fee increases necessary for the correction or reconstruction. The Licensee shall also submit an alternative performance plan for performance under this Agreement while the Facility affected is inoperable. The Licensee's alternative Facilities must each be approved by the County which approval shall not be unreasonably withheld. Unresolved disputes concerning the calculation of the cost to correct or reconstruct the Facilities, or the purchase price of the Facilities, shall be resolved by arbitration in accordance with Section 19.

7.4 Right to Resolve Certain Force Majeure Events. Notwithstanding anything to the contrary expressed or implied herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances, and litigation, including appeals, shall be entirely within the discretion of the particular party involved therein, and such party may make settlement thereof at such time, and on such terms and conditions

as it may deem to be advisable, and no delay in making such settlement shall deprive such party of the benefit of this Section 7.4.

7.5 Obligation to Provide Alternative Disposal Upon Uncontrollable Circumstance. Notwithstanding the provisions of Sections 7.1, in the event that the Licensee is unable to Dispose of any Acceptable Waste because the occurrence of an event of Uncontrollable Circumstances materially and adversely affects the Licensee's ability to accept or dispose of Acceptable Waste, the Licensee shall use its best efforts to make available to the County disposal at the lowest cost practically available at an alternative permitted and approved disposal facility, for as long as the event continues. Tipping Fees charged by Licensee may be increased in accordance with Section 6 to reflect additional disposal costs incurred because an alternative facility is used due to the occurrence of an event of Uncontrollable Circumstances. The Licensee's failure to provide alternative disposal plans when an event of Uncontrollable Circumstances has occurred shall not be deemed a default under this Agreement if the Licensee has exercised its best efforts to make alternative arrangements.

8. Beneficiaries of RLE Trust. During the term of this Agreement, Licensee may deliver to Licensor solid waste disposal agreements entered into by Licensee and Customers that dispose of Acceptable Waste at the Disposal Site. Provided such disposal agreements are in conformance with the terms of this Agreement, Licensor shall give its written consent to allow customers and generators that are parties to such disposal agreements to be included as beneficiaries of the RLE Trust. For purposes of Section 11.6, "participating customers, generators or users" of the RLE Trust are those customers or waste generators that dispose of waste at the Disposal Site, have executed disposal agreements with Licensee and whose status as beneficiaries of the RLE Trust have been consented to in writing by Licensor.

9. Compliance with Laws; Maintenance and Operation of Disposal Site; Access; County Inspection.

9.1 The Licensee shall maintain the Disposal Site as a sanitary landfill for disposal of all Acceptable Waste until the earlier of (i) the expiration or earlier termination of this Agreement or (ii) the date the Disposal Site is closed pursuant to any and all applicable federal, state or local regulatory action.

9.2 During the term of this Agreement, the Licensee shall take all steps necessary to operate the Disposal Site in accordance with all applicable federal, state and local laws, ordinances, rules or regulations. Licensee shall be deemed to be in compliance with laws, ordinances rules and regulations if it is in timely compliance with any regulatory order, including but not limited to any preliminary assessment, remedial

investigation, remedial action or corrective action or any legal appeal or review of such orders or requirements. When Licensee receives notice of any intent of a governmental agency other than the County to initiate a process leading to the issuance of a regulatory order, Licensee shall advise the County and provide the County a report stating the Licensee's intended response to the governmental agency's action.

9.3 Licensee shall develop, maintain and operate the Disposal Site in accordance with the Disposal Site Permit and the Master Operations Plan submitted to DEQ and incorporated into the Disposal Site Permit. Licensee shall take all reasonable steps to mitigate traffic impacts from operations at the Disposal Site, including, if practicable, engineering access roads, entrances and exits in a way to minimize traffic back-up and delay. Licensee shall operate the Disposal Site so as not to create a nuisance and shall use reasonable efforts to control litter and odors at the Disposal Site.

9.4 For the purposes of making inspections and obtaining data as necessary to monitor Disposal Site operations and enforce the terms of this Agreement, Licensee shall allow representatives of the County access to the Disposal Site. Inspections under this section may be performed with or without advance notice, but County representatives shall first report to the front gate and announce their presence prior to entering the Disposal Site. The County representatives shall comply with all safety and other on-site rules of the Disposal Site. Nothing in this subsection is intended to limit the County's access to the Disposal Site with respect to County's exercise of its Regulatory Oversight Responsibility as defined in this agreement.

10. Scope of Operation. The Licensee shall be responsible for the management, storage, treatment, utilization, processing and final disposal of all Acceptable Waste received at the Disposal Site. The Licensee shall also be responsible to comply with the state and federal requirements to fund and implement closure and post closure maintenance of the Disposal Site until such time as final closure and post closure of the Disposal Site is certified complete by DEQ or other successor regulatory agency with jurisdiction. In performing such functions, the Licensee shall provide sufficient personnel, equipment and utilities for operation of the Disposal Site in accordance with this Agreement and for closure and post-closure maintenance in accordance with state and federal law. Licensor acknowledges that the Licensee may, from time to time, on its volition or in coordination with one or more solid waste collection companies or municipalities with which it contracts, or in accordance with applicable laws and regulations, establish various measures to ensure or encourage recycling or re-use of Solid Waste at the Disposal Site.

11. Insurance.

11.1 The Licensee shall comply with all laws of the state of Oregon relating to worker's compensation during the term of this Agreement. In the event any work is performed by an agent or subcontractor, the Licensee shall obtain certification from such subcontractors that they, too, have obtained this coverage or that they do not fall within the scope of the Oregon worker's compensation act.

11.2 The Licensee shall obtain Commercial General Public Liability and Property Liability Insurance (exclusive of environmental impairment coverage). Coverage shall include, but not be limited to operations (exclusive of environmental impairment) of the Licensee and such insurance shall have limits of not less than:

<u>COVERAGE</u>	<u>LIMITS OF LIABILITY</u>
Bodily Injury and/or Property Damage	\$2,000,000 each person or occurrence
Policy Aggregate	\$5,000,000

On each second anniversary of this agreement, the Licensee shall adjust the limits of liability to account for inflation.

11.3 To the extent it is practicably available on commercially reasonable terms, Licensee agrees to obtain Legal Pollution Liability Insurance coverage for personal or real property damage outside the boundaries of the Disposal Site arising out of operation of the Site. Such coverage shall have limits not less than:

Legal Pollution Liability (off-site)	\$5,000,000 per occurrence and aggregate
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If Legal Pollution Liability Insurance coverage is not, in the determination of the Licensee, practicably available, Licensee shall contribute to the RLE Trust an amount equivalent to the amount Licensee paid for such coverage in 1994 as adjusted by the CPI adjustment specified in Section 6.1. The parties agree that the Licensee incurred an allocated cost of \$5,000 for Legal Pollution Liability Insurance in 1994.

11.4 The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insured the County and its officers, agents and employees. Notwithstanding the naming of the additional insured, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest

11 had been named as insured. The coverage must apply to claims between insured on the policy.

11.5 The insurance shall provide that the insurance shall not be canceled or materially altered without thirty (30) days' written notice first being given to the County's Solid Waste Coordinator. If the insurance is canceled or materially altered within the term of this License, Licensee shall provide a new policy with the same terms. Licensee agrees to maintain continuous uninterrupted coverage, in the amounts required, for the duration of this Agreement.

11.6 Licensee shall maintain on file with the County's Solid Waste Coordinator a certificate of insurance certifying the coverage required above. The adequacy of the insurance shall be subject to the approval of County Counsel. Failure to maintain liability insurance shall be cause for conditional forfeiture of this License by the County.

11.7 Recognizing that environmental impairment liability insurance may not be practicably available nor sufficiently comprehensive for sanitary landfills, the Licensee has established and is maintaining the RLE Trust to satisfy environmental impairment liabilities arising out of the operation of the Disposal Site. To the extent that any environmental impairment liabilities, including the costs of conducting closure and/or post-closure maintenance activities at the Disposal Site, are not covered by insurance or the CPC Trust (if applicable) or are not reimbursable through claims made against potentially liable parties, the proceeds of the RLE Trust shall be used to satisfy such liabilities.

## 12. Indemnity.

12.1 Licensee shall defend, indemnify and hold harmless the County and its employees, agents, appointed and elected officials, from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments and costs and expenses incidental thereto, including attorneys' fees, which any or all of them may hereafter suffer, incur, be responsible for or pay out as a result of personal injuries, property damage, or contamination of or adverse effects on the environment, to the extent directly or indirectly caused by, or arising from or in connection with the breach of any representations and warranties of Licensee set forth in this Agreement, or any negligent or intentional actions or omission of Licensee, its employees, officers, owners, directors, agents or subcontractors, in the performance of this Agreement, or the operation, closure and/or post-closure of the Disposal Site. Such indemnity shall be limited to exclude liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments and costs and expenses or attorney fees to the extent they arise as a result of any

negligent or intentional actions or omissions of the County or its employees, agents, or appointed or elected officials.

12.2 The County shall defend, indemnify and hold harmless Licensee, its employees, officers, owners, directors, agents and subcontractors, from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments and costs and expenses incidental thereto, including attorneys' fees, which any or all of them may hereafter suffer, incur, be responsible for or pay out with respect to claims by third parties for personal injury, property damage or other loss not caused by pollution, contamination or release of chemicals or landfill gas arising from operations of the Disposal Site, to the extent directly or indirectly caused by, or arising from or in connection with the negligent or intentional actions or omissions of the County, or its agents, employees, subcontractors, appointed and elected officials. The total sum recoverable under such indemnity shall be limited to amounts then available from the County's insurance policy, the RLE Trust, unappropriated monies or unrestricted contingency funds from the County's general fund. Such indemnity shall be limited to exclude liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments and costs and expenses or attorney fees to the extent they arise as a result of any negligent or intentional actions or omissions of Licensee or its employees, agents, subcontractors, officers, owners or directors; nor shall such indemnity include claims arising as a result of any Regulatory Oversight Responsibility of the County or its agents, employees, subcontractors or appointed and elected officials.

12.3 In the event of any suit against any party indemnified under this section, the indemnifying party shall appear and defend such suit provided that the indemnifying party is notified in a timely manner of the suit. The indemnified party shall have the right to approve counsel chosen by the indemnifying party to litigate such suit which approval shall not be unreasonably withheld. In the event a dispute exists over whether a party is entitled to indemnification, each party shall defend itself until the dispute is resolved. Upon resolution of the indemnification dispute, the prevailing party shall be entitled to indemnification for its defense costs incurred prior to resolution.

12.4 If any claims indemnified against under this Section 12 have the potential for coverage under any insurance and/or the RLE Trust, then the indemnities set forth in this Agreement shall be limited as follows:

(a) The indemnity under this Section 12 shall apply only to the extent the amount of any indemnified claim exceeds all amounts collectable under any insurance covering such claim and the RLE Trust relating to such

claim. Before pursuing recovery under this indemnity, the indemnified party shall exhaust all recovery available for such claim from insurance and the RLE Trust.

(b) The indemnifying party shall not be obligated to pay for the defense of any claim or suit that any insurer has a duty to defend or that is covered by the RLE Trust. If no insurer defends and the claim is not covered by the RLE Trust then the indemnifying party shall, to the extent obligated to do so by this Agreement, pay for the defense, but shall be entitled to the insured's rights against all insurers with a potential for coverage of such claim.

12.5 Once the indemnified party has exhausted all recovery under all insurance and/or the RLE Trust, the indemnifying party shall pay only the amount of the loss, if any, that exceeds the sum of:

i. The total amount that all insurance has paid for the loss; and

ii. The total amount that the RLE Trust has paid for the loss.

12.6 For all costs and expenses related to third-party claims arising out of transportation and disposal of solid waste under this Agreement, Licensee and the County shall first make and pursue claims against any available insurance coverage. Nothing in this Agreement shall constitute a waiver or relinquishment of any claims which the parties may have against insurers, nor shall any provision of this Agreement waive or relinquish any subrogation or contribution rights that the parties or their insurers may have against another insurer or other potentially liable party. Any monies received from the insurers shall be used to pay any claims covered by such insurance and reimburse the insured for all reasonable costs and expenses, including attorneys' fees, expended by it to seek recovery of sums from its insurers.

13. Inspection of Documents/Confidentiality. From time to time during normal business hours and upon reasonable advance notice, the County may, for the purposes of monitoring and enforcing the requirements of this Agreement, review at Licensee's offices, documents and records of Licensee relating to volume, type and source of Acceptable Waste and fees paid for disposal of Acceptable Waste at the Disposal Site. Any documents designated as Confidential or Proprietary shall not be removed from Licensee's offices nor the contents or information contained

therein, be revealed or disclosed to third parties without the written consent of Licensee.

Licensee may identify any written information submitted to the Licensor as confidential or proprietary in nature or otherwise exempt from disclosure under the Oregon Public Records Law. Upon receipt by the Licensor of any requests for disclosure of information identified by the Licensee as exempt, the Licensor shall notify the Licensee of the request after consideration of the public interest in disclosure of the requested information. The Licensee shall respond in writing within ten (10) days of the Licensor's notice whether the requested information should be released or defended. If Licensee elects to defend the exemption of the requested information from public disclosure, Licensee shall assume all responsibilities for such defense. Licensee shall indemnify and hold the Licensor harmless for all costs and expenses incurred in the defense of the request, including court and appeal costs and attorney fees and expenses. Nothing in this paragraph is intended to require the Licensor to refuse to disclose information after being so ordered by a competent judicial authority.

14. Amendments. This Agreement may only be amended by a written agreement executed by the Licensor and the Licensee.

15. Events of Default. Except as otherwise provided in this Agreement, each of the following shall constitute an event of default ("Event of Default by the Licensee") hereunder:

15.1 Noncompliance with laws. The failure to cure any state or federal notice of violation or non-compliance with federal, state or local laws applicable to the operation of the Disposal Site. For purposes of this Agreement, Licensee shall not be considered in breach or default if it is in timely compliance with any regulatory order, including but not limited to any preliminary assessment, remedial investigation, remedial action or corrective action or any legal appeal or review of such orders or requirements.

15.2 Insufficient Capacity. Except as may arise or result from an occurrence of an Uncontrollable Circumstance, the failure to provide disposal capacity pursuant to Section 1.1

15.3 Financial Assurance. The failure of Licensee to comply with the state of Oregon requirements for closure or post-closure financial assurance for the Disposal Site.

15.4 Seizure or Attachment. Seizure or attachment (other than a prejudgment attachment) of, or levy affecting possession on, the operating equipment of the Licensee at the Disposal Site, including without limit its vehicles, maintenance or office facilities, or any part thereof of such proportion as to impair the Licensee's ability to perform under this Agreement

3and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and holidays.

15.5 Insolvency.

15.5.1 The filing by Licensee of a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a party of a transfer of equipment no longer useful to the Licensee or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of the Licensee for a part of the Licensee's operating assets or any substantial part of the Licensee's property, or the making of any general assignment for the benefit of the Licensee's creditors, or the failure generally to pay the Licensee's debts as they become due or the taking of any action in furtherance of any of the foregoing.

15.5.2 The entry of a decree or order by a court have jurisdiction for relief in respect of the Licensee, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or consent by Licensee to or failure by Licensee to oppose any such proceeding, or the entry of a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Licensee or for any part of the Licensee's operating equipment or assets, or order the winding up or liquidation of the affairs of the Licensee.

15.6 Failure to Pay License or Host Fees When Due. The failure of the Licensee to pay the annual installments for the License Fee (Section 5.1) or the Host Fees (Section 5.1 and 5.3) when due.

15.7 Failure to Make Required Contributions to RLE Trust. The failure of the Licensee to make contributions to the RLE Trust as required by this Agreement or the underlying trust documents.

15.8 Failure to Adequately Maintain Insurance. The failure of the Licensee to maintain insurance as required by this agreement.

15.9 Failure to Promptly Provide Access to Documents. The failure of the Licensee to promptly provide the County access to documents County has requested in furtherance of its rights or duties under this agreement.

15.10 Falsification of Information or Lack of Good Faith. The Licensee's knowing falsification of information County may rely on to assert any right or duty under this agreement or the

Licensee's lack of good faith in performing its obligations under this agreement.

16. Notice of Default and Opportunity to Cure. If at any time either party determines or becomes aware that the other party is in default of any of the terms or provisions of this Agreement, the non-defaulting party shall transmit a written notice to the other party as to the nature of such default. Unless the default involves the failure to pay any amounts due under this Agreement (for which the defaulting party shall have ten (10) days to cure such default), the defaulting party shall have thirty (30) days from the receipt of said notice to commence actions to cure said default and a reasonable period of time to cure. If the defaulting party fails to cure the default within a reasonable period of time the non-defaulting party seek to pursue remedies set forth in Section 17. Notwithstanding the foregoing, either party hereto may request arbitration of any dispute or alleged default hereunder pursuant to the provisions of Section 19 of this Agreement.

17. Remedies. Following notice and an opportunity to cure under Section 16, the County shall be entitled to terminate this Agreement or to impose a penalty as provided in this section. In the event the County initially elects to impose a penalty under Section 17.2 instead of terminating this Agreement as provided in Section 17.1, the County may include among other conditions a condition in the order assessing the penalty which allows termination of this Agreement upon breach of the specified condition.

17.1 Termination of the Agreement. In addition to any other remedies the County may have hereunder or at law or in equity, the County shall have the right, upon the occurrence of an Event of Default of the Licensee, hereunder, to terminate this Agreement upon Ninety (90) days written notice, subject only to the right to arbitration pursuant to Section 19.

17.2 Penalty. Assessment of a civil penalty of up to \$500 per day per violation until the Event of Default is cured, up to a maximum of \$100,000.

18. Five-Year Service Review.

18.1 At least 90 days prior to each fifth anniversary of this Agreement, the Board of County Commissioners shall conduct a review of the Licensee's compliance with the terms of this Agreement. A report shall be prepared by the Licensee which summarizes the Licensee's compliance with the following:

18.1.1 Compliance with Section 9 regarding  
Compliance with Laws; Maintenance and  
Operation of Disposal Site; Access; County  
Inspection;

- 18.1.2 Compliance with Section 1 regarding Capacity Guarantee; Flow Reports; Reserved Capacity Reports;
- 18.1.3 Compliance with the State of Oregon Closure and Post-Closure Financial Assurance requirements applicable to the Disposal Site;
- 18.1.4 Compliance with Section 4 regarding Disposal Fees; and
- 18.1.5 Compliance with Section 5 regarding Annual License Fee and Host Fees Payable to County.

18.2 A record evidencing a failure by Licensee to timely cure violations of the above provisions or a record of repeated violations of these provisions shall be sufficient cause upon a majority vote of the Board of County Commissioners, for termination or renegotiation of the terms of this License Agreement. Licensee shall be given Ninety (90) days notice of any decision to terminate or renegotiate the Agreement. During this ninety day period, Licensee may submit the decision to arbitration pursuant to Section 19. In the event of a call for arbitration, the parties shall continue performance as called for under Section 19.1.

18.3 In connection with each five year service review, and in addition to any other right it has under this Agreement, the County reserves the right to reopen the Agreement for the purpose of negotiating an increase in the host fee or license fee if it reasonably believes an increase is necessary to support county solid waste programs. If the reopener is exercised, and if the parties do not agree on the amount of increase, the County may submit the question to arbitration as provided in section 19. The issue before the arbitrator shall be whether the host fee and license fee are adequate to support county solid waste programs not otherwise funded through charges imposed on solid waste collection haulers.

## 19. Arbitration.

19.1 In the event of a dispute arising under this Agreement, the parties shall continue performance of their respective obligations under this Agreement.

19.2 If the parties are unable to resolve the dispute, either party may call for binding arbitration by the American Arbitration Association under its Commercial Arbitration Rules then in effect. The party calling for arbitration shall serve notice in writing upon the other party, setting forth in detail the question or questions to be arbitrated. The party calling for arbitration shall, as part of its notice, propose an arbitrator. The other party shall, within ten (10) days after receipt of such notice either agree to the proposed arbitrator or

reject the proposed arbitrator. If the proposed arbitrator is rejected, the party calling for arbitration shall notify the Chief Judge of the Circuit Court of Yamhill County and request that he or she appoint a qualified arbitrator.

19.3 The arbitrator shall apply applicable provisions of Oregon law in reaching his or her determination.

19.4 The determination by the arbitrator shall be binding on the parties. The losing party shall pay all costs charged by the arbitrator for the arbitrator's fees and expenses. Each party is solely responsible for its own costs incurred in the arbitration, including fees and expenses of attorneys, witnesses and other representatives.

## 20. Assignment; Successors and Assigns.

20.1 This Agreement shall be binding upon the successors and assigns of the parties hereto; provided that no assignment of this Agreement by either party shall be binding upon the other party unless such other party consents to the assignment, which consent shall not be unreasonably withheld if consistent with this section. The party seeking to assign this Agreement shall provide the other party with written notice and a true copy of the assignment.

20.2.1 Sanifill shall guarantee the favorable performance of any assignee for the duration of this agreement unless the assignee meets both of the following qualifications:

- 1) The corporate rating of the proposed assignee must be equal to or better than that of Sanifill according to generally accepted corporate rating schedules of Standard & Poors. If Standard & Poors no longer serves as a generally accepted source for rating corporations, the parties shall mutually select another source. In the absence of mutual agreement, the question shall be referred to an arbitrator.
- 2) The net worth of the proposed assignee as determined by the most recent audited financial statement shall be equal to or greater than the net worth of Sanifill.

20.2.2 Within 60 days of Sanifill's tender of an assignment under this section, the County shall determine whether the proposed assignee meets the qualifications stated in section 20.2.1. If the County does not respond in 60 days, the failure to respond shall constitute a determination by the County that the proposed assignee does not meet the qualifications stated in section 20.2.1. If the County determines the proposed assignee does not meet the qualifications stated in section 20.2.1, the

Licensee may submit the question to arbitration in accordance with section 19 of this Agreement.

20.3 No assignment shall be valid and binding which endeavors to relieve the assigning party of any obligations to make payments hereunder which accrued prior to the date of assignment or in which the assignee does not affirmatively agree, in writing, to assume all obligations of the assignor under this Agreement. This subsection shall not be construed to limit the applicability of section 20.2.

21. Records. This section governs the obligations of the Licensee with respect to furnishing any written information required by this Agreement.

21.1 All reports required by this Agreement to be furnished by the Licensee shall contain an "executive summary" section to enable the reader to readily determine the ultimate conclusion of the report. To the extent possible, the executive summary shall avoid technical jargon not readily understood by the average reader.

21.2 The Licensee shall promptly deliver to the County's solid waste coordinator a copy of each plan, report, form or notification submitted to the Department of Environmental Quality.

22. Waiver. No waiver by either party of any one or more defaults or breaches by the other in the performance of this Agreement shall operate or be construed as a waiver of any future defaults or breaches, whether of a like or different character.

23. Entire Agreement. This Agreement and the Exhibits referenced herein shall represent the entire understanding between the parties and, unless set forth in this Agreement, no representations, statements or agreements, unless agreed to by the parties in writing, shall modify, change, amend or otherwise affect the obligations undertaken in this Agreement. Subject to this provision, the parties may mutually agree to modify this agreement at any time.

24. Change in Law/Regulations. This Agreement is subject to all present and future valid laws and lawful orders of all regulatory bodies. Should either of the parties, by force of any such law or regulation, at any time during the term hereof, be ordered or required to do any act relative to this Agreement which substantially impairs or materially changes the party's ability to perform under this Agreement, then the affected party shall notify the other party of this condition. Unless the parties agree in writing to continue this Agreement within thirty (30) days after the effective date of any such law, rule or order, then the Agreement shall terminate on the 31st day after the effective date of such law, rule or order. Nothing in this Agreement shall prohibit either party from obtaining or seeking

to obtain modification or repeal of such law or regulation or restrict either party's right to legally contest the validity of such law or regulation. Licensee shall not be considered in breach of this Agreement during such time as Licensee is contesting or appealing any notice of violation, ordinance, rule, regulation or law.

25. Nondiscrimination. The Licensee shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

26. Dual Status of County. The Licensee agrees that this agreement does not limit the Licensor's authority in the exercise of its Regulatory Oversight Responsibility.

27. Notices. All notices required under this Agreement shall be personally delivered or mailed by certified or registered mail, postage prepaid as follows:

If to the Licensor, address to:

Board of Commissioners  
Yamhill County  
535 E. Fifth Street  
McMinnville, OR 97128

If to the Licensee, address to:

Riverbend Landfill Company, Inc.  
Attention: General Manager  
13469 SW Hwy 18  
McMinnville, OR 97128

or to such other address as any party shall specify by written notice so given, and shall be deemed to have been given as of the date so delivered or three (3) days after the date deposited in the U.S. mail.

28. Severability. If any provision of this Agreement is declared invalid or unenforceable, then such portion shall be deemed to be severable from this Agreement and shall not affect the remainder hereof.

29. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon including any regulation, ordinance, or other requirements of any governmental agency having jurisdiction over the Disposal Site.

EXECUTED as of the day and year first above written.

RIVERBEND LANDFILL CO., INC.

YAMHILL COUNTY, OREGON

By: \_\_\_\_\_  
(signature)

\_\_\_\_\_ DENNIS L. GOECKS, Chairman

\_\_\_\_\_ (printed name)

\_\_\_\_\_ TED LOPUSZYNSKI, Commissioner

\_\_\_\_\_ (corporate title)

\_\_\_\_\_ DEBI OWENS, Commissioner

SANIFILL, INC.

By: \_\_\_\_\_  
(signature)

\_\_\_\_\_ (printed name)

\_\_\_\_\_ (corporate title)

STATE OF \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss

On the \_\_\_\_ day of \_\_\_\_\_, 1994, personally appeared the above named \_\_\_\_\_, the duly appointed \_\_\_\_\_ of Riverbend Landfill, Inc., and acknowledged the execution of this Agreement to be a voluntary act authorized by and performed on behalf of Riverbend Landfill, Inc.

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss

On the \_\_\_\_ day of \_\_\_\_\_, 1994, personally appeared the above named \_\_\_\_\_, the duly appointed \_\_\_\_\_ of Sanifill, Inc., and acknowledged the execution of this Agreement to be a voluntary act authorized by and performed on behalf of Sanifill, Inc.

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires: \_\_\_\_\_

SEP 21 '94 04:17PM YAMHILL COUNTY CLERK

P.2

29. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon including any regulation, ordinance, or other requirements of any governmental agency having jurisdiction over the Disposal Site.

EXECUTED as of the day and year first above written.

RIVERBEND LANDFILL CO., INC.

YAMHILL COUNTY, OREGON

By: [Signature]  
(signature)  
SCOTT A. BRADLEY  
(printed name)

[Signature]  
DEANIS L. COCKE, Chairman

Division V.P. / Site Manager  
(corporate title)

[Signature]  
TED LOSUSZINSKI, Commissioner

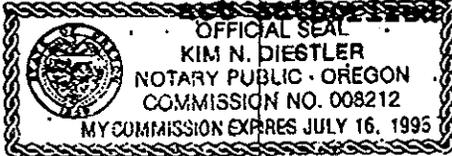
SANIFILL, INC.

[Signature]  
DEBI OWENS, Commissioner

By: [Signature]  
(signature)  
DOUGLAS G. SOBEY  
(printed name)  
REGIONAL VICE PRESIDENT  
(corporate title)

STATE OF Oregon  
County of Washington } ss

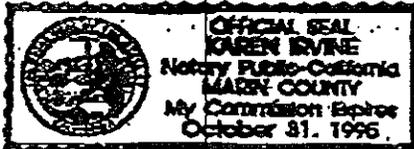
On the Second day of September, 1994, personally appeared the above named Scott A. Bradley, the duly appointed Site Manager / Division V.P. of Riverbend Landfill, Inc., and acknowledged the execution of this Agreement to be a voluntary act authorized by and performed on behalf of Riverbend Landfill,



[Signature]  
Notary Public for Oregon  
My Commission Expires: July 16, 1995

STATE OF California  
County of Marin } ss

On the 2nd day of September, 1994, personally appeared the above named Douglas G. Sobey, the duly appointed Regional Vice President of Sanifill, Inc., and acknowledged the execution of this Agreement to be a voluntary act authorized by and performed on behalf of Sanifill, Inc.



[Signature]  
Notary Public for California  
My Commission Expires: October 31, 1996