AMENDMENT NO. 1

TO THE CONTRACT FOR WASTE DISPOSAL SERVICES
BETWEEN OREGON WASTE SYSTEMS, INC. AND METRO

April 11, 1988

1. PERFORMANCE BOND of PART IV (CONTRACT FORMS), (p. IV-3).

   DELETE the following words from the third sentence of the Performance Bond: "The condition of this obligation is such that whereas" and substitute:

   Whereas

2. Article 2, (General Provisions), Section J. of PART V (GENERAL CONDITIONS), (p. V-6).

   DELETE all references to the word "Agreement" in the last paragraph of this section and substitute:

   Contract

3. Article 2, (General Provisions) of PART V (GENERAL CONDITIONS), (p. V-7).

   INSERT the following section at the end of Article 2

   T. No heading or headings used in this Contract are intended and nor shall be construed as amending, altering or in any way determining the meaning of any provision of this Contract.

4. Article 22 (Liquidated Damages), Section A. of PART V (GENERAL CONDITIONS), (p. V-28).

   DELETE the reference to 18B in the second sentence of this section and substitute:

   19 B.

5. Article 24 (Metro's Rights and Remedies for Defaults in Performance of the Contract), Section B. of PART V (GENERAL CONDITIONS), (p. V-30).

   DELETE the word "and" in the heading for this section and substitute:

   or

6. Article 28 (Assignment) of PART V (GENERAL CONDITIONS), (p. V-34).

INSERT the following after "Assignment" in the heading for this Article:

and Delegation

7. Section 14. (TYPES OF WASTE ACCEPTED) of PART VI. (SPECIFICATIONS), (p. VI-6).

DELETE fourth sentence of the paragraph which reads as follows: " "Unacceptable Waste" shall not include residential waste unless this is prohibited by a change in law which becomes effective after December 21, 1987." and SUBSTITUTE:

"Unacceptable Waste" shall not include residential waste unless residential waste is prohibited from disposal at a general purpose lanfill by a change in law which becomes effective after December 21, 1987.

DELETE the word "contain" in section "(b)" of the definition of "Hazardous Waste" and SUBSTITUTE:

contains

DELETE the word "and" from the phrase "and as defined under Oregon Law, ORS 466.605 et seq." from section "(c)" of the defintion of "Hazardous Waste" and SUBSTITUTE:

or

8. Section 15(6) (General Limitation on Metro's Liability) of PART VI (SPECIFICATIONS), (p. VI-10).

DELETE the following words from the first sentence of this subsection:

except as otherwise provided in Section 15 of these Specifications,

9. Item No. 17 of ADDENDUM NO. 3.

DELETE the reference to "Section F" in this item and SUBSTITUTE:

Section B.

10. Item No. 5 of ADDENDUM NO. 4

DELETE the two references to "0." in this item and SUBSTITUTE:

P.

DELETE the reference to "P." in this item and SUBSTITUTE:

Q.

DELETE the reference to "Q." in this item and SUBSTITUTE:

R.

DELETE the reference to "R." in this item and SUBSTITUTE:

S.

11. Item No. 24 of ADDENDUM NO. 4

INSERT the following word after the word "payment" in the paragraph which reads: "1) Contractor is entitled to reimbursement or increased payment any provision of this contract; or":

under

12. Item No. 24 of ADDENDUM NO 4

DELETE all references to "H." in this item, and for each such deletion, SUBSTITUTE:

I.

13. Item No. 27 of ADDENDUM NO. 4 (p. 21).

DELETE the second set of instructions which read as follows:

INSERT the following words at the end of the last sentence of the first paragraph of Section A."

and orders

14. Item No. 11 of ADDENDUM NO. 5

DELETE the reference to "R." in this item and SUBSTITUTE:

S.

DBC/gl
8694C/530

MEMORANDUM OF WASTE DISPOSAL CONTRACT AND COVENANT

KNOW ALL MEN BY THESE PRESENTS, that on the 11th day of April, 1988, OREGON WASTE SYSTEMS, INC., a Delaware corporation (OWS), and the METROPOLITAN SERVICE DISTRICT of Portland, Oregon, a municipal corporation organized pursuant to ORS chapter 268, METRO, made and entered into a certain Waste Disposal Services Contract and Covenant wherein OWS agrees to provide to METRO and METRO agreed to purchase from OWS the right to dispose of solid waste for a 20-year period subject to the terms and conditions of the said contract, the original of which is on file at the address of METRO, 2000 S. W. First Avenue, Portland, Oregon 97201-5398, in and upon the following described real property in Gilliam County, State of Oregon, to-wit:

TOWNSHIP 2 NORTH, RANGE 21 EAST, W.M.:

Section 20: All

Section 29: All

Section 30: All, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded December 17, 1986, under no. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 31: N1/2 of N1/2, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded on December 17, 1986, under no. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.
ALSO EXCEPTING that portion deeded to Chem-Nuclear Systems, Inc., by that certain warranty deed recorded November 22, 1978, under No. M-60-156, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 32: N1/2

EXCEPT the right of ways for the Union Pacific Railroad, and Cedar Springs County Road.

Said contract provides that the obligation to dispose of solid waste on said property shall be a covenant running with the land and the possessor thereof and all parties having a legal or equitable interest in said property shall have an obligation to perform the services provided for in said contract during the term of said contract and subject to the terms and conditions set forth in the contract.

OREGON WASTE SYSTEMS, INC.
P. O. Box 11227
Portland, OR 97211
Vendor's Name and Address

METROPOLITAN SERVICE DISTRICT
2000 S. W. First Avenue
Portland, OR 97201-5398
Vendee's Name and Address

After recording return to:

Daniel B. Cooper, General Counsel
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Until a change is requested all tax statements shall be sent to the following address:

_____

_____

_____
Name, Address, Zip

- -

STATE OF OREGON,)
) ss.
County of _____)

Space Reserved For Recorder's Use

I certify that the within instrument was received for record on the _____ day of _____, 1988, at _____ o'clock ___ M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____, Record of Deeds of said county.

Witness my hand and seal of County affixed.

_____
Name

By_____

INDEXED

STATE OF OREGON
County of Gilliam } ss.

I hereby certify that the within instrument was received for record

on April 18, 1988 at 10:50 A.M

and assigned No. M-66-155

in the Microfilm DEED Records of said county

Witness My Hand and Seal of County Affixed

CHRISTOPHER N. CHILDS
County Clerk

By Rena Kennedy
Deputy

DBC/gl
8694C/530

The true and actual consideration for the agreement, set forth in said contract, is the fixed price $36,059,000, payable $0.00 down on the signing of said contract and the balance payable in monthly installments of not less than $150,245.83 each plus unit costs and other costs as provided in the contract; all deferred payments bear interest at the rate of zero (0) percent per annum from the date of said contract
until paid.

In Witness Whereof the said vendors have executed this memorandum APRIL 11TH, 1988.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

X
JOHN H. SCOCUM

OREGON WASTE SYSTEMS, INC. CORPORATE SEAL DELAWARE

- -

STATE OF OREGON, County of MULTNOMAH.

APRIL 11TH, 1988.

Personally appeared JOHN H. SCOCUM who, being duly sworn, did say that he is the vice president of Oregon Waste Systems, Inc., a Delaware corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be his voluntary act and deed.

Before me:

(OFFICIAL SEAL)

NOTARY PUBLIC STATE OF OREGON

Notary Public for Oregon
My commission expires: 12/6/89

CONTRACT AMENDMENT NO. 2

WASTE DISPOSAL SERVICES CONTRACT
OREGON WASTE SYSTEMS/METRO

WHEREAS, The Metropolitan Service District (Metro) and Oregon Waste Systems, Inc. ("OWS" or "Contractor") entered into a certain waste disposal agreement on April 11, 1988 (the "Waste Disposal Services Contract" or "Contract"); and

WHEREAS, There exists a dispute between the parties as to the effect of certain provisions of the Contract that the parties desire to settle amicably without entering into a costly dispute resolution process; now, therefore,

THE PARTIES for the mutual considerations set forth below agree to the following amendments to the Contract as specifically provided for herein:

1. This Amendment No. 2 shall be effective as of January 1, 1990.

2. The waste and ash flow quantities listed in the Appendix to the Contract shall be amended so that the estimated quantity for the year 1990 for Alternate No. 1 shall be changed from 644,000 tons to 314,000 tons. For the calendar year 1990, and only for the calendar year 1990, the provisions of Specifications, Paragraph 1 of the Contract pertaining to Metro's obligation to deliver to Contractor ninety percent (90%) of all waste delivered by Metro to any general purpose landfill shall no longer apply, and instead, Metro's obligation during 1990 shall

/////

be to deliver to Contractor a minimum of 294,000 tons of solid waste.

3. A. Beginning effective January 1, 1990, there shall be added to the Unit Price, and Metro shall pay to Contractor for each ton of Acceptable Waste disposed by Contractor, a "Supplemental Price Adjustment." For the year 1990, the amount of the Supplemental Price Adjustment shall be twenty-eight cents per ton ($0.28/ton). Beginning January 1, 1991, and each January 1 of every year thereafter, the Supplemental Price Adjustment shall be adjusted up or down, in the same manner as the Unit Price, by the percentage price adjustment specified in the Disposal Services Contract, General Conditions, Article 19, Paragraph B. At such time as the total of all Supplemental Price Adjustment payments by Metro to Contractor equals the Target Value, the Supplemental Price Adjustment shall be discontinued and shall no longer be payable by Metro to Contractor. The initial Target Value shall be one and one-half million dollars ($1,500,000) in present value referenced to January 1, 1990, using a ten percent (10%) per annum discount factor and provided that the Target Value shall be subject to adjustment as provided in paragraph 3.B. below.

B. If the amount of Acceptable Waste delivered by Metro to Contractor during the period January 1, 1990, through December 31, 1990 ("Target Value Adjustment Period"), is greater than or equal to 300,000 tons, and less than or equal to 328,000 tons, then no adjustment to the Target Value

shall be made. If the amount of Acceptable Waste actually delivered during the Target Value Adjustment Period exceed 328,000 tons then the Target Value shall be adjusted downward by an amount equal to two million dollars ($2,000,000) times the total of amount of Acceptable Waste delivered in excess of 328,000 tons all divided by 314,000 tons. If the amount of Acceptable Waste actually delivered by Metro during the Target Value Adjustment Period is less than 300,000 tons but greater than or equal to 294,000 tons then the Target Value shall be adjusted upward by an amount equal to two million dollars ($2,000,000) times the difference between the actual number of tons of Acceptable Waste delivered and 314,000 all divided by 314,000.

C. If during the Target Value Adjustment Period the amount of Acceptable Waste delivered by Metro is less than 294,000 tons, Paragraph 2 hereof shall be of no effect and Contractor reserves all rights to pursue all available remedies for failure of Metro to deliver during the period Acceptable Waste as provided in the original Contract, including specifically damages for the total volume of Acceptable Waste guaranteed but not delivered to Contractor; provided, however, that any resulting award or judgment by Contractor shall be reduced by the amount of the Supplemental Price Adjustment paid.

4. Notwithstanding the provisions of Articles 19(e), 20 and 21 of the Contract, as long as Contractor has substituted a performance bond and labor & materials bond in the

forms attached hereto as Exhibit "A" in the amount of $5 million each (the "Bonds") provided by a company that meets the requirements of Article 2.J., Metro shall not retain any portion of payments due to Contractor for the purpose of creating the retainage fund provided for in Article 21 of the Contract. The bonds may be provided by National Guaranty Insurance Company of Burlington, Vermont ("NGIC") if, in addition, Contractor provides to Metro the corporate guaranty of Waste Management, Inc. ("WMI") in a form substantially similar to that attached as Exhibit "B." This deferral of the creation of the retainage fund shall in no way affect Metro's right pursuant to the Contract to retain amounts from payments otherwise due to Contractor to offset amounts owed to Metro. At such time as the Bonds or the NGIC Bonds and WMI Guaranty are delivered Metro shall release the Bank of Tokyo Letters of credit Nos. 110LCS820616 and 110LCS820617 dated April 13, 1988. In the event Contractor shall fail to maintain such bonds as provided for herein then the provisions of Article 2.J., 19(e), 20 and 21 shall be given full force and effect.

5. Notwithstanding the provisions of Paragraph 3 of this Contract amendment, the provisions of the Most Favored Rate Agreement between Metro and Contractor entered March 24, 1988, in order to induce Metro to enter into the Waste Disposal Services Contract shall be construed as if no Supplemental Price Adjustment had been made to the prices paid by Metro to Contractor pursuant to the Waste Disposal Services Contract.

6. For the purpose of construing the provisions of the limited guaranty against waste flow fluctuations by Metro contained on page VI-2 of the Specifications contained in the Waste Disposal Services Contract, Metro agrees that Metro will guarantee that the total Acceptable Waste quantities delivered to the Contractor during any calendar year quarter will not vary by plus or minus twenty percent (20%) of the most recent Metro waste quantity projection which provides at least one hundred eighty (180) days advance notification to Contractor. In the event Metro has not provided Contractor with a quarterly projection which provides 180 days prior notification of the amount of Acceptable Waste that Metro projected for delivery to Contractor for a quarter, the actual amount of Acceptable Waste delivered to Contractor during the prior year's quarter shall serve as the basis for the flow guarantee.

If the total quarterly amount of Acceptable Waste delivered is less than eighty percent (80%), or greater than one hundred and twenty percent (120%), of (a) the total quarterly quantity projected for which 180 days notice was given, or (b) the actual amount of Acceptable Waste delivered in the same quarter of the prior year where projection is not timely made, Metro will reimburse the Contractor for any unit price and lump sum payments which would ordinarily be due Contractor plus any actual additional extraordinary costs incurred by Contractor as a result of Metro's varying from the flow guarantee plus ten percent (10%) of such additional extraordinary costs.

7. As consideration for the Supplemental Price Adjustment provided for herein, the Contractor, except as provided in paragraph 3.C., forever waives any claim it may have against Metro of any nature whatsoever arising out of the failure of Metro to deliver during calendar year 1990 to Contractor for disposal ninety percent (90%) of the total tons of Acceptable Waste which Metro delivers to a general purpose landfill.

8. The Amendment No. 2 is in settlement of disputed language as related to delivery of Acceptable Waste in the calendar year 1990. This Amendment, except for paragraphs 6 and 7, shall not be admissible in any arbitration or judicial action, for example to show damages for subsequent Contract years, except an arbitration or action to enforce its terms.

ENTERED INTO AND AGREED BY THE PARTIES this 20th day of July 1990 by:

OREGON WASTE SYSTEMS, INC.

By: [signature]

Anthony J. Dudzinski
Print Name

Vice President
Title

Date: July 19, 1990

METROPOLITAN SERVICE DISTRICT

By: [signature]

Richard D. Engstrom
Print Name

Deputy Executive Officer
Title

Date: 7-20-90

DBC/gl
1002c

NATIONAL GUARANTY

INSURANCE COMPANY

199 MAIN STREET, 5TH FLOOR, COURTHOUSE PLAZA
BURLINGTON, VT 05401

PERFORMANCE BOND

(AIA 311)

KNOW ALL MEN BY THESE PRESENTS:

That OREGON WASTE SYSTEMS, INC., as Principal, and

NATIONAL GUARANTY INSURANCE COMPANY, as Surety, are held and firmly bound

unto METROPOLITAN SERVICE DISTRICT, a municipal corporation of the State of Oregon, as Obligee, in the sum of

Five-Million and no/100---------- Dollars

($ 5,000,000.00------), for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, The Principal has entered into a written contract dated April 11, 1988 with the Obligee for

waste disposal services agreement

in accordance with the terms and conditions of said Contract, which is hereby referred to and made a part hereof as if fully set forth herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly —

1. Complete the Contract in accordance with its terms and conditions, or

2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as Work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of Owner. This bond is effective retroactive January 1, 1990.

Signed, sealed and dated March 29, 1990

Karen E. Bogard
(Witness)

OREGON WASTE SYSTEMS, INC.
(Principal) (Seal)

By Dale B. Tauke
Dale B. Tauke, Assistant Secretary (Title)

NATIONAL GUARANTY INSURANCE COMPANY
(Surety)

By Leo J. Winstead
Leo J. Winstead, Attorney-In-Fact

Bond No. PP90-0503-OB

29582 (9/80)

POWER OF ATTORNEY

Know all Men by These Presents that the National Guaranty Insurance Company, 199 Main Street, Burlington, Vermont Corporation (the "Corporation"), has constituted and appointed and does hereby constitute and appoint Donald S. Haufe, Thomas R. Frank and Leo J. Winstead of Oak Brook, Illinois each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to-wit:

1. Surety bonds to the United States of America or any agency thereof, including lease and miscellaneous surety bonds required or permitted under the laws, ordinances or regulations of any State, City, Town, Village, Board or any other body or organization, public or private.

2. Bonds on behalf of contractors in connection with bids, proposals or contracts.

The foregoing powers granted by the Corporation shall be subject to and conditional upon the written direction of any officer (or any designee of any such officer) to execute and deliver any such bonds.

IN WITNESS WHEREOF, the Corporation has caused these presents to be signed by its Vice President/Underwriting and its Assistant Secretary, and its corporate seal to be hereto affixed this 29th day of January, 1990.

Witness:

Assistant Secretary

National Guaranty Insurance Company

Vice President/Underwriting

GUARANTEE

This Guarantee made as of the _____ day of _____, 1990, by WASTE MANAGEMENT, INC., a _____ corporation ("Guarantor"), to and for the benefit of the METROPOLITAN SERVICE DISTRICT ("Metro") ;

WITNESSETH:

WHEREAS, Oregon Waste Management, Inc., an Oregon corporation, (the "Contractor"), has entered into a Waste Disposal Agreement (the "Agreement") with the Metro dated as of April 11, 1988;

WHEREAS, Guarantor is willing to guarantee, as set forth below, the performance of the Contractor under the Agreement; and

WHEREAS, Metro would not agree to accept the Performance Bond and Labor and Materials Bond ("Bonds") issued by National Guaranty Insurance Company of Burlington, Vermont ("NGIC") unless the Guarantor provided this Guarantee;

NOW, THEREFORE, as an inducement to Metro to accept the bonds required by Amendment No. 2, Guarantor agrees as follows:

1. Guarantor hereby absolutely and unconditionally guarantees the full and prompt performance by the Contractor of all of the Contractor's obligations under the Agreement in accordance with the terms and conditions set forth therein. Notwithstanding any provision in this Guarantee to the contrary,

the obligations of the Guarantor under this Guarantee shall be no greater than the obligations of the Contractor under the Agreement, and in all events the obligation of the Guarantor shall not exceed ten million dollars ($10,000,000). The maximum obligations under the Bonds and the Guarantee are not additive. Recovery by Metro under this Guarantee shall be in lieu of any recovery against the Bonds and shall reduce in like amount the maximum obligation of the surety under the Bonds. The specific Bond to be reduced (Labor and Materials Bond or Performance Bond) shall depend upon the nature of the Metro recovery. In like manner, recovery by Metro under either of the Bonds shall in like amount reduce forever the maximum obligation of the Guarantor hereunder. All of the rights and remedies of the Contractor under the Agreement, including, but not limited to, the opportunity to cure any default under the Agreement, shall accrue to the Guarantor in the enforcement of its obligations under this Guarantee and the Agreement.

2. This Guarantee shall be governed by the laws of the State of Oregon exclusive of the choice of law rules thereof, and Guarantor hereby agrees to the service of process in Oregon for any claim or controversy arising out of this Guarantee or relating to any breach hereof and to submit to the exclusive jurisdiction of any court of competent jurisdiction in the State of Oregon in connection therewith.

3. This Guarantee shall be binding upon and enforceable against the Guarantor, its successors, assigns and

legal representatives (including any successor by merger or consolidation or any transferee of all or substantially all of the assets of the Guarantor), whether or not such obligations are expressly assumed by such successor, assignee or transferee, and is for the benefit of Metro, and its permitted successors and assigns under the Agreement.

4. Before Metro may bring an action on this Guarantee it must exhaust its remedies against Contractor under the Agreement or demonstrate to a court of competent jurisdiction that it would be futile to do so. Provided however in the event Contractor becomes insolvent, is dissolved, is the subject of any proceeding pursuant to the United States Bankruptcy laws, whether voluntary or involuntary, makes a general assignment for the benefit of creditors, or is the subject of any receivership, then Metro shall be deemed to have exhausted its remedies against Contractor and may proceed directly against Guarantor.

5. No failure or delay by Metro in exercising any right, power or privilege hereunder or under the Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided in the Agreement or by law or equity. No waiver, amendment, release or modification of this Guarantee shall be established by conduct, custom or course of dealing, but solely by an instrument in

writing duly executed by the party against whom such waiver, amendment, release or modification is sought to be enforced.

6. Guarantor may not assign its obligations hereunder, except to a successor by merger or consolidation or to any transferee or all or substantially all of the assets of Guarantor. Notice of any such assignment shall be given in writing to Metro within thirty (30) Days after the effective date of any such merger, consolidation or transfer.

7. Metro shall notify Guarantor in writing, at its address set forth herein, of Metro's notice to the Contractor of any default on the part of the Contractor due to its failure to meet its obligations under the Agreement.

8. This Guarantee may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The invalidity or unenforceability of one or more provisions of this Guarantee shall not affect the validity or enforceability of the remaining portions of this Guarantee.

9. Any term used herein and defined in the Agreement shall have the meaning attributed to it in the Agreement.

10. Notices to be given pursuant to this Guarantee unless otherwise stated shall be in writing and shall be served personally or sent by certified mail, return receipt requested, to:

/////

/////

Guarantor, at:

Waste Management, Inc.
Attn: Herbert A. Getz
Corporate Secretary
3003 Butterfield Road
Oakbrooke, Illinois 60521

Metro, at:

Metropolitan Service District
Attn: Solid Waste Director
2000 S. W. First Avenue
Portland, OR 97201-5398

or to such other address as shall be designated by such Party in a written notice to the other Party hereto. Any notice given pursuant to this Section shall be effective immediately upon receipt, and if delivered by hand, upon delivery.

IN WITNESS WHEREOF, the Guarantor has executed this Guarantee as of the date set forth above.

WASTE MANAGEMENT, INC.

By: _____
Authorized Officer

DBC/gl
1003c

CONTRACT AMENDMENT NO. 3

JUN 0 4 1990

This Agreement dated this 5th day of June 1990, is between the Metropolitan Service District ("Metro") and Oregon Waste Systems, Inc.

RECITALS:

1. Gilliam County ("County") is the host county for the Oregon Waste Systems' landfill located south of Cedar Springs Road within County's boundaries and known as the Columbia Ridge Landfill.

2. Metro has entered into an agreement with Oregon Waste Systems providing for the disposal of solid waste from Metro at the Oregon Waste Systems' Columbia Ridge Landfill ("Disposal Contract").

3. Metro has entered into an agreement with Jack Gray Transport, Inc. to provide for the transportation of Metro's solid waste to the Oregon Waste Systems' Columbia Ridge Landfill located within County ("Transportation Contract"). Pursuant to the terms of the Transportation Contract, Jack Gray Transport, Inc. is presently transporting Metro's waste to the landfill utilizing a truck transport method. The specifications for the waste disposal contract require Gray to carry loads from between twenty-eight (28) to thirty-two (32) tons of payload.

4. The Transportation Contract in Section 19(c) provides that Jack Gray shall pay to County any County fee or tax adopted for purpose of collecting revenues for County on trucks

operating in or through County. The Transportation Contract contemplates such fee to be in the amount of seven dollars ($7) per load. Any such County truck tax or fee is to be paid by Jack Gray at Metro expense pursuant to the terms of the Contract.

5. County has determined that it needs to enter into an agreement with the Oregon Department of Transportation to make certain highway improvements to State Highway 19 within the County as a result of the increase of truck traffic within the County's boundaries because of the transport of waste materials to solid waste and hazardous waste disposal sites located in the County.

6. In order to provide for an equitable collection method, County has determined that it is appropriate to assess such truck fees to the operator of each solid waste or hazardous waste disposal site located in the County on a per ton basis for each truckload entering such disposal sites. The County anticipates that such fee will be equal to approximately twenty cents (20 cents) per ton of waste material transported. A form of an ordinance similar to that which County intends to adopt is attached as Exhibit A.

7. Pursuant to the Disposal Contract (Section 19(c)(1)), Oregon Waste Systems is responsible for paying certain fees or charges levied by County against Oregon Waste Systems and would not be able to pass-through to Metro the fees County intends to impose pursuant to the proposed ordinance (Exhibit A).

8. County will agree that during the time period it is collecting such a truck fee from the operators of solid waste or hazardous waste disposal sites located in the County boundaries that it will forbear from imposing such taxes or fees on operators of trucks directly.

9. Metro is willing to agree to reimburse Oregon Waste Systems for any County truck fee imposed on Oregon Waste Systems provided that it is not obligated to pay a similar fee to Jack Gray Transport, Inc. for the purpose of reimbursing Jack Gray for expenses incurred through Gray's obligation to pay such fees.

10. Oregon Waste Systems is willing to agree to pay any such taxes or fees imposed by County which it can collect from Metro as part of its Disposal Contract payments from Metro, and it will agree not to challenge or litigate in any manner or protest the adoption of the proposed ordinance (Exhibit A) by County so long as Metro reimburses Oregon Waste Systems for such payments as a result of Metro's shipment by truck of waste to the Oregon Waste Systems' Columbia Ridge Landfill.

NOW, THEREFORE, the parties agree:

So long as County refrains from taxing trucks operated by Metro's waste transport contractor, the following language shall be considered to be added to Section 19(c)(1) of the Disposal Contract between Oregon Waste Systems and Metro for solid waste disposal:

> "Provided, however, (1) the adoption by Gilliam County of any per ton or per load fee

imposed on trucks transporting solid waste into the Oregon Waste Systems's landfill carrying loads of waste from Metro to the landfill on behalf of the District shall be considered to be a change in law for which Contractor shall be entitled to reimbursement and payment of its direct increased cost in the exact amount of the fee imposed by the County; (2) Contractor shall be entitled to reimbursement of such fee imposed by the County only if Contractor shall not challenge, litigate or in any manner protest the adoption of such a fee by County, and only so long as County refrains from adopting such a fee or enacting the requirements to pay such a fee or similar fee directly on Metro's Waste Transport Contractor; provided, however, Contractor may challenge, litigate or protest the adoption of such a fee by County if (a) Metro fails to reimburse Contractor for such fee, or (b) County adopts such a fee or enacts the requirement to pay such a fee or similar fee directly on Metro's Waste Transport Contractor."

ENTERED INTO AND AGREED BY THE PARTIES this 5th day of June 1990 by:

OREGON WASTE SYSTEMS, INC.	METROPOLITAN SERVICE DISTRICT
By:	By:
Terry Milia Print Name	Rena Cusma Print Name
General Manager Title	Executive Officer Title
Date: June 5, 1990	Date: June 8, 1990

DBC/gl
1023c

Contract Amendment No. 4:

This Amendment is to an Agreement between Metro, a metropolitan service district organized under the laws of Oregon and the 1992 Metro Charter, and Waste Management Disposal Services of Oregon, Inc., a Delaware corporation, (dba Oregon Waste Systems, Inc.) entered into on April 11, 1988, for solid waste disposal services (herein "Original Agreement"). In exchange for the promises and other consideration set forth in the Original Agreement and in this Amendment, the Parties agree as follows:

1. Contractor waives any claims against or compensation from Metro arising out of Section 1 of the Specifications to the Original Agreement, page VI-1, under the heading "Annual Waste Delivery Guarantees by Metro" for 1991, 1992, and 1993.

2. Upon execution of this Amendment, the Most Favorable Rate Agreement between the Parties (dated March 24, 1988) shall be considered terminated, and Metro waives any claims against or compensation from Contractor arising out of the Most Favorable Rate Agreement.

3. Contractor shall no longer be required to maintain the bonds specified in Amendment No. 2 to the Original Agreement, Section 4. The corporate guarantee provided under that Amendment shall remain in effect, and Contractor shall continue to provide a corporate guarantee as specified in Amendment No. 2, Section 4, for the term of the Agreement and any extensions of the Agreement.

4. Metro shall be entitled to the price adjustments specified in Sections 6(a) and (b) of this Agreement if, and for as long as, Metro delivers or otherwise arranges for the delivery to the Columbia Ridge Landfill 100 percent of all acceptable waste generated in the Metro region:

   (a) That is delivered to any Metro owned, operated, or franchised facility that is permitted to receive more than incidental quantities of putrescible waste, and that is disposed of at any general purpose landfill; and

   (b) That is delivered to the A.C. Trucking, Forest Grove Transfer Station, and that is disposed of at any general purpose landfill.

5. For purposes of Section 4 of this Amendment:

(a) "General purpose landfill" means any land disposal facility that is required by law, regulation or permit to utilize a liner and leachate collection system equivalent to or more stringent than that required for municipal solid waste landfills under Subtitle D of the Resource Conservation and Recovery Act and is authorized by law to accept more than incidental quantities of putrescible waste.

(b) "Incidental quantities" means small amounts of materials handled by a solid waste facility that, due to both the deminimis amount and the ubiquitous nature of the material, are only allowed by permit as a limited exception to be handled at the facility, but are otherwise banned from acceptance at the facility. In no case shall incidental quantities constitute more than five percent, by volume or by weight, of any load delivered to the facility.

(c) "Putrescible waste" means solid waste (other than uncontaminated or only slightly contaminated tree stumps, wood waste, branches, brush, cardboard and paper products and other limited types of waste specifically approved or permitted for disposal by DEQ as a limited exception at a disposal or processing facility) containing organic material that can be rapidly decomposed by microorganisms, and which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

6. The price adjustments referenced in Section 4 are as follows:

(a) Metro's variable rate will be reduced by $1.00 per ton if delivery pursuant to Section 4 begins before July 1, 1994. Otherwise, Metro's variable rate will be reduced by $0.65 per ton;

(b) If delivery pursuant to Section 4 begins on or after July 1, 1994, on January 1, 1995, the variable rate will be reduced by an additional $0.35 per ton; and

(c) Beginning with the first annual price adjustment normally occurring after the signing of this Amendment, the "percentage price adjustment (AI)" calculated under the Original Agreement, General Conditions, Article 19.B., shall be reduced by 1/2 percent. If the resulting percentage price adjustment is less than zero, the unit prices shall be reduced by the percentage so obtained.

(d) If Metro, after having received rate adjustments pursuant to Sections 6(a) and/or (b), is no longer entitled to such adjustments, the variable rate shall be increased by the applicable amounts in Sections 6(a) and/or (b), after such amounts have been adjusted pursuant to Section 6(c) for the period of time that Metro had received the rate adjustments pursuant to Sections 6(a) and/or (b).

7. Contractor shall provide the following credits to Metro during the term of the Original Agreement and any extension thereof, for wastes of comparable type to the waste to be disposed of under the Original Agreement, as modified, other than those generated within Metro boundaries or processed at facilities within Metro boundaries:

(a) Beginning January 1, 1995, for waste from the city of Seattle or any Partner pursuant to the WWS/Seattle contract and for as long as Seattle waste continues to be disposed of at the Columbia Ridge Landfill:

- $1.00 per Seattle or Partner ton beginning January 1, 1995, and an additional $0.50 per ton beginning January 1, 1996.

(b) For waste from non-Metro region sources other than Seattle or Partner, but not including waste generated in Oregon counties,except Deschutes County, located east of the Cascade Mountains:

- For contracts involving large communities (i.e., communities disposing of greater than 75,000 tons per year at the Columbia Ridge Landfill): $1.00 per ton beginning immediately upon the effective date of this Agreement and an additional $0.50 per ton beginning January 1, 1996.

- Except as provided in Section 1 of this Amendment, for contracts involving small communities (i.e., communities disposing of up to 75,000 tons per year at the Columbia Ridge Landfill): $0.50 per ton. This credit will begin immediately upon the effective date of this Amendment for contracts that took or will take effect on or after January 1, 1993, and will begin on January 1, 1995, for contracts that took effect before January 1, 1993.

(c) The credits in this Section 7 are escalated annually by the same CPI increase as described in Section 6(c) above; provided, however, that the additional $0.50 per ton credit shall not escalate until the first annual price adjustment occurring after the effective date of the additional credit.

8. OWS guarantees that during the remaining term of the Agreement, rebates paid to Metro for non-Metro tonnage received at Columbia Ridge will total at least the sum of monies owed to OWS under Amendment No. 2 as of the effective date of this Amendment, or OWS will pay the difference at the end of the term of the Original Agreement.

9. Additional Conditions.

   (a) Metro shall at all times make good faith efforts to ensure that putrescible waste (other than special waste) generated or disposed of within Metro boundaries that is destined for a general purpose landfill, other than incidental quantities, is disposed of at facilities identified in Sections 4(a) and (b) of this Agreement.

   (b) Metro shall not intentionally forfeit its ownership or control over facilities identified in Sections 4(a) and (b) of this Amendment in such a manner as to significantly diminish the value to Contractor of waste deliveries under Section 4 of this Amendment.

   (c) If Metro is precluded from exercising authority to control the flow of solid waste due to a change in state or federal law, in a manner that significantly diminishes the value to Contractor of waste deliveries under Section 4 of this Amendment, Sections 6(a) and (b) of this Amendment shall be null and void.

OREGON WASTE SYSTEMS, INC.	METRO
By:	By:
Title: Div. Pres. & Gen Mgr.	Title: Executive Officer
Date: 3/16/94	Date: 3/16/94

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Contract Amendment No. 5:

This Amendment is to an Agreement between Metro, a metropolitan service district organized under the laws of Oregon and the 1992 Metro Charter, and Waste Management Disposal Services of Oregon, Inc., a Delaware corporation, (dba Oregon Waste Systems, Inc.) entered into on April 11, 1988, for solid waste disposal services (herein "Original Agreement"). In exchange for the promises and other consideration set forth in the Original Agreement and in this Amendment, the Parties agree as follows:

1. Purpose. The purpose of this Amendment is to facilitate on a temporary basis, the delivery of waste from the Forest Grove Transfer Station to Columbia Ridge Landfill, via Metro Central Station.

2. Waste Specified. The waste to be covered by this Amendment is waste that was originally received at the Forest Grove Transfer Station, and then transferred to Metro Central Station by A.C. Trucking and then transported to Columbia Ridge Landfill by Jack Gray Transport, Inc.

3. Reduced Disposal Rate. The waste specified in this Amendment shall be accepted for disposal at Columbia Ridge Landfill at no charge to Metro. Until October 1, 1994, Contractor shall provide to Metro a base billing credit of $13.53, plus $.81 for the DEQ Solid Waste Disposal Fee and $.13 DEQ Orphan Site Fee, for a total billing credit of $14.47 for each ton of waste specified in this Amendment. On October 1, 1994, the base billing credit shall increase to $15.03, which will correspondingly increase the total billing credit to $15.97. Metro will be responsible for remittance of the $.81 and $.13 DEQ fees to DEQ, but will not be responsible for payment of any other state or local fees or charges related to the disposal of such waste.

4. Billing Procedures. Metro shall weigh all waste specified in this amendment, upon its arrival at Metro Central. Such weights shall be the basis for the credit provided by Contractor under Section 3. of this amendment. Metro shall provide such weights to Contractor following each month of operation, along with the tonnage information currently provided by Metro to Contractor.

5. Effect on Amendment No. 4. For purposes of Sections 6(a) and 6(b) of Amendment No. 4 to the Original Agreement, delivery of the waste specified in this amendment to Columbia Ridge shall be deemed to satisfy the delivery condition prior to July 1, 1994. However, Metro shall not be entitled to the $1.00 per ton reduction specified in Section 6(a) of Amendment No. 4 until waste deliveries under this amendment have terminated and Metro has established an alternative arrangement for satisfying the delivery condition of Amendment No. 4 that does not include using Metro Central as a reload for delivery of Forest Grove Station waste.

6. Term of Amendment. Contractor shall provide the per ton billing credit specified in this amendment until the earlier of (1) Metro's establishment of an alternative arrangement for satisfying the delivery condition of Amendment 4 that does not include using Metro Central as a reload for delivery of Forest Grove Station waste or (2) until December 15, 1994. In addition, either party may terminate this amendment, without cause, by giving the other party five days written notice.

7. Effect of Amendment. Except as modified herein, all other terms and conditions of the Original Agreement and previous amendments shall remain in full force and effect.

OREGON WASTE SYSTEMS, INC.	METRO
By:	By:
Title: Div Pres & Gen Mgr.	Title: Executive Officer
Date: 6/24/94	Date: 6/24/94

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CHANGE ORDER NO. 6
METRO CONTRACT NO. 900607

MODIFICATION TO THE CONTRACT BETWEEN METRO AND OREGON WASTE SYSTEMS, INC. ENTITLED "WASTE DISPOSAL SERVICES"

Project: Waste Disposal Services
Metro POC: Jim Watkins, Engineering & Analysis Manager
Contractor POC: Doug Coenan, Division President and General Mgr.

This Amendment, dated as of the last signature date below, amends Metro Contract No. 900607, for Waste Disposal Services, dated April 11, 1988, (the "original contract"). In exchange for the promises and other considerations set forth in the original contract, previous change orders and this Amendment, the Parties agree as follows:

1. Term of Amendment. The termination date for the services specified in Change Order No. 5, Item # 6, is extended until March 31, 1995.

Except as modified herein, all other terms and conditions of the original contract and previous change orders remain in full force and effect.

OREGON WASTE SYSTEMS, INC.	Metro
By	By
Title Div Pres & Gen Mgr	Title Executive Officer
Date 12/9/94	Date 11/8/94

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EXHIBIT A

CHANGE ORDER NO. 7
METRO CONTRACT NO. 900607

MODIFICATION TO THE CONTRACT BETWEEN
METRO AND WASTE MANAGEMENT DISPOSAL SERVICES OF OREGON, INC.
(dba OREGON WASTE SYSTEMS, INC.)
ENTITLED
"WASTE DISPOSAL SERVICES"

In exchange for the promises and other considerations set forth in the original agreement, previous change orders and this Change Order No. 7, the parties hereby agree as follows:

A. Purpose

The purpose of this Change Order is to replace the terms and conditions of Contract Amendment No. 4 (Change Order No. 4), dated March 16, 1994.

B. Terms of Change Order

1. Effective for the twelve-month period commencing July 1, 1996, and for each twelve-month period thereafter, Contractor shall be paid a base rate of $27.25 per ton for the initial 550,000 tons of waste delivered to Contractor each period. For each ton of waste delivered to Contractor in excess of 550,000 tons, a declining incremental price will be charged as set forth on the attached Table 1. The base rate shall take effect on the first day of the month that this Amendment is effective and shall be applied to the first 550,000 tons delivered to Contractor, less the amount of tons delivered from July 1, 1996 to the month that this Amendment was executed. Contractor shall receive a declining rate for all additional tons delivered until June 30, 1997.

On January 10, 1997, or the effective date of this Amendment, whichever is later, Metro shall pay Contractor an additional payment of $1,025,400 in exchange for both Contractor's agreement to modify the payment terms of the original Agreement and in lieu of all future annual lump sum payments under the Original Waste Disposal Services Contract and the elimination of the Supplemental Price Adjustment payment as set forth herein.

2. Effective upon execution of this Amendment, the anniversary of the Waste Disposal Services Contract set forth in Article 19.B for Price Adjustments shall be deemed to be July 1 of each year. Beginning on July 1, 1997, for all the rates shown on Table 1, the "percentage price adjustment (AI)" calculated under said Article 19.B, shall be 90% of the Consumer Price Index (CPI) for the previous calendar year, minus one-half of one percentage point of such CPI. Therefore, the formula in Article 19.B used to calculate the price adjustment shall read:

> $AI = (((CI_X - CI_B) / CI_B) \times 0.9) - 0.005)$, with the terms of the formula modified so that CI_X represents the Consumer Price Index for the calendar year ending on the previous December 31, and CI_B represents the Consumer Price Index for the calendar year prior to the year used to calculate CI_X.

3. The "Supplemental Price Adjustment" payment required under Waste Disposal Services Contract Amendment No. 2 (Change Order No. 2) is eliminated. The final monthly Supplemental Price Adjustment payment shall be paid for the full month preceding the date of this Amendment.

4. The Contractor shall pay, and Metro shall reimburse the Contractor in full for, the Oregon Department of Environmental Quality annual solid waste permit fee and 1991 Recycling Act annual fee, including all future increases in the above fees. Contractor hereby waives any claims against Metro for additional payments for such fees from previous years.

5. From 1991 to the effective date of this Amendment, Contractor waives any claims against Metro or for compensation from Metro arising out of Section 1 of the Specifications to the Original Agreement, page VI-1, under the heading "Annual Waste Delivery Guarantees by Metro."

6. The Most Favorable Rate Agreement between the Parties (dated March 24, 1988) is terminated, effective as of March 16, 1994. Metro waives any and all claims past, present and future against Contractor or for compensation from Contractor due under, or for any alleged breach, of the Most Favorable Rate Agreement.

7. The obligation of the Contractor to maintain bonds specified in Section 4 of Amendment No. 2 is terminated, effective March 16, 1994. Notwithstanding this termination, the corporate guarantee provided under said Amendment No. 2 shall remain in full force and effect for the term of the Agreement.

8. The provisions contained in schedule A attached hereto shall be given full force and effect for the period from March 16, 1994, until the effective date of this Amendment.

9. Contract Amendment No. 4 is superseded by the provisions of this Change Order No. 7, and Contract Amendment No. 4 is null and void.

10. In addition to the flow commitment guarantee contained in Section 1 of the Specifications to the Original Agreement, page VI-1, under the heading "Annual Waste Delivery Guarantees by Metro" (hereinafter, "Flow Guarantee"), Metro shall at all times make good faith efforts to ensure that putrescible waste (other than special waste) generated or disposed of within Metro boundaries and destined for a general purpose landfill (other than incidental quantities), shall be subject to Metro's authority to deliver waste to the Columbia Ridge Landfill. For the purpose of this Paragraph 10, Metro's good faith efforts shall be considered to have been met as long as Metro continues to comply with the covenants benefiting bond holders contained in Metro's solid waste revenue bonds and so long as Metro continues to exercise the same general level of effort now used to enforce Metro's flow control and illegal waste disposal ordinances and regulations. This commitment is in addition to the Flow Guarantee and shall not be admissible in any proceeding for purposes of interpreting the intent of the parties under the original Flow Guarantee.

11. In the event that any suit, action or other proceeding is commenced challenging the validity or enforceability of this Amendment No. 7, Metro and Contractor agree to defend the validity and enforceability of Amendment No. 7 in such suit, action or proceeding.

Except as modified herein, all other terms and conditions of the Contract and previous change orders shall remain in full force and effect. This Change Order shall be effective beginning with the month of the last signature date below.

OREGON WASTE SYSTEMS, INC.

By [signature]

Title Vice President

Date 1/24/97

METRO

By [signature]

Title Director, Administrative Services

Date 1/29/97

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TABLE 1

METRO DISPOSAL RATES

IF ANNUAL TONNAGE IS:				PRICE PER TON SHALL BE:
0	TO	550,000	TONS	$ 27.25
550,001	TO	592,500	TONS	$ 10.00
592,501	TO	635,000	TONS	$ 9.50
635,001	TO	677,500	TONS	$ 9.00
677,501	TO	720,000	TONS	$ 8.50
720,001	TO	762,500	TONS	$ 8.00
ABOVE 762,501				$ 7.50

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SCHEDULE A

1. Beginning with the first annual price adjustment normally occurring after March 16, 1994 the "percentage price adjustment (AI)" calculated under the Original Agreement, General Conditions, Article 19.B., shall be reduced by 1/2 percent. If the resulting percentage price adjustment is less than zero, the unit prices shall be reduced by the percentage so obtained.

2. Contractor shall provide the following credits to Metro for wastes of comparable type to the waste to be disposed of under the Original Agreement, as modified, other than those generated within Metro boundaries or processed at facilities within Metro boundaries:

   (a) Beginning January 1, 1995, for waste from the city of Seattle or any Partner pursuant to the WWS/Seattle contract:

   - $1.00 per Seattle or Partner ton beginning January 1, 1995, and an additional $0.50 per ton beginning January 1, 1996.

   (b) For waste from non-Metro region sources other than Seattle or Partner, but not including waste generated in Oregon counties, except Deschutes County, located east of the Cascade Mountains:

   - For contracts involving large communities (i.e., communities disposing of greater than 75,000 tons per year at the Columbia Ridge Landfill): $1.00 per ton beginning immediately upon the effective date of this Agreement and an additional $0.50 per ton beginning January 1, 1996.

   - Except as provided in Subsection (a) above, for contracts involving small communities (i.e., communities disposing of up to 75,000 tons per year at the Columbia Ridge Landfill): $0.50 per ton. This credit will begin March 16, 1994 for contracts that took or will take effect on or after January 1, 1993, and will begin on January 1, 1995, for contracts that took effect before January 1, 1993.

   (c) The credits in this Section are escalated annually by the same CPI increase as described in Section 1 above; provided, however, that the additional $0.50 per ton credit shall not escalate until the first annual price adjustment occurring after the effective date of the additional credit.

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CONTRACT CHANGE ORDER NO. 8
METRO CONTRACT NO. 900607

MODIFICATION TO THE CONTRACT BETWEEN
METRO AND WASTE MANAGEMENT DISPOSAL SERVICES OF OREGON, INC.
(dba OREGON WASTE SYSTEMS, INC.)
ENTITLED
"WASTE DISPOSAL SERVICES"

This Contract Change Order No. 8, dated as of the last signature date below, hereby amends Metro Contract No. 900607, entitled "Waste Disposal Services," dated April 11, 1988, including all prior amendments (which contract and amendments are collectively referred to herein as "the Waste Disposal Services Agreement").

Recitals

1. In 1998, Waste Management Inc. entered into a merger agreement with USA Waste Services, Inc. Prior to the merger, Contractor, Waste Management Disposal Services of Oregon, Inc., dba Oregon Waste Systems ("OWS"), was a wholly owned subsidiary of Waste Management of North America ("WMNA") and WMNA was a wholly owned subsidiary of Waste Management Inc. Pursuant to the merger agreement, Waste Management Inc. was merged with a wholly owned subsidiary of USA Waste, Inc. The surviving corporation is known as Waste Management Holdings, Inc. ("WMHI"). Thereafter, USA Waste Services changed its name to Waste Management, Inc., and WMHI became a wholly owned subsidiary of Waste Management Inc. Following the merger OWS is a wholly owned subsidiary of WMNA and WMNA is a wholly owned subsidiary of WMHI.

2. A dispute has arisen between Metro and the Contractor ("the Dispute") as to whether the above-described 1998 transactions constitute either or both a change of control and a transfer of a controlling interest in the beneficial ownership of the Contractor under Article 29 of the Waste Disposal Services Agreement. In exchange for the promises and other consideration set forth in the Waste Disposal Services Agreement and in this Contract Change Order, and in order to resolve and compromise the Dispute between the parties without admission or concession by any party as to any statement of fact or law concerning the Dispute, and fully reserving all other rights which the parties may have under the Waste Disposal Services Agreement, the parties hereby agree as follows:

A. Purpose

The purpose of this Contract Change Order is to amend certain term and payment provisions of the Waste Disposal Services Agreement and to incorporate therein other mutually agreed provisions.

B. Provisions of Contract Change Order

1. Extension of Contract Term.

The provisions of the Contract Forms document entitled "Contract," made and entered into by and between Metro and Oregon Waste Systems, Inc., dated April 11, 1988, are amended to delete the date "December 31, 2009" and to replace such date with "December 31, 2014." In addition, the provisions contained in the Proposal of Oregon Waste System, Inc., dated December 21, 1987, under the heading "Start of Disposal Operation and Contract Completion Time" (the provisions of which having been incorporated into the Waste Disposal Services Agreement under Article 1B.(4) of the General Conditions of the Contract Documents), are deleted and superceded by this Contract Change Order. In addition, the provisions contained in the second paragraph, beginning at the fourth sentence and following to the end of the paragraph in the Contract Document entitled "Invitation to Bid" are deleted and superceded by this Contract Change Order.

2. Amendment of Payment Provisions.

The provisions of Article 19.A of the General Conditions of the Solid Waste Disposal Agreement are amended to provide as follows:

For all work required under this Contract, Metro will make monthly payments to Contractor based upon the rates set forth in this Contract Change Order.

a. Effective July 1, 1999, and continuing through December 31, 1999, Metro shall pay Contractor at the rate of $28.18 per ton for the initial 275,000 tons of waste delivered to Contractor from July 1, 1999 to December 31, 1999. For each ton of Metro Solid Waste Tonnage delivered to Contractor from July 1, 1999 to December 31, 1999 in excess of 275,000 tons, Metro shall pay Contractor a declining incremental price in accordance with the following schedule:

If Metro Solid Waste Tonnage In Excess of 275,000 Tons Is:	The Price Per Ton For Such Metro Solid Waste Tonnage In Excess of 275,000 Shall Be:
275,001 to 296,250 tons	$10.34 per ton
296,251 to 317,500 tons	$9.82 per ton
317,501 to 338,750 tons	$9.31 per ton
338,751 to 360,000 tons	$8.79 per ton
360,001 to 381,250 tons	$8.28 per ton
Above 381,251 tons	$7.76 per ton

b. Effective January 1, 2000, the basis for Metro monthly payments for work shall change from the annual rate schedule of Change Order No. 7 (and the semi-annual schedule of the Paragraph 2.a above) to a quarterly rate schedule. Effective January 1, 2000, for each ton of Metro Solid Waste Tonnage which Metro delivers, or authorizes to be delivered directly quarterly to Contractor, Metro shall pay Contractor an amount equivalent to the per ton price produced by applying the following declining incremental price schedule to the total quarterly Regional Solid Waste Tonnage:

If Quarterly Regional Solid Waste Tonnage Is:	The Price Per Ton For the Metro Solid Waste Tonnage Included in Such Tonnage Shall Be:
0 to 137,500 tons	$22.31 per ton
137,501 to 148,125 tons	$10.34 per ton
148,126 to 158,750 tons	$9.82 per ton
158,751 to 169,375 tons	$9.31 per ton
169,376 to 180,000 tons	$8.79 per ton
180,001 to 190,625 tons	$8.28 per ton
Above 190,625 tons	$7.76 per ton

c. For purposes of determining the rates and sums to be paid under this Article, the following definitions shall apply:

(1) "Metro Solid Waste Tonnage" shall mean solid waste which Metro delivers or which Metro authorizes to be delivered directly to Contractor.

(2) "Regional Solid Waste Tonnage" shall mean the total of the following:

NO special

i. Metro Solid Waste Tonnage; and

Purpose { River Bend, Columbia Ridge

DH to those inside Metro boundaries

South Central excludes compost

ii. All solid waste, exclusive of special or hazardous waste, from within the Metro region, disposed of at any general purpose landfill that is owned or operated now or at any future time by the Contractor, Waste Management Holdings, Inc., Waste Management Inc., Waste Management of North America, Inc. or any of their respective corporate parents, or corporate subsidiaries whether in existence at the time of this Contract Change Order or later created; and

R B { Gny, Smithfield, FG inside Metro

iii. All solid waste, exclusive of special or hazardous waste or unprocessed construction and demolition waste, which is disposed of at any landfill, whether within or outside the Metro region, and which is generated within the Metro region from facilities owned or operated now or in the future by Contractor, Waste Management

reserve for residue

All residue from MRS OWS

Holdings, Inc., Waste Management Inc., Waste Management of North America, Inc. or any of their respective corporate parents, or corporate subsidiaries whether in existence at the time of this Contract Change Order or later created; and

iv. Any solid waste described in Paragraphs ii or iii above shall continue to be calculated as Regional Solid Waste Tonnage under this Contract Change Order notwithstanding any subsequent transfer or sale of any facility or solid waste collection route owned or operated by Contractor, Waste Management Holdings, Inc., Waste Management Inc., Waste Management of North America, Inc. or any of their respective corporate parents, or corporate subsidiaries whether in existence at the time of this Contract Change Order or later created.

(3) For purposes of Paragraph 2.c, any residual from recycling or material recovery facilities located with the Metro region shall be considered generated within the Metro region.

d. On or about the eighth day of each month, Contractor will submit to Metro a billing which indicates the quantity and the amounts of Regional Solid Waste Tonnage and specifies the amounts of disposed Metro Solid Waste Tonnage for which payment is due. Contractor shall furnish to Metro such detailed information as set forth in the Contract Documents (including records from disposal sites and records relating to Regional Solid Waste Tonnage) as Metro may request to aid in the preparation of its monthly payments. After approval by Metro, Metro will pay sums due to the Contractor by the 25th day of the following month.

e. In addition to any submission required under Paragraph 2.d. above, on January, 8, 2000, Contractor shall also submit to Metro a special billing which indicates the quantity and amounts of Metro Solid Waste Tonnage for the six-month period ending December 31, 1999, together with the volumes of solid waste tonnage from the Forest Grove Transfer Station during the twelve-month period ending December 31, 1999 which were disposed at a general purpose landfill other than the Columbia Ridge Landfill and which were in excess of ten percent (10%) of the total tons of Solid Waste that Metro has delivered to or has directed to any General Purpose landfill during that same twelve-month period (the "Excess Forest Grove Tonnage"). For the purposes of this paragraph, the sum of Metro Solid Waste Tonnage for the six-month period ending December 31, 1999, plus the Excess Forest Grove Tonnage shall be referred to as the "Adjusted Metro Solid Waste Tonnage." After review and approval by Metro, Metro will pay to the Contractor an amount determined by applying the effective per ton price that is derived from the schedule in Paragraph 2.a and using the Adjusted Metro Solid Waste Tonnage, to the Metro Solid Waste tonnage for the six-month time period

ending December 31, 1999, less any other payments already made for that same six-month time period.

3. Inflation Adjustment.

a. Notwithstanding the provisions of Article 19.B of the original Agreement, no inflation adjustment shall be made under this Agreement during the period commencing upon the effective date of this Contract Change Order Amendment and terminating on June 30, 2000.

b. For the Contract Price Adjustments occurring on July 1, 2000, and continuing through the Contract Price Adjustments occurring on July 1, 2009, for all rates shown in paragraph 2.b. of this Contract Amendment, the "percentage price adjustment (AI)" calculated under Article 19.B shall be 70% of the Consumer Price Index ("CPI") for the previous calendar year minus one-half of one percentage point of such CPI. The formula set forth in Article 19.B to calculate the price adjustment is amended to read as follows:

> "$AI = (((CI_X - CI_B) \times 0.7) - 0.005)$, with the terms of the formula modified so that CI_X represents the amount of the Consumer Price Index for the calendar year ending each December 31, and CI_B represents the Consumer Price Index for the calendar year which precedes the year used to calculate CI_X."

c. For the Contract Price Adjustments occurring after July 1, 2009, the formula set forth in Article 19.B to calculate the price adjustment is amended to read as follows:

> "$AI = (((CI_X - CI_B) \times 0.9) - 0.005)$, with the terms of the formula modified so that CI_X represents the amount of the Consumer Price Index for the calendar year ending each December 31, and CI_B represents the Consumer Price Index for the calendar year which precedes the year used to calculate CI_X."

4. Solid Waste Rate Limitation Provisions.

a. Definitions.

For purposes of this Contract Change Order Paragraph 4, the following definitions shall apply:

i. The term "Metro Rate" shall mean the per ton rate for disposal of solid waste derived from the rate schedule in Paragraph 2.b using the total tonnage delivered by Metro to the Contractor during the twelve-month time period ending December 31.

ii. The term "Market Rate" shall mean the lowest per ton solid waste disposal rate, exclusive of any applicable regulatory fees, charged to any public body, including but not limited to any state, county, city, district, solid waste authority or other similar unit of government, contracting for the annual disposal of at least 200,000 tons of solid waste for a term of at least 10 years in any landfill in Oregon, Washington or Idaho that is owned or controlled by Contractor, Waste Management Holdings Incorporated, Waste Management Incorporated, Waste Management of North America, Inc. or any of their respective corporate parents or corporate subsidiaries, whether in existence at the time of this Contract Change Order or later created. In the event that any such public body has entered into an agreement for landfill disposal which combines the costs of such disposal with any cost not related to such disposal, including but not limited to the collection, transfer or transportation of such solid waste, the Contractor shall demonstrate the amount of the public body's actual per ton costs for disposal of solid waste.

For the purposes of this Paragraph 4.a.ii only, the term of any solid waste disposal contract shall be determined by reference to the total maximum length of time that such contract is contemplated by its parties to be effective including any permissible contract extensions, but without regard to any provision in such contract allowing any party to opt out or otherwise terminate its obligations under such contract before the expiration of the total maximum length of time of such contract.

Additionally, and also for purposes of this Paragraph 4.a.ii only, "controlled" means either of the following:

(1) Holding 50 percent or more of the outstanding voting securities of any landfill business entity or in the case of a landfill business entity that has no outstanding voting securities, having the right to 50 percent or more of the profits from the operation of the entity, or having the right in the event of dissolution to 50 percent or more of the assets of the entity; or

(2) Having the contractual power to designate 50 percent or more of the directors of a corporation, or in the case of unincorporated entities, of individuals exercising similar functions.

iii. The term "Base Rate" shall mean the per ton price applicable to the first 550,000 tons of Regional Solid Waste Tonnage pursuant to Paragraph 2.b as modified from time to time based upon rate comparison.

b. Initial Rate Comparison.

On or about January 10, 2005 Metro shall undertake to perform a comparison of the Metro Rate in effect as of December 31, 2004 with the Market Rate in effect as of that same date.

i. In the event that the Market Rate effective as of December 31, 2004 exceeds the Metro Rate effective as of that same date, or in the event that the Metro Rate effective as of December 31, 2004 exceeds the Market Rate effective as of that same date by an amount less than five percent of the Metro Rate in effect as of December 31, 2004, no adjustment shall be made to the Base Rate then in effect under Paragraph 2.b of this Contract Change Order.

ii. In the event that the Metro Rate effective as of December 31, 2004 exceeds the Market Rate effective as of that same date by an amount equal to or in excess of five percent but less than ten percent of the Metro Rate effective on that date, the Base Rate then in effect under Paragraph 2.b of this Contract Change Order shall be reduced effective July 1, 2005 to a revised Base Rate that yields an effective per ton price that is the equivalent of the Market Rate in effect on December 31, 2004, using Regional Solid Waste Tonnage and Metro Solid Waste Tonnage for calendar year 2004.

iii. In the event that the Metro Rate effective as of December 31, 2004 exceeds the Market Rate effective as of that same date by an amount equal to or greater than 10 per cent of Metro Rate, the Base Rate then in effect under Paragraph 2.b of this Contract Change Order shall be reduced effective July 1, 2005 to a revised Base Rate that yields an effective per ton price that is the equivalent of 90% of the Metro Rate in effect as of December 31, 2004, using Regional Solid Waste Tonnage and Metro Solid Waste Tonnage for calendar year 2004, and the term of the Contract shall be extended to December 31, 2019.

c. Subsequent Rate Comparison.

On or about January 10, 2010 Metro shall undertake to perform a second comparison of the Metro Rate in effect as of December 31, 2009 with the Market Rate in effect as of December 31, 2009.

i. In the event that the Market Rate effective as of December 31, 2009 exceeds the Metro Rate effective as of that same date, or in the event that the Metro Rate effective as of December 31, 2009 exceeds the Market Rate effective as of that same date by an amount less than five percent of the Metro Rate effective December 31, 2009, no adjustment shall be made

to the Base Rate then in effect under Paragraph 2.b of this Contract Change Order.

ii. In the event that the Metro Rate effective as of December 31, 2009 exceeds the Market Rate effective as of that same date by an amount equal to or in excess of five percent but less than ten percent of the Metro Rate effective on that same date, the Base Rate then in effect under Paragraph 2.b of this Contract Change Order shall be reduced effective July 1, 2010 to a revised Base Rate that yields an effective per ton price that is the equivalent of the Market Rate in effect as of December 31, 2009, using Regional Solid Waste Tonnage and Metro Solid Waste Tonnage for calendar year 2009.

iii. In the event that the Metro Rate effective as of December 31, 2009 exceeds the Market rate effective as of that same date by an amount equal to or greater than 10 per cent of Metro Rate effective as of December 31, 2009, the Base Rate then in effect under Paragraph 2.b of this Contract Change Order shall be reduced effective July 1, 2010 to a revised Base Rate that yields an effective per ton price that is the equivalent of 90% of the Metro Rate in effect as of December 31, 2009, using Regional Solid Waste Tonnage and Metro Solid Waste Tonnage for calendar year 2009, and the term of the Contract shall be extended to December 31, 2019, unless an extension to the Contract has been previously made, in which case no additional extension shall be granted.

d. Alternative Means of Contract Extension Following Rate Comparisons.

i. In the event that both of the respective 2004 and 2009 Rate comparisons result in reductions to the Base Rates then in effect under Paragraph 2.b of this Contract Change Order, the term of this Agreement shall be extended to December 31, 2019.

ii. In the event that as a result of the respective 2004 and 2009 Rate comparisons, the sum of any reductions made to the effective per ton prices then in effect under Paragraph 2.b of this Contract Change Order were less than ten percent of the Metro Rates in effect when such rate reduction is made, Contractor nevertheless may obtain an extension of the term of this Agreement to December 31, 2019 by providing effective July 1, 2010 a reduction in the per ton disposal price charged under this Agreement equal to the percentage amount which, when combined with the percentage amount of any previous reduction, totals ten percent of the Metro Rate effective on December 31, 2009.

iii. In the event that neither of the respective 2004 and 2009 Rate comparisons result in reductions to the per ton prices then in effect under Paragraph 2.b

of this Contract Change Order, Contractor nevertheless may obtain an extension of the term of this Agreement to December 31, 2019 by a providing, effective July 1, 2010, a reduction in the Base Rate that yields an effective per ton price reduction equal to five percent of the Metro rate effective on December 31, 2009.

e. Final Rate Comparison.

In the event that, as a result of the rate comparisons made by Metro under this Contract Change Order, the term of this Waste Disposal Services Agreement is extended to December 31, 2019, then on or about January 10, 2015 Metro shall undertake to perform a final comparison of the Metro Rate in effect as of December 31, 2014 with the Market Rate in effect as of that same date.

i. In the event that the Market Rate effective as of December 31, 2014 exceeds the Metro Rate effective as of that same date, or in the event that the Metro Rate effective as of December 31, 2014 exceeds the Market Rate that same date by an amount less than five percent of the Metro Rate in effect as of December 31, 2014, no adjustment shall be made to the Base Rate then in effect under Paragraph 2.b of this Contract Change Order.

ii. In the event that the Metro Rate effective as of December 31, 2014 exceeds the Market Rate effective as of that same date by an amount equal to or in excess of five percent the Base Rate then in effect under Paragraph 2.b of this Contract Change Order shall be reduced effective July 1, 2015, to yield an effective per ton price equal to the greater of either ninety percent of the Metro Rate effective on December 31, 2014 or the Market Rate effective on December 31, 2014.

f. Resolution of Disputes Relating to Rate Comparisons and Rate Adjustments.

Any controversy or claim arising out of or relating in any way to the Rate Comparisons or the rate adjustments for which provision is made in this Contract Change Order shall be subject to the arbitration provisions contained in Article 26 of the Waste Disposal Services Agreement, and the following additional provisions:

i. Discovery methods permitted by AAA Commercial Arbitration Rule 23 shall be permitted concerning any controversy or claim arising out of or relating in any way to the Rate Comparisons or the rate adjustments for which provision is made in this Contract Change Order.

ii. Notwithstanding any contrary provision of Article 26 of the Waste Disposal Services Agreement, no controversy or claim arising out of or

relating in any way to the Rate Comparisons or the rate adjustments for which provision is made in this Contract Change Order shall be consolidated with any other arbitration.

iii. Contractor may identify any written information regarding transport or disposal costs with respect to customers other than Metro as confidential or proprietary in nature or otherwise exempt from disclosure under the Oregon Public Records Law. Metro shall maintain as confidential and shall not disclose, such information. Upon receipt by Metro of any requests for disclosure of information identified by the Contractor as confidential or proprietary in nature or otherwise exempt from disclosure under the Oregon Public Records Law, Metro shall notify the Contractor of the request after consideration of the public interest in disclosure of the requested information. Contractor shall respond in writing within seven (7) days of Metro's notice whether the requested information should be released or defended. If Contractor elects to defend the exemption of the requested information from public disclosure, Contractor shall assume all responsibilities for such defense. Contractor shall indemnify and hold Metro harmless for all costs and expense 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 Metro to refuse to disclose information after being so ordered by a competent judicial authority.

iv. Any arbitrator's decision concerning the Rate Comparisons or the rate adjustments for which provision is made in this Contract Change Order that is rendered after the effective date of such rate adjustment as set forth in this Change Order shall be retroactive to the effective date provided for the rate adjustment under this Contract Change Order.

5. Waste Flow Guarantees.

The provisions of Section 1 of the Specifications to the original Agreement, page VI-1, under the heading "Annual Waste Delivery Guarantees By Metro" (hereinafter "flow guarantee") and the provisions of Change Order No. 7, paragraph 10 are hereby amended as follows:

Metro makes the following guarantee for Contractor:

a. Each calendar year, Metro agrees to deliver to Contractor's disposal site or to landfills owned or operated by Contractor, Waste Management Holdings, Incorporated, Waste Management Incorporated, Waste Management of North America, Inc. or any of their respective corporate parents or corporate subsidiaries, whether in existence at the time of this Change Order or later created, a minimum of 90 percent of the total tons of acceptable waste that Metro delivers to any general purpose landfill during the calendar year.

b. Metro shall at all times make good faith efforts to ensure that putrescible waste (other than special waste) generated or disposed of within Metro boundaries and destined for a general purpose landfill (other than incidental quantities) shall be subject to Metro's authority to deliver waste to the Columbia Ridge Landfill or landfills owned and operated by Contractor and its affiliates. For the purposes of this provision, Metro's good faith efforts shall be considered to have been met as long as Metro continues to comply with the covenants benefiting bond holders contained in Metro's solid waste revenue bonds and as long as Metro continues to exercise the same general level of effort now used to enforce Metro's flow control and illegal waste disposal ordinances and regulations. This commitment shall not be admissible in any proceeding for purposes of interpreting the intent of the parties under the original flow guarantee.

6. Alternative Transportation.

The parties acknowledge that during the remainder of this Agreement, Contractor may make proposals for the use of alternative modes of transportation of Metro solid waste to Contractor's facilities. Metro agrees that it shall not unreasonably withhold its consent to any requested assignment by Contractor of the transportation contract, provided that in such requested assignment, Contractor (1) proposes the use of an alternate mode of transportation, including but not limited to rail transportation, barge transportation, or other means of transport; (2) assures the use of an alternate transportation mode that results in no adverse impacts to the operation of any Metro transfer station; and (3) provides, as of the date that such alternative transportation proposal is made, for transport and disposal at a price no greater than the combined cost of such transport and disposal, expressed on a tonnage basis, under this Solid Waste Disposal Services Agreement and any Metro Waste Transport Services agreement for transportation to Contractor's facility in effect at the time of such alternative transportation proposal. In the event that Metro consents to a requested assignment, Metro shall make, and the bear the expense of, all reasonable modifications to any Metro transfer station to accommodate the Contractor's proposed alternative means of solid waste transportation.

7. Amendment to Assignment Provision.

The provisions of Article 28 of the General Conditions are amended to add a new Section C, as follows:

C. An intra-company assignment or delegation between different subsidiaries or branches of the parent corporation of Contractor shall not be construed as an assignment or delegation that requires the prior written consent of Metro. For the purposes of Article 28 and the third sentence of Article 29 only, "parent corporation" means Waste Management, Inc. as it is constituted as of the date of the execution of this Change Order No. 8.

8. No Other Modifications.

Except as modified herein, all other terms and conditions of the original Contract and all other previous amendments or change orders shall remain in full force and effect. Any material conflict between the provisions of the original Agreement, and other previous amendments or change orders, on the one hand, and this Contract Amendment No. 8 on the other hand, shall be resolved by reference to and reliance upon this Contract Amendment.

OREGON WASTE SYSTEMS, INC.	METRO
By _____	By _____
Title REGION VICE - PRESIDENT	Title Executive Officer
Date APRIL 27, 1999	Date April 29, 1999

kaj
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3/11/99

MODIFICATION TO THE CONTRACT BETWEEN METRO AND WASTE MANAGEMENT DISPOSAL SERVICES OF OREGON, INC. (dba OREGON WASTE SYSTEMS, INC.) ENTITLED "WASTE DISPOSAL SERVICES"

This Contract Change Order No. 9, effective as of July 1, 2007, hereby amends Metro Contract No. 900607, entitled "Waste Disposal Services," dated April 11, 1988, including all prior amendments or change orders.

RECITALS

1. Metro and Waste Management Disposal Services Of Oregon, Inc. ("WMDS") are parties to Metro Contract Number 900607, and other amendments or change orders ("the Waste Disposal Services Agreement" or "Agreement").

2. On or about April 27, 1999, Metro and WMDS entered into Change Order No. 8 ("CO8") amending certain terms and conditions contained in the Agreement. CO8 provides in Paragraph 2.b the rates WMDS shall charge for its services under the Agreement. Paragraph 4b of CO8 provided that Metro would undertake an independent study of rates in the Pacific Northwest to determine the "Market Rate" (as defined in Paragraph 4.a.ii of CO8). Section 4.b provided that if the Market Rate as of December 31, 2004, was equal to or greater than 10 percent less than the Metro Rate (as defined in Paragraph 4.a.i. of CO8), then effective July 1, 2005, the Base Rate (as defined in Paragraph 4.a.iii of CO8) would be reduced to 90 percent of the Metro Rate in effect as of December 31, 2004, and the term of the Agreement would be extended to 2019.

3. A question has arisen whether a contract between Kitsap County and an affiliate of WMDS (the "Kitsap Contract") should be considered as a comparable contract for the purpose of determining the Market Rate under CO8.

4. In exchange for the promises and other consideration set forth in the Waste Disposal Services Agreement and in this Contract Change Order No. 9, and in order to resolve the question, and fully reserving all other rights which the parties may have under the Waste Disposal Services Agreement, the parties hereby agree as follows:

A. Purpose

The purpose of this Contract Change Order No. 9 is to amend certain terms, conditions and payment provisions of the Waste Disposal Services Agreement and to incorporate therein other mutually agreed provisions.

B. Provisions of Contract Change Order

1. Extension of Agreement Term until December 31, 2019

The term of the Agreement is extended until December 31, 2019. To facilitate the extension this Contract Change Order No. 9 makes the following amendments: The provisions of the Contract Forms document entitled "Contract" made and entered into by and between Metro and Oregon Waste Systems, Inc., dated April 11, 1988, are amended to delete the date "December 31, 2009" and replace it with the date "December 31, 2019." In addition, the provisions contained in the Proposal of Oregon Waste Systems, Inc. dated December 21, 1987, under the heading "Start of Disposal Operation and Contract Completion Time (the provisions of which having been incorporated into the Waste Disposal Services Agreement under Article 1B.(4) of the General Conditions of the Contract Documents), are deleted and superseded by this Contract Change Order No. 9. In addition, the provisions contained in the second paragraph, beginning at the fourth sentence and following to the end of the paragraph in the Contract Document entitled "Invitation to Bid" are deleted and superseded by this Contract Change Order No. 9. Finally, Section B(1) of CO8 is amended to delete the date "December 31, 2014" and replace it with the date December 31, 2019.

Paragraph 4 (e) of CO 8 is amended to delete the phrase "[i]n the event that, as a result of the rate comparisons made by Metro under this Contract Change Order, the term of this Waste Disposal Services Agreement is extended to December 31, 2019, then" from the first sentence of the paragraph. Paragraph 4(e) shall now read:

> "On or about January 10, 2015 Metro shall undertake to perform a final comparison of the Metro Rate in effect as of December 31, 2014 with the Market Rate in effect as of that same date."

2. No Rate Comparison in 2010

Paragraph 4(c) and (d) of CO8 shall be deleted in their entirety. Metro shall not be entitled to perform a comparison of the Metro Rate in effect as of December 31, 2009 with the Market Rate in effect as of December 31, 2009.

3. Putrescible Waste

Paragraph 4(a)(ii) of CO8 is amended to provide as follows:

> "The term 'Market Rate' shall mean the lowest per ton putrescible solid waste disposal rate, exclusive of any applicable regulatory fees, charged to any public body, including but not limited to any state, county, city, district, solid waste authority or other similar

unit of government, that delivers or causes to be delivered for disposal during each of calendar years 2012, 2013 and 2014 at least 200,000 tons of putrescible solid waste under a contract containing a term of at least 10 years in any landfill in Oregon, Washington or Idaho that is owned or controlled by Contractor, Waste Management Holdings Incorporated, Waste Management Incorporated, Waste Management of North America, Inc. or any of their respective corporate parents or corporate subsidiaries whether in existence at the time of this Contract Change Order or later created. In calculating the Market Rate under this section, only putrescible waste generated within the contracting public body's jurisdiction shall count towards the requirement that a comparable contract be with a public body that delivers for disposal at least 200,000 tons of putrescible solid waste per year under a contract containing a term of at least 10 years. In the event that any such public body has entered into an agreement for landfill disposal which combines the costs of such disposal with any cost not related to such disposal, including but not limited to the collection, transfer or transportation of such solid waste, the Contractor shall demonstrate the amount of the public body's actual per ton costs for disposal of such waste.

Paragraph 4(a)(iv) shall be added to CO8 providing the following definition of putrescible solid waste:

"The term 'putrescible solid waste' shall be defined as waste containing rapidly decomposable material by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies. A load of waste shall be considered putrescible solid waste in its entirety if it contains more than a trivial amount of putrescible solid waste. "Special Waste" as defined in Section 14 of the Specifications of the Agreement is excluded from this definition of putrescible solid waste. Notwithstanding any other definitions, for the purposes of the Agreement and all Change Orders and amendments to the Agreement, any putrescible solid waste that remains after processing at a solid waste facility, including but not limited to processing for the removal of re-useable or recyclable materials, shall be included in this definition of putrescible solid waste.

4. Kitsap Contract Not to be considered for future Rate Comparisons

The Kitsap County, Washington contract ("Kitsap Contract") shall not be considered for the 2014 Final Rate Comparison provided in Section 4(e) of CO8, or any other rate comparison if the Agreement is extended beyond December 31, 2019.

5. Amendment of Payment Provisions

Paragraph 2(b) of CO8 is deleted and replaced with the following:

Effective July 1, 2007, for each ton of Metro Solid Waste Tonnage which Metro delivers, or authorizes to be delivered directly quarterly to Contractor, Metro shall pay Contractor an amount equivalent to the per ton price produced by applying the following declining incremental price schedule to the total quarterly Regional Solid Waste Tonnage:

If Quarterly Regional Solid Waste Tonnage is:	The Price per Ton for the Metro Solid Waste Tonnage Included in such Tonnage shall be:
0 to 137,500 tons	$24.84 per ton
137,501 to 148,125 tons	$11.28 per ton
148,126 to 158,750 tons	$10.69 per ton
158,751 to 169,375 tons	$10.11 per ton
169,376 to 180,000 tons	$9.53 per ton
180,001 to 190,625 tons	$8.94 per ton
Above 190,625 tons	$8.34 per ton

These rates shall be subject to adjustment under Paragraph 3 of CO8 and Article 19B of the Agreement, as amended, for the Contract Price Adjustments occurring on July 1, 2008 and July 1, 2009.

Metro shall receive an additional rate reduction, calculated by subtracting ninety three cents ($0.93) per ton from each rate tier in effect as of July 1, 2009. The rates thus established shall be effective July 1, 2010, and shall be subject to adjustment under Paragraph 3 of CO8 and Article 19B of the Agreement, as amended, beginning with the Contract Price Adjustment occurring on July 1, 2011 and continuing through the Contract Price Adjustments on each July 1 thereafter.

Except as otherwise provided in this section, Metro agrees to release and discharge WMDS from any claim, liability or further rate reduction arising from or under the Initial Rate Comparison provision in Paragraph 4 (b) of CO8.

5A. Correction of CO8 Inflation Provisions

The Inflation Adjustment formula set forth in Paragraph 3b of CO 8 is corrected and amended to read as follows:

"$AI = (((CI_X - CI_B) / CI_B) \times 0.7) - 0.005)$, with the terms of the formula modified so that CI_X represents the amount of the Consumer Price Index for the calendar year ending each December 31, and CI_B represents the Consumer Price Index for the calendar year which precedes the year used to calculate CI_X"

The Inflation Adjustment formula set forth in Paragraph 3c of CO 8 is corrected and amended to read as follows:

"$AI = (((CI_X - CI_B) / CI_B) \times 0.9) - 0.005)$, with the terms of the formula modified so that CI_X represents the amount of the Consumer Price Index for the calendar year ending each December 31, and CI_B represents the Consumer Price Index for the calendar year which precedes the year used to calculate CI_X"

6. Comparable Contracts for Rate Review

WMDS shall provide to Metro a list of all putrescible solid waste disposal contracts between a public body and WMDS and any affiliated companies in the states of Oregon, Washington, and Idaho for the 2014 Final Rate Comparison and any subsequent rate review if the Agreement is extended beyond December 31, 2019.

7. Ninety Percent Guarantee

Paragraph 5(a) of CO8 shall be amended to delete the term "acceptable waste", which is replaced with the term "putrescible solid waste" so it shall read:

> "Each calendar year, Metro agrees to deliver to Contractor's disposal site or to landfills owned or operated by Contractor, Waste Management Holdings, Incorporated, Waste Management Incorporated, Waste Management of North America, Inc. or any of their respective corporate parents or corporate subsidiaries, whether in existence at the time of this Change Order or later created, a minimum of 90 percent of the total tons of putrescible solid waste that Metro delivers to any general purpose landfill during the calendar year."

The following definitions shall apply to Paragraph 5(a) of CO8.

The phrase "Metro delivers" shall mean the disposition of putrescible solid waste that Metro delivers or causes to be delivered from solid waste facilities owned by Metro, including putrescible solid waste that Metro directs to be delivered to any General Purpose Landfill under its licensing, franchising or flow control authority.

"Putrescible Solid Waste" shall have the meaning set forth in Paragraph 3 to this Change Order No. 9.

8. Release From Damages For Any Default Under 90 Percent Guarantee

WMDS agrees to release and forever discharge Metro from any damages accruing before June 30, 2007, for any default under the 90 percent guarantee provided for in Section 5(a) of CO8.

9. No Other Modifications

Except as modified herein, all other terms and conditions of the original Agreement and all other previous amendments or change orders shall remain in full force and effect. Any material conflict between the provisions of the original Agreement, and other previous amendments or change orders, on the one hand, and this Contract Change Order No. 9 on the other hand, shall be resolved by reference to and reliance upon this Contract Change Order No. 9.

WASTE MANAGEMENT DISPOSAL SERVICES OF OREGON, INC.	METRO
By: [signature]	By: [signature]
Title: vice president	Title: COO
Date: 7/24/07	Date: 7/24/07

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METROPOLITAN SERVICE DISTRICT

PORTLAND, OREGON

CONTRACT DOCUMENTS

FOR

WASTE DISPOSAL SERVICES

December 31, 1987*

*This document is intended to incorporate Addenda Nos. 1, 2, 3, 4 and 5 to the Contract verbatim; this document is not intended to incorporate any subsequent Errata or Amendments to the Contract.

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INVITATION TO BID

Sealed bids for waste disposal services addressed to the Metropolitan Service District, 2000 S.W. First Avenue, Portland, Oregon 97201-5398, will be received at the office of the Director of Solid Waste until 3:00 p.m., PST, on the 21st day of December 1987, and then will be publicly opened and read.

The services covered by the Contract Documents consist of the disposal of mixed (residential, commercial and industrial) solid waste at a bidder-supplied, and Metro-approved, landfill which must be located outside the boundaries of Metro. In addition, for some proposal options, Metro will require disposal capacity for ash residues from a resource recovery facility, if constructed. Bidders may submit bids for any or all of the waste quantity alternates presented in the Proposal section of these Contract Documents. The successful bidder(s) shall begin accepting waste on January 1, 1990, and continue through December 31, 2009, or until the waste quantity awarded has been disposed whichever shall first occur. Metro shall have the right to extend the Contract indefinitely until the entire waste quantity has been disposed. The Metro Council shall decide which alternative upon which to award a contract based on the mix of resource recovery, recycling and landfill options it wishes to pursue. This process is described in more detail in the other sections of the Contract Documents.

All bidders shall submit a completely executed Experience Questionnaire with their bid to allow Metro to determine whether the bidders are qualified. The questionnaire is bound within the Contract Documents and will be supplied as part of the proposal package in which bids are submitted. Failure to submit a completed questionnaire, or to submit any additional information requested by Metro, shall be grounds for rejection of the bid. Each bidder must provide data sufficient to demonstrate to Metro that: a) the bidder has equipment available to perform the contract; b) the bidder has key personnel available of sufficient experience to perform the contract; and c) the bidder has not repeatedly breached contractual obligations to public and private contracting agencies. In addition, each bidder shall, for each alternate bid, provide documentation sufficient to demonstrate to Metro that bidder has obtained or is capable of obtaining all relevant contractual agreements, regulatory approvals and/or permits.

Before a contract is awarded, Metro may conduct such additional investigation as is necessary to determine whether a bidder is qualified. Upon request, bidders shall promptly submit such additional information as deemed necessary by Metro to evaluate a bidder's qualifications.

Any information voluntarily submitted by a bidder in the Experience Questionnaire or as part of any such investigation, shall be deemed a trade secret pursuant to ORS 192.500(1)(b) and (e), if requested by the person submitting the information.

Each Proposal must be submitted on the prescribed form and accompanied by a certified or cashier's check or bid bond executed on the prescribed form, payable to the Metropolitan Service District.

The successful bidder(s) will be required to furnish the necessary additional bonds for the faithful performance of the Contract and for the payment of all persons supplying labor and materials as prescribed in the Contract Documents in order to demonstrate his/her financial capacity to perform the Contract.

Bidders are required to comply with Metro's Disadvantaged Business Program. Goals for this Program are:

Disadvantaged Businesses	5 percent
Women-Owned Business Enterprises	2.75 percent

Failure to meet these goals or to demonstrate good faith efforts to do so will constitute a non-responsive bid. See Instructions to Bidders for references to applicable procedures.

For any task or portion of a task to be undertaken by a subcontractor or materials supplier, the Bidder shall not enter into any agreements with subcontractors or materials suppliers on an exclusive basis prior to Contract award.

Metro reserves the right to reject all Proposals or any Proposal not conforming to the intent and purpose of the Contract Documents, to reject for good cause any and all bids upon a finding of Metro that it is in the public interest to do so, to waive any informality or irregularity in any bid or bids Metro determines to be in Metro's best interest, and to postpone the award of the Contract(s) for a period of time which, however, shall not extend beyond one hundred eighty (180) days from the bid opening date.

For information concerning this bid, contact Mr. Dennis O'Neil, Senior Analyst, Metropolitan Service District, (503) 221-1646. A pre-bid conference will be held at 10:00 a.m. on Tuesday, November 3, 1987, at Metro.

Dated this _____ day of _____, 1987.

METROPOLITAN SERVICE DISTRICT

By: _____
Richard Owings
Solid Waste Director

INSTRUCTION TO BIDDERS

1. Description of Services and/or Goods Covered by Bid

The services and/or goods covered by this bid are described in the Invitation to Bid. A more detailed description of services and/or items to be bid is contained in the Specifications.

2. Interpretation of Contract Documents

Any person contemplating the submission of a bid shall have thoroughly examined all of the various parts of the Documents. If there is any doubt as to the meaning or intent of said Documents, the bidder shall request in writing any interpretation thereof. Such request shall be delivered to Mr. Dennis O'Neil at Metro at least fifteen (15) working days prior to bid opening. Any interpretation or change in said Documents will be made only in writing, in the form of Addenda to the Documents which will be furnished to all bidders receiving a set of the Documents. Bidders shall submit with their bids, or indicate receipt of, all Addenda. Metro will not be responsible for any other explanation or interpretation of said Documents.

3. Bidder's Understanding

Each bidder must inform himself/herself of the conditions relating to the execution of the work to be performed under the Contract and make himself/herself thoroughly familiar with all the Documents. Failure to do so will not relieve the successful bidder(s) of his/her obligation to enter into a Contract and to completely perform the Contract in strict accordance with Contract Documents.

Each bidder shall inform himself/herself of, and the bidder(s) awarded a Contract shall comply with, federal, state, regional and local laws, statutes, regulations, ordinances, orders and all other requirements of law relative to performance of the Contract. This requirement includes, but is not limited to, applicable requirements concerning minimum wage rates, nondiscrimination in the employment of labor, protection of public and employee safety and health, environmental protection, the protection of natural resources, fire protection, burning and nonburing requirements, permits, fees and similar subjects.

4. Type of Bid

Two types of bids are called for in the proposal:

A. Unit Price

Unit prices are to be given in the items labeled "Variable Costs" and "Ash Disposal," on the Bid Form. When a unit price is utilized, the estimate of quantities of work to be done and/or goods to be supplied, is tabulated in the bid and, although stated with as much accuracy as possible, is approximate only and is assumed solely for the basis of calculation upon which the award of the Contract(s) shall be made. Payment to the Contractor will be made on the measurement of the work actually performed and/or goods actually supplied by the Contractor as specified in the Document. Metro reserves the right to increase or diminish the amount of any class of work or goods as may be deemed necessary, unless otherwise specified.

The item labeled "Variable Costs" refers to variable unit costs associated with the disposal of a ton of solid waste or ash.

Alternates 1 through 8 refer to costs associated with the disposal of mixed solid waste. Alternate 9 refers to costs associated with the disposal of ash only.

B. Lump Sum

When the bid for the goods and/or services is to be submitted on a lump sum basis, a single lump sum price shall be submitted in the appropriate place. Lump sum prices are to be given in the item labeled "Fixed Costs" on the Bid Schedule. This item refers to the fixed costs associated with the development of a landfill for the quantity stated under "Variable Costs." Costs for any construction at the landfill required to provide and maintain one road to the Disposal Site to accommodate any necessary truck delivery of solid waste (or ash, if applicable), shall be included in the fixed costs. If awarded a Contract, the bidder will be paid this lump sum price in monthly installments over a 20-year period. While payment of the lump sum is tied to a 20-year period, it is expressly understood by bidder that payment of the lump sum price by Metro ensures waste capacity in the selected disposal site for the entire amount of waste awarded to bidder, even though such capacity lasts beyond the 20-year period. Metro shall be under no obligation to continue monthly lump sum payments beyond the 20-year period.

C. Percent Adjustment

Annual price adjustment shall be allowed on unit prices as more fully described in the General Conditions. Bidders must propose a percentage of the change in the Consumer Price Index which they will accept as the annual price

adjustment. The impact of this price adjustment proposal by bidder on the basis of award is described in more detail in the Basis of Award section.

5. Preparation of Bids

The items labeled "Fixed Costs," "Variable Costs," "Ash Disposal (if present)," "Percent Adjustment" and "Total" in the Bid Schedule must be completed in ink for each alternate for which the bidder wishes to submit a bid. No changes shall be made in the phraseology of the forms. In case of discrepancy between unit prices and totals, unit prices will prevail.

Any bid shall be deemed nonresponsive which contains omissions, erasures, alterations, or additions of any kind, or prices uncalled for, or in which any of the prices are obviously unbalanced, or which in any manner shall fail to conform to the conditions of the Documents.

The bidder shall sign his/her bid in the blank space provided therefor. If the bidder is a corporation, the legal name of the corporation shall be set forth above, together with the signature of the officer or officers authorized to sign Contracts on behalf of the corporation. If the bidder is a partnership, the true name of the firm shall be set forth above, together with the signature of the partner or partners authorized to sign contracts in behalf of the partnership. If the signature is by an agent, other than an officer of a corporation or a member of a partnership, a notarized Power of Attorney must be on file with Metro prior to opening of bids or submitted with the bid, otherwise the bid will be regarded as not properly authorized.

6. Submission of Bids

All bids must be submitted not later than the time prescribed, at the place, and in the manner set forth in the Invitation to Bid. Bids must be made on the Bid Schedule provided. Each Proposal must be submitted in a sealed envelope, along with the attachments described herein, so marked as to indicate its contents without being opened, and addressed in conformance with the instructions in the Invitation to Bid.

7. Modification of Bid

Any bidder may modify his/her bid by telegraphic or written communication addressed to the individual designated for receipt of bids at any time prior to the scheduled closing time for receipt of bids, provided such communication is received by Metro prior to the closing time. The modification should not reveal the bid price; it should, however, state the addition or subtraction or other modification so that the final prices will not be known by the Metro until the sealed bid is opened.

Oral/telephone modifications are invalid and will not receive consideration.

8. Withdrawal of Bid

Any bid may be withdrawn prior to the scheduled time for the opening of bids either by telegraphic or written request addressed to the individual designated for receipt of bids, or in writing and delivered personally to the individual designated for receipt of bids. Any such withdrawal must be signed by an individual authorized to sign contracts on behalf of the bidder. No bid may be withdrawn after the time scheduled for opening of bids, until the 180-day time period specified in Item 9 of these instructions shall have elapsed.

9. Bid Security

Bids must be accompanied by a certified check or cashier's check drawn on a bank in good standing, or a bid bond issued by a surety authorized to issue such bonds in the state where the work is located and rated A or better by Best's Key Rating Guide in the amount of not less than 10 percent of the applicable performance bond amount. If bids are submitted for more than one alternate, only one bid bond shall be required and it shall be in an amount equal to ten percent (10%) of the highest performance bond amount for any of the alternates bid. This bid security shall be given as a guarantee that the bidder will not withdraw his/her bid for a period of one hundred eighty (180) days after the bid opening, and that if awarded the Contract, the successful bidder will execute the attached Contract and furnish any additional bond(s) required by the Contract Documents.

The Attorney-in-Fact (Resident Agent) who executes any bond on behalf of the Surety must attach a notarized copy of his/her Power of Attorney as evidence of his/her authority to bind the Surety on the date of execution of the bond.

10. Return of Bid Security

Bid securities will be held until the Contract has been finally executed, after which all bid securities, other than those which have been forfeited, will be returned to the respective bidders whose bids they accompanied.

11. Bonds

Within ten (10) days of notice of contract award and not later than ninety (90) days prior to each anniversary date of this Contract, the successful bidder shall execute and deliver to Metro an annually renewable Performance Bond on the form bound herewith for the faithful performance of the contract. Likewise, the successful bidder shall, within ten (10) days of notice of contract award and not later than ninety (90) days

prior to each anniversary days, execute and deliver to Metro an annually renewable Labor and Materials Bond on the form bound herewith. Both the Performance Bond and the Labor and Materials Bond shall be in the amount prescribed in the General Conditions.

Each such bond shall be in effect for the term commencing with the applicable contract anniversary date until the following anniversary date. Failure to execute and deliver the required annual bonds to Metro at least ninety (90) days prior to the contract anniversary date shall constitute a default under the terms of this Contract and under the Performance Bond.

The Surety furnishing these bonds shall have a rating of at least A and be of the appropriate class for the relevant bond amounts according to Best's Key Rating System and shall otherwise have a sound financial standing and a record of service satisfactory to Metro and shall be authorized to do business in the state of Oregon. The Attorney-in-Fact (Resident Agent) who executes these bonds on behalf of the Surety must attach a notarized copy of his/her Power of Attorney as evidence of his/her authority to bind the Surety on the date of execution of each bond.

12. Award of Contract

Within one hundred eighty (180) calendar days after the opening of bids, Metro will accept one or more of the bids or will act in accordance with the Basis of Award below. The acceptance of the bid(s) will be by written notice of award, mailed or delivered to the office designated in the Proposal. In the event of failure of the lowest responsive, responsible, qualified bidder(s) to sign and return the Contract with acceptable bonds, as prescribed herein, Metro may award the Contract(s) to the next lowest responsive, responsible qualified bidder(s). Such award(s) if made, will be made within one hundred eighty (180) days after the opening of bids.

13. Basis of Award

Metro staff will examine proposals submitted to determine whether the sites are properly permitted and/or whether the schedules for permit acquisition and construction allow services to begin on January 1, 1990. Bidders will be required to submit any additional information requested by Metro concerning the site, and to conduct site visits for Metro staff and indicate the layout(s) proposed for handling the waste. Metro will also examine the bidders qualifications during this phase. The "Total" bid given for each alternate will then be adjusted in two ways.

First, the percent adjustment bid will be used to calculate the increase in unit prices due to inflation over the life of the contract. This will be done by assuming a 4 percent annual

increase in the CPI and using the annual flows given in the Appendix.

FORMULA

estimated annual flow X unit price bid X
(bidder's proposed percentage adjustment X 4 percent) =
Total for that year.

This adjustment will be made for each year starting in 1991 through 2014.

Next, Metro will estimate the costs of transporting waste to the site selected by the bidder. This will be done by assuming a central generation point for the Metro region. Metro will then compare truck, barge and rail costs on a per ton/mile basis (unless a host community prohibits particular delivery system) for each site. Metro will then take the lowest per ton/mile cost for each bid, times the total tonnage for each alternate, times the total miles to calculate total transport costs. The estimated transport costs, the adjusted variable and ash disposal costs, and the fixed costs will be added to establish the "TOTAL" for each of the bidder's alternates, and this "TOTAL" will be used to establish the lowest bids for each alternate. Metro reserves the right to decide which method of transport will be used to determine the estimated transport costs. Metro reserves the right to substitute actual transportation costs for estimated costs, if actual costs are available. These costs would be the result of a separate Request for Proposals or Bids which Metro is currently contemplating.

Based on the evaluation of sites and the adjustment to bid prices, Metro will determine the lowest responsive, responsible bidders for each alternate.

The Metro staff will take the information gathered from the bid process together with information on other system options such as resource recovery and a Metro developed landfill site, and determine the various regional solid waste disposal system configurations and the associated costs and risks. Such configurations may include more than one landfill. The Metro Executive Officer will review the configurations and propose a regional solid waste disposal system which best serves the region. The Metro Council will review the Executive Officer's recommendation and adopt a system configuration which will include a landfilling component and corresponding waste flows. By comparing the cost of the low bids (as adjusted) received in the chosen alternate with the cost of a Metro developed landfill and resource recovery costs, and in consideration of other pertinent factors, Metro will decide whether to award a Contract(s) and for which alternates to award. Metro reserves the right to make this decision on factors other than cost which Metro deems to be in the public interest.

If and when the Metro Council chooses one or more of the alternates on the Bid Schedule, contract award(s) will be made to the lowest responsible, responsive bidder for each chosen alternate, subject to the following reservations of Metro. Metro reserves the right to award one or two contracts for Alternates 2, 4, 6 and 8, one contract to the lowest bidder and one contract to the second lowest bidder for the relevant alternate. For Alternates 2, 4, 6, and 8, Metro also reserves the right to award only one contract to any private bidders for any of these Alternates and to utilize the disposal services of a Metro-owned facility as a second landfill. Metro reserves the right to waive any informality or irregularity in any bid or bids received and to reject any bid not in compliance with all prescribed public bidding procedures and requirements or the Documents and may reject for good cause any or all bids upon a finding of the agency that it is in the public interest to do so. Metro reserves the right not to award any contract at all.

14. Execution of Contract

The successful bidder(s) shall, within ten (10) days, not including Sundays and legal holidays, after receiving notice of award, sign and deliver to Metro the Contract attached hereto together with any bond(s) required by these Documents.

15. Failure to Execute Contract and Furnish Bond

The bidder(s) who has a Contract awarded to him/her and who fails to promptly and properly execute the Contract and furnish any required bonds shall forfeit the bid security that accompanied his/her bid, and the bid security shall be retained as liquidated damages by Metro, and it is agreed that this sum is a fair estimate of the amount of damages Metro will sustain in case the bidder fails to enter into a Contract and furnish the bond as hereinbefore provided. Bid security deposited in the form of a certified check or cashier's check shall be subject to the same requirements as a bid bond.

16. Disqualification of Bidder

As authorized in ORS chapter 279, Metro may conduct such investigation as is necessary to determine the bidder's qualifications including the performance record, managerial capability and experience, and ability of the apparent low bidder to perform the size and type of work specified under this Contract. Upon request, the apparent low bidder(s) shall submit such information as deemed necessary by Metro to evaluate the bidder's qualifications to do the work, and such information as deemed necessary to evaluate any sites to be used to do the work.

17. Disadvantaged Business Program Compliance

Metro has made a strong commitment to provide maximum opportunities to Disadvantaged and Women-Owned Businesses in contracting. Due to the timing of the bid opening and the uncertainty of the actual commencement of work under the Contract, the successful bidder will not be required to submit evidence of compliance with Metro's Disadvantaged Business Program at the time of bid opening. However, prior to commencing work on any construction or site preparation required for performance under the Contract and prior to entering into any subcontracts for any work to be performed under the Contract, the successful bidder shall be required to meet the subcontracting goals of 5 percent DBE participation and 2.75 percent WBE participation or make good faith efforts to do so as that term is defined in Metro's Disadvantaged Business Program. These goals shall specifically apply to all phases of the Contract from site preparation, if necessary, through operations and closure of the disposal site. At least thirty (30) days prior to commencing work on any necessary construction or site preparation and prior to entering into any subcontracts, the successful bidder shall notify Metro's Disadvantaged Business Liaison Officer and the Liaison Officer will specify the date upon which the bidder shall submit the forms and other documentation required under Metro's Disadvantaged Business Program. Metro reserves the right to enforce the provisions of its Disadvantaged Business Program for the entire term of the Contract.

Failure to comply with all of the requirements of Metro's Disadvantaged Business Program for the full term of the Contract shall constitute a default by the Contractor under the terms of the Contract.

18. Prevailing Wage Rate

Metro has requested a ruling as to whether any construction portion of this Contract is a "public works" contract for purposes of ORS 279.348 et seq. (governing applicability of the "Prevailing Wage Rate"). However, Metro has not received a definitive response. Therefore, for purposes of Contractor's Proposal, Bidder shall assume that ORS 279.348 does not apply to this contract. Metro agrees to assume all liability for Contractor's noncompliance with the prevailing wage rates, in accordance with ORS 279.356.

However, any Contractor awarded a Contract by Metro shall for all periods in which contract work is performed and for a period of three years from the date the contract is completed: maintain all documents and information necessary to determine the rate of wages paid to any persons employed for performance of the Contract, such employees' correct classification under the classification system adopted by the Oregon Bureau of Labor and Industries, the daily and weekly number of hours worked by

such employees, deductions made and actual wages paid to such employees and any other documents or other information which may be useful in determining the amount of Metro's liability or potential liability under ORS 279.356. Contractor shall, at any time upon Metro's request, allow Metro to review and copy all such documents or information.

19. Failure to Execute and Record Covenant or to Furnish Title Insurance

The bidder(s) who is/are awarded a Contract who fail(s) to properly execute and record the Covenant or to furnish the title insurance in accordance with Article II., Sections P. and Q. of the GENERAL CONDITIONS shall forfeit the bid security that accompanied his/her bid, and the bid security shall be retained as liquidated damages by Metro, and it is agreed that this sum is a fair estimate of the amount of damages Metro will sustain if bidder fails to execute and record the Covenant and furnish the title insurance.

NOTE TO BIDDER: Preferably type or use BLACK ink for completing this Proposal.

PROPOSAL

(The terms proposal and bid are used interchangeably herein.)

To: METROPOLITAN SERVICE DISTRICT

Address: 2000 S. W. First Avenue, Portland, OR 97201-5398

Bid Title: WASTE DISPOSAL SERVICES

Bidder: OREGON WASTE SYSTEMS, INC.

Address: P.O. BOX 11227, PORTLAND, OR 97211

Date: DECEMBER 21, 1987

Bidder's Person to Contact for Additional Information on this Bid:

Name: RICHARD A. DANIELS, VICE PRESIDENT - GENERAL MANAGER

Telephone: 503-249-8078

BIDDER'S DECLARATION AND UNDERSTANDING

The undersigned, hereinafter called the Bidder, declares that the only persons or parties interested in this Bid are those named herein, that this Bid is, in all respects, fair and without fraud, that the unit prices bid are made without collusion with any official, agent or employee of Metro, and that the Proposal is made without any connection or collusion with any person submitting another Bid on this Contract.

The Bidder further declares that he/she has carefully examined all of the Contract Documents, that he/she has satisfied himself/herself as to the quantities and conditions of work involved, and that this Bid is subject to and made in accordance with the provisions and under the terms of all of the Contract Documents, which Documents are hereby made a part of this Bid.

The Bidder understands and agrees that if a contract is awarded, Metro may elect to award bid alternates or bid items in any combination that best serves the interest of Metro.

This Bid is irrevocable for one hundred eighty (180) days following the opening of bids.

CONTRACT EXECUTION AND BONDS

The Bidder agrees that if this Bid is accepted, he/she will, within ten (10) days, not including Sundays and legal holidays, after notice of award, sign the Contract in the form annexed hereto, and will at that time, deliver to Metro any bond(s) required herein, and

will, to the extent of his/her Bid, furnish all machinery, tools, apparatus, disposal site(s) and other means of operation and construction and do the work and furnish all the materials necessary to complete all work as specified or indicated in the Contract Documents.

CERTIFICATES OF INSURANCE

The Bidder agrees to furnish to Metro, before commencing the work under this Contract, any certificates of insurance required by these Documents.

SALES AND USE TAXES

The Bidder agrees that all federal, state and local sales and use taxes are included in the stated bid prices for the work.

LUMP SUM OR UNIT PRICE WORK

The Bidder agrees to accept as full payment for the goods and/or services covered by this bid the lump sum and/or unit price amounts supplied by Bidder. The Bidder agrees that the lump sum prices and the unit prices represent a true measure of the labor and materials required to complete the Contract, including all allowances for overhead and profit.

START OF DISPOSAL OPERATION AND CONTRACT COMPLETION TIME

The bidder further agrees to begin waste disposal services contained in this Proposal on January 1, 1990, and to terminate such disposal services on December 31, 2009, subject to the provisions set forth below.

Completion of Contractor's services under this proposal and under the Contract shall occur when Contractor has, in accordance with all the terms and conditions of the Contract, properly disposed of the entire quantity of waste designated in the Bid Schedule for the alternate(s) awarded to Contractor. It is possible that Contractor may not complete such services by the end of the initial term of the Contract (December 31, 2009). If so, Metro may, in its sole discretion, decide not to extend the Contract beyond the end of the initial term and in such event, Metro shall not be obligated to make any further payments for fixed costs or unit costs incurred or attributable to any period beyond the initial term. However, if Contractor has not completed the services designated in the Bid Schedule of the alternate(s) awarded to Contractor at the end of the initial term of the Contract, Metro may, in its sole discretion, extend the initial term of the Contract, and any later terms thereof, by serving Contractor with writen notice of such extension at least one hundred and twenty (120) days prior to the end of the term then in force. However, in no event shall the term of the Contract extend beyond December 31, 2014, nor beyond the date on which Contractor has properly disposed of the entire quantity of waste designated in the Bid Schedule for alternate(s) awarded to

Contractor, whichever occurs first. In the event the Contract is extended beyond its initial term, Metro shall only be obligated to pay Contractor unit prices equal to the fair market value of the services rendered after December 31, 2009. The latter "fair market value" for the services covered by each contract extension shall be measured as of the date when Metro serves notice of that contract extension upon Contractor. However, Metro shall make no further fixed cost payments after December 31, 2009. If Contractor completes the disposal service designated in this Proposal prior to December 31, 2009, Metro will continue to make the fixed cost payments stated in the Proposal, but only through December 31, 2009.

The bidder should be aware that it is Metro's intent to reduce the amount of waste landfilled, and that these efforts may significantly reduce the rate at which waste is transferred to the Contractor for disposal.

BID SCHEDULE

ALTERNATE #1

Item	Unit	Volume		Unit Price 4/1/90 $21.39 4/1/89 = $20.37		Total Price
1. Fixed Cost*	Lump Sum	N.A.		L.S.		$ 36,059,000.00
2. Variable Costs	Tons	16,923,000	x	$ 19.50	=	$ 329,998,500.00
3. Percent Adjustment	100 %			TOTAL		$ 366,057,500.00

ALTERNATE #2

Item	Unit	Volume		Unit Price		Total Price
1. Fixed Cost	Lump Sum	N.A.		L.S.		$ 36,059,000.00
2. Variable Costs	Tons	8,461,000	x	$ 27.50	=	$ 232,677,500.00
3. Percent Adjustment	100 %			TOTAL		$ 268,736,500.00

ALTERNATE #3

Item	Unit	Volume		Unit Price		Total Price
1. Fixed Cost	Lump Sum	N.A.		L.S.		$ ____.__
2. Variable Costs	Tons	8,983,000	x	$ ____.__	=	$ ____.__
3. Percent Adjustment	____ %			TOTAL		$ ____.__

ALTERNATE #4

Item	Unit	Volume		Unit Price		Total Price
1. Fixed Cost	Lump Sum	N.A.		L.S.		$ ____.__
2. Variable Costs	Tons	4,491,000	x	$ ____.__	=	$ ____.__
3. Percent Adjustment	____ %			TOTAL		$ ____.__

ALTERNATE #5

Item	Unit	Volume		Unit Price		Total Price
1. Fixed Cost	Lump Sum	N.A.		L.S.		$ ____.__
2. Variable Costs	Tons	14,683,000	x	$ ____.__	=	$ ____.__
3. Percent Adjustment	____ %			TOTAL		$ ____.__

* $150,245.83 /mo.

ALTERNATE #6

Item	Unit	Volume	Unit Price	Total Price
1.Fixed Cost	Lump Sum	N.A.	L.S.	$_____.__
2.Variable Costs	Tons	7,341,000	x $_____.__	= $_____.__
3.Percent Adjustment	____%		**TOTAL**	$_____.__

ALTERNATE #7

Item	Unit	Volume	Unit Price	Total Price
1.Fixed Cost	Lump Sum	N.A.	L.S.	$_____.__
2.Variable Costs	Tons	11,223,000	x $_____.__	= $_____.__
3.Percent Adjustment	____%		**TOTAL**	$_____.__

ALTERNATE #8

Item	Unit	Volume	Unit Price	Total Price
1.Fixed Cost	Lump Sum	N.A.	L.S.	$_____.__
2.Variable Costs	Tons	5,611,000	x $_____.__	= $_____.__
3.Percent Adjustment	____%		**TOTAL**	$_____.__

ALTERNATE #9 - Ash Disposal Only

Item	Unit	Volume	Unit Price	Total Price
1.Fixed Cost	Lump Sum	N.A.	L.S.	$_____.__
2.Variable Costs	Tons	1,254,000	x $_____.__	= $_____.__
3.Percent Adjustment	____%		**TOTAL**	$_____.__

ADDENDA

The bidder hereby acknowledges that he/she has received Addenda Numbers 1,2,3,4,5 (bidder insert # of each Addendum received) to these specifications.

EXPERIENCE QUESTIONNAIRE

The following questionnaire asks for information concerning the Contractor's organization, experience in projects similar to those described in the Contract Documents, and information relating to the personnel the Contractor proposes to use during the Contract. If a partnership, firm, corporation or other entity owns a controlling interest in the bidder, responses to each question in the Experience Questionnaire must be submitted for both the bidder and the parent entity. For purposes of this paragraph, "controlling interest" shall mean ownership of ten percent (10%) or more of the beneficial ownership of bidder.

Manner of Preparing and Filling in Forms

Unless indicated otherwise, the Contractor shall include information for only the specific single business organization or entity which is submitting a Proposal for the Project described in the Contract Documents and which would be the signatory on the Contract.

All answers and other entries on the forms, except signatures, shall be filled in on a typewriter or legibly printed. It is the responsibility of the Contractor to return all pages. Failure to do so may be grounds for rejection.

All answers and entries shall be specific and complete in detail. Metro reserves the right to make independent inquiries concerning the information submitted herein, to conduct any additional investigation necessary to determine the Contractor's qualifications, and to require the bidder to supply additional information.

Use of Attachments

Schedules, resumes, reports, diagrams, and other forms of information may be used as attachments to the prescribed form, provided that the information contained therein specifically includes the information required by this form and provided that the bidder clearly references the attachments on this form.

Submission

The questionnaire shall be submitted along with the Contractor's Proposal in accordance with the information contained in the INVITATION TO BID section of the Contract Documents.

EXPERIENCE QUESTIONNAIRE

Contractor

Confidential Information per ORS 192.500

Located in Part 2 of 2

EXPERIENCE QUESTIONNAIRE

Parent Firm

Confidential Information per ORS 192.500

Located in Part 2 of 2

SITE LOCATION INFORMATION

Confidential Information per ORS 192.500

Located in Part 2 of 2

ORGANIZATIONAL INFORMATION

NAME OF CONTRACTOR _____

_____

ADDRESS _____

_____

CONTACT PERSON _____

CONTACT PHONE# _____

TYPE OF FIRM ( )Corporation ( )Partnership ( )Individual

( )Other- describe _____

_____

Please list parent organizations and their address and ownership percentages:

_____

_____

_____

How many years has your firm used its present name ? ____

What were your firm's previous names ?

_____

_____

1.How many years experience has your firm had in the following type of work, in which the work listed was the primary task ?

	As a Contractor	As a sub-Contractor
a. Landfill Operations	_____	_____
b. Ash Disposal Operations	_____	_____
c. Other Solid Waste Operations	_____	_____

2.List the projects you have undertaken in the last 10 years which fall into the categories listed under question #1. List the projects under categories a, b, and c first. If space permits, list the remaining projects chronologically.

Project Owner, City, State or Country	Name of Project	Contract Amount	Type- Enter letter from #1
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

3.List the following additional information for projects listed under item #2. (use same line # as in item 2)

Location of Project	Date[1] completed	*	**	Name of Surety if project bonded	Name & Phone# of Architect/ Engineer
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					

[1]Completed means that the project was finished in accordance with the contract. This does not include termination prior to completion. If the project was not completed, then leave blank and explain in the next item.

* Indicate whether: (P)rime Contractor, (JV) Joint Venture, (Sub)contractor

** Enter (Y) if you were involved in any litigation or breach of contract claims during the project, and explain in the following section.

4. For each project listed in items 2 and 3, provide a brief description of the project and your responsibilities.

5. Please describe the organizational structure under which you will manage this contract. This should include, but not be limited to, the persons who are responsible for the following areas of expertise: direct onsite supervision, overall project management, personnel, equipment maintenance and acquisition, special and hazardous waste, training, safety, risk management, financial management, community relations. Describe the experience of or include resumes for persons in these positions.

6. Describe the staffing plan you plan to use.

7. What is the monetary percentage of work to be performed by subcontractors ? _____

7a. Describe the work to be performed by subcontractors.

8. Has your firm or any officer or partner of your organization, parent organization, affiliated organization, or persons listed under item 5, ever been convicted of any criminal conduct or been found in violation of any state or local or federal statute or regulation, in connection with a solid waste or disposal contract ? _____

If so, state the name of the individual and the circumstances:

9. Please attach the most recent financial statement for your firm.

Confidential Information

Information submitted in this Experience Questionnaire will be treated as confidential, as permitted in ORS 192.500, if requested by the Contractor. Do you wish to have the information treated as confidential ? __yes __no
(check one)

SITE LOCATION FORM

Manner of Preparing and Filling in Forms

Unless indicated otherwise, the Contractor shall include information for only the specific landfill site(s) to be used in the Project described in the Contract Documents.

All answers and other entries on the forms, except signatures, should be filled in on a typewriter or printed. It is the responsibility of the Contractor to return all pages. Failure to do so may be grounds for rejection.

All answers and entries shall be specific and complete in detail. Metro reserves the right to make independent inquiries concerning the information submitted herein, to conduct any additional investigation necessary to determine the Contractor's qualifications, and to require the bidder to supply additional information.

Use of Attachments

Schedules, resumes, reports, diagrams, and other forms of information may be used as attachments to the prescribed form, provided that the information contained therein specifically includes the information required by this form and provided that the bidder clearly references the attachments on this form.

Submission

This form shall be submitted along with the Contractor's Proposal in accordance with the information contained in the INVITATION TO BID section of the Contract Documents.

1. Landfill location.

Provide name & address of proposed landfill.

_____

_____

_____

_____

Provide additional locational information (or attach a map) in enough detail to determine site location.

_____

_____

_____

2. Describe your agreement(s) with each of the site(s) owners/operators listed above. Attach any signed agreements. List current site owner.

3. List the permits granted (or applied for) to the site. Attach copies of the permits/applications as well. Describe the current zoning. Indicate whether there are any transportation restrictions.

4. List the local jurisdiction having solid waste and land use authority over each site. Please include a contact name and phone number.

5. List any & all regulatory actions which have occurred at the site over the last five years and the corrective actions taken.

6. Attach a copy of all engineering work, including studies, investigations, reports, and designs completed on the site.

7. Attach schedules for: a) obtaining any necessary permit approvals; b) site development.

8. Attach a copy of closure plan and post- closure maintenance plan.

Confidential Information

Information submitted in this Site Form will be treated as confidential, as permitted in ORS 192.500, if requested by the Contractor. Do you wish to have the information treated as confidential ? __yes __no

BID BOND

BOND NO. N/A
AMOUNT: $ 500,000.00

KNOW ALL MEN BY THESE PRESENTS, that OREGON WASTE SYSTEMS, INC.

hereinafter called the PRINCIPAL, and FEDERAL INSURANCE COMPANY

a corporation duly organized under the laws of the State of New Jersey

having its principal place of business at 15 Mountain View Road, P. O. Box 1615,

Warren, New Jersey 07061-1615, in the state of New Jersey,
and authorized to do business in the state of Oregon, as SURETY, are

held and firmly bound unto METROPOLITAN SERVICE DISTRICT

hereinafter called the OBLIGEE, in the penal sum of Five-Hundred Thousand
and no/100----------DOLLARS ($ 500,000.00----------),

for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS the PRINCIPAL is herewith submitting his/her or its Bid

Proposal for waste disposal services,

said Bid Proposal, by reference thereto, being hereby made a part hereof.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the Bid Proposal submitted by the PRINCIPAL is accepted, and the Contract awarded to the PRINCIPAL, and if the PRINCIPAL shall execute the proposed Contract and shall furnish such bonds or Letter(s) of Credit as required by the Contract Documents within the time fixed by the Contract, then this obligation shall be null and void; if the PRINCIPAL shall withdraw its bid within one hundred eighty (180) days of the bid opening date or otherwise fail to execute the proposed Contract and furnish such bonds or Letter(s) of Credit, the SURETY hereby agrees to pay to the OBLIGEE the penal sum as liquidated damages, within ten (10) days of such failure.

Signed and sealed this 21st day of December, 1987.

OREGON WASTE SYSTEMS, INC.
PRINCIPAL
By Herbert A. Getz
~~Herbert A. Getz,~~ Assistant Secretary

FEDERAL INSURANCE COMPANY
SURETY
By Jill Karls
Attorney-in-Fact
Jill Karls

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint Donald S. Haufe, Deborah J. Adams, Janet B. Heckinger, Jill Karls and Karen E. Bogard of Oak Brook, Illinois----------

ch its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as ety thereon or otherwise, bonds or obligations on behalf of WASTE MANAGEMENT, INC. AND SUBSIDIARIES----------

connection with bids, proposals or contracts to or with the United States of America, any State or political subdivision thereof or any person, firm or corporation. d the execution of such bond or obligation by such Attorneys-in-Fact in this Company's name and on its behalf as Surety thereon or otherwise, under its corrate seal, in pursuance of the authority hereby conferred shall, upon delivery thereof, be valid and binding upon this Company.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 29th day of April 19 87

porate Seal

Richard D. O'Connor
Assistant Secretary

FEDERAL INSURANCE COMPANY
By
George McClellan
Assistant Vice-President

ATE OF NEW JERSEY
unty of Somerset } SS.

In this 29th day of April 19 87 before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INRANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary he FEDERAL INSURANCE COMPANY and knows the corporate seal thereof, that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority, and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said and in deponent's presence

Seal

Acknowledged and Sworn to before me on the date above written.

Alice Leonard
Notary Public

ALICE LEONARD
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 28, 1988

CERTIFICATION

ATE OF NEW JERSEY
unty of Somerset } SS.

I the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island, and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 21st day of December 19 87

Corporate Seal

L. Mobley
Assistant Secretary

PRINTED IN U.S.A.

Form 21-10 0338 (Ec 7-83) CONSENT CORP

ACKNOWLEDGMENT OF ANNEXED INSTRUMENT

STATE OF Illinois
COUNTY OF DuPage } ss.:

On this 21st day of December 19 87, before me personally came _____ Jill Karls _____ who, being by me duly sworn, did depose and say that he is an Attorney-in-Fact of the FEDERAL INSURANCE COMPANY, and knows the corporate seal thereof; that the seal affixed to said annexed instrument is such corporate seal, and was thereto affixed by authority of the Power of Attorney of said Company, of which a Certified Copy is hereto attached, and that he signed said Instrument as an Attorney-in-Fact of said Company by like authority.

Acknowledged and Sworned to before me on the date above written

Pamela J. Webb
(Notary Public)

My Commission Expires

"OFFICIAL SEAL"
PAMELA J. WEBB
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 6/1/90

Form 21-10-103 (Rev. 5-82)

INSTRUCTIONS FOR NON-COLLUSION AFFIDAVIT

1. This Non-Collusion Affidavit is material to any Contract awarded pursuant to this bid. According to the Oregon Public Contracts and Purchasing Laws, a public contracting agency may reject any or all bids upon a finding of the agency that it is in the public interest to do so. ORS 279.035. Metro finds that it is in the public interest to require the completion of this Affidavit by potential contractors.

2. This Non-Collusion Affidavit must be executed by the member, officer or employee of the bidder who makes the final decision on prices and the amount quoted in the bid.

3. Bid rigging and other efforts to restrain competition, and the making of false sworn statements in connection with the submission of bids are unlawful and may be subject to criminal prosecution. The person who signs the Affidavit should examine it carefully before signing and assure himself or herself that each statement is true and accurate, making diligent inquiry, as necessary, of all other persons employed by or associated with the bidder with responsibilities for the preparation, approval or submission of the bid.

4. In the case of a bid submitted by a joint venture, each party to the venture must be identified in the bid documents, and an Affidavit must be submitted separately on behalf of each party.

5. The term "complementary bid" as used in the Affidavit has the meaning commonly associated with that term in the bidding process, and includes the knowing submission of bids higher than the bid of another firm, any intentionally high or noncompetitive bid, and any other form of bid submitted for the purpose of giving a false appearance of competition.

6. Failure to file an Affidavit in compliance with these instructions will result in disqualification of the bid.

NON-COLLUSION AFFIDAVIT

Contract Bid No. Waste Disposal Service

STATE OF Oregon)
) ss.
County of Multnomah)

I state that I am Vice President (Title) of Oregon Waste Systems, Inc. (Name of Firm) and that I am authorized to make this Affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this bid.

I state that:

(1) The price(s) and amount of this bid have been arrived at independently and without consultation, communication or agreement with any other contractor, bidder or potential bidder, except as disclosed on the attached appendix.

(2) That neither the price(s) nor the amount of this bid, and neither the approximate price(s) nor approximate amount of this bid, have been disclosed to any other firm or person who is a bidder or potential bidder, and they will not be disclosed before bid opening.

(3) No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a bid higher than this bid, or to submit any intentionally high or noncompetitive bid or other form of complementary bid.

(4) The bid of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive bid.

(5) Oregon Waste Systems, Inc. (Name of Firm), its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted of or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as listed and described on the attached sheet.

I state that Oregon Waste Systems, Inc. (Name of Firm) understands and acknowledges that the above representations are material and important, and will be relied on by the Metropolitan Service District (Name of Public Entity) in awarding the contract(s) for which this bid is submitted. I understand and my firm understands that any misstatement in this Affidavit is and shall be treated as fraudulent concealment from the Metropolitan Service District (Name of Public Entity)

of the true facts relating to the submission of bids for this Contract.

OREGON WASTE SYSTEMS, INC.

Name of Company/Position
John Slocum, Vice President

Sworn to and subscribed before me this 12 **day of** December, **1987.**

Notary Public for Oregon
My Commission Expires: 1/14/1990

Affiliates of Oregon Waste Systems, Inc., and officers, directors, and employees of those affiliates, have, on rare occasion, been investigated by governmental agencies. A very small number of them have been convicted of or found liable for acts prohibited by state or federal law. However, none of these convictions or findings involved conspiracy or collusion with respect to bidding on any public contract.

DISADVANTAGED BUSINESS PROGRAM COMPLIANCE FORM

(To be submitted with Bid or Proposal)

Name of Metro Project: _____

Name of Contractor: _____

Address: _____

Phone: _____

In accordance with Metro's Disadvantaged Business Program, the above-named contractor has accomplished the following:

_____ 1. Has fully met the contract goals and will subcontract _____ percent of the contract amount to DBEs and _____ percent to WBEs.

_____ 2. Has partially met the contract goals and will subcontract _____ percent of the contract amount to DBEs and _____ percent to WBEs. Contractor has made good faith efforts prior to bid opening (or proposal submission date, as applicable) to meet the full goals and will submit documentation of the same to Metro within two working days of bid opening (or proposal submission date).

_____ 3. Will not subcontract any of the contract amount to DBEs or WBEs but has made good faith efforts prior to bid opening (or proposal submission date, as applicable) to meet the contract goals and will submit documentation of such good faith efforts to Metro within two working days of bid opening (or proposal submission date).

_____ _____

Authorized Signature Date

DISADVANTAGED BUSINESS ENTERPRISE UTILIZATION FORM

1. Name of Metro Project _____

2. Name of Contractor _____

   Address of Contractor _____

3. The above-named contractor intends to subcontract _____ percent of the contract amount to the following Disadvantaged Business Enterprises (DBEs):

Names, Contact Persons, Addresses and Phone Numbers of DBE Firms Contractor Anticipates Utilizing	Nature of Participation	Dollar Value of Participation

Total	_____
Amount of Total Contract	_____
DBE Percent of Total Contract	_____

_____
Authorized Signature

Date: _____

THIS FORM IS TO BE COMPLETED, SIGNED AND SUBMITTED BY THE CLOSE OF THE NEXT WORKING DAY FOLLOWING BID OPENING/PROPOSAL SUBMISSION

WOMEN BUSINESS ENTERPRISES UTILIZATION FORM

1. Name of Metro Project _____

2. Name of Contractor _____

   Address of Contractor _____

3. The above-named contractor intends to subcontract _____ percent of the contract amount to the following Women Business Enterprises (WBEs):

Names, Contact Persons, Addresses and Phone Numbers of WBE Firms Contractor Anticipates Utilizing	Nature of Participation	Dollar Value of Participation

Total Amount of Total Contract	_____
WBE Percent of Total Contract	_____

_____
Authorized Signature

Date: _____

THIS FORM IS TO BE COMPLETED, SIGNED AND SUBMITTED BY THE CLOSE OF THE NEXT WORKING DAY FOLLOWING BID OPENING/PROPOSAL SUBMISSION

DISADVANTAGED BUSINESS UTILIZATION FORM

Deleted per Addendum 4

WOMEN'S BUSINESS UTILIZATION FORM

Deleted per Addendum 4

(Incorporated into this document as Instructions to Bidders Item 17)

SIGNATURE PAGE

If Sole Proprietor or Partnership

IN WITNESS hereto the undersigned has set his/her (its) hand this _____ day of _____, 19__.

_____
Signature of Bidder

_____
Title

If Corporation

IN WITNESS whereof the undersigned corporation has caused this instrument to be executed and its seal affixed by its duly authorized officers this 18 day of December, 1987.

Oregon Waste Systems, Inc.
Name of Corporation

By: [signature]

Title: Vice President

Attest: [signature]
Asst. Secretary

The name of the Bidder submitting this Bid is _____

Oregon Waste Systems, Inc. doing business

at P.O. Box 11227 (Street) Portland (City) Oregon (State) 97211 (Zip)

which is the address to which all communications concerned with this Bid and with the Contract shall be sent.

The names of the principal officers of the corporation submitting this Bid, or of the partnership, or of all persons interested in this Bid as principals are as follows:

Thomas Blackman, President	Peter H. Huizenga, Secretary
John H. Slocum, Vice President	James E. Koenig, Treasurer
Richard Daniels, Vice President	Lawrence L. Galek, Asst. Secretary

Is the bidder domiciled or registered to do business in the state of Oregon? Yes X No _____

SIGNATURE PAGE

Bidders not domiciled or registered to do business in Oregon who are awarded a public contract in excess of $10,000 must report to the Oregon Department of Revenue as provided in ORS 279.021.

SURETY INFORMATION

If the Bidder is awarded a Contract on this Bid, the Surety who provides the Performance Bond and Labor and Materials Payment Bond will be

Federal Insurance Company whose address

is 15 Mountain View Road, P.O. Box 1615 (Street) Warren (City) New Jersey (State) 07061-1615 (Zip)

CONTRACT

THIS CONTRACT, Made and entered into by and between the Metropolitan Service District (hereinafter referred to as "Metro"), and Oregon Waste Systems, Inc. (hereinafter referred to as "Contractor").

WITNESSETH, That the Contractor and Metro, for consideration stated herein, agree as follows:

I. Term. This contract shall take effect on April 11th, 1988, and remain in full force and effect through and including December 31, 2009, as more fully described in the Contract Documents. The initial term of this contract may be extended by Metro for additional periods of time under the same terms and conditions as this, the initial contract, provided Metro sends Contractor a written expression of intent to extend the Contract no less than one hundred twenty (120) days prior to the expiration of the initial term or any later term.

II. Scope of Work. The Contractor, in consideration of the sum to be paid him/her by Metro and of the covenants and agreements herein contained, hereby agrees, at this/her own cost and expense, to furnish all permits, personnel, labor, equipment, materials, supplies, trucks, tools, appliances, machinery, appurtenances and disposal sites necessary to provide the waste disposal services as specified in the Contract Documents and to do, keep, perform, and furnish all matters and things called for and described in the Contract Documents, in the manner and under the terms and conditions prescribed by the Contract Documents.

III. Component Parts of the Contract Documents. The Contract Documents shall include all of those documents and forms described in Article 1B of the General Conditions, all of which are as fully a part of this Contract as if set out verbatim, and if not attached, as if hereto attached. This contract is for Contractor to perform the services designated under Bid Alternate No. 1 at the prices bid by Contractor. In addition the Contract Documents are amended by the items included in Amendment No. 1 dated April 11, 1988, attached hereto and hereby incorporated by reference. All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided in such amendment.

IV. The Consideration. In consideration of Contractor's performance of the Project as set forth in the Contract Documents, Metro agrees to pay to the Contractor the amount bid in the Proposal as adjusted in accordance with the Contract Documents, or as otherwise herein provided, and to make such payments in the manner and at the times provided in the Contract Documents. In consideration of the latter payments, Contractor agrees to perform the Project at the times and in the manner specified herein and to accept as full payment hereunder the amounts computed as determined by the Contract Documents.

V. Remedies for Default. In the event Contractor shall fail to perform the Project at the times and in the manner set forth in the Contract Documents, Metro shall be entitled to all the rights and remedies which this Contract provides as well as all of the remedies which are provided by law. Nothing in this Contract shall be construed as limiting or reducing the remedies provided by law which Metro would have in the absence of any provision or provisions of the Contract.

VI. Applicable Law. This Contract is intended to be governed by and to conform in all respects to the Oregon Revised Statutes and all other applicable law of the State of Oregon.

IN WITNESS WHEREOF, We, the contracting parties, by our duly authorized agents, hereto affix our signatures and seals at PORTLAND, OREGON, as of this 11th day of APRIL, A.D., 1999.

METROPOLITAN SERVICE DISTRICT

By: [signature]

Title: Executive Officer

CONTRACTOR

By: [signature]

Title: Vice President

APPROVED AS TO FORM:

[signature]

General Counsel

OREGON WASTE SYSTEMS, INC.

CERTIFICATE OF CORPORATE RESOLUTIONS

I, David L. Kelly, do hereby certify that I am the duly elected and presently incumbent Assistant Secretary of OREGON WASTE SYSTEMS, INC., a Delaware corporation, qualified to do business in the State of Oregon (the "Corporation"), and do further certify that by Unanimous Consent of the Directors of the Corporation dated March 24, 1988, the following resolutions were duly and validly approved:

> RESOLVED: That the Corporation, acting by and through its duly authorized officers, be, and it is hereby, authorized, empowered and directed to enter into and execute an agreement styled "Metropolitan Service District Waste Disposal Contract" (hereinafter the "Disposal Contract"), to be executed by the Metropolitan Service District, a political subdivision of the State of Oregon, and the Corporation, the Disposal Contract to be substantially in the form of the draft thereof attached hereto as Exhibit "A"; and
>
> RESOLVED FURTHER: That in order to carry into effect the foregoing, John H. Slocum, Vice President of the Corporation, the President of the Corporation or any other Vice President of the Corporation, acting alone and without the necessity of obtaining the joinder in the execution or attestation of the Disposal Contract or any other instrument by any other officer of the Corporation, are hereby authorized to: (i) execute on behalf of the Corporation the Disposal Contract; and (ii) execute, deliver and/or accept on behalf of the Corporation all other instruments related thereto; and all instruments which such Vice President, the President or any other officer of the Corporation may execute as aforesaid shall be the binding act and deed of the Corporation and all acts which any officer of the Corporation has heretofore done or may hereafter do in connection with the Disposal Contract shall be the binding acts of

the Corporation and are hereby confirmed, ratified and approved.

I do further certify that the foregoing resolutions have not been altered, amended or rescinded and that the same are still in full force and effect.

EXECUTED AND DELIVERED this 5th day of April, 1988.

David L. Kelly
Assistant Secretary of Oregon Waste

STATE OF CALIFORNIA
COUNTY OF ORANGE } ss.

On this 5TH day of APRIL, in the year 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared DAVID L. KELLY---------- and ----------, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as ---------- ASSISTANT Secretary, respectively, of the Corporation therein named, and acknowledged to me that the Corporation executed it pursuant to its by-laws or a resolution of its board of directors.

OFFICIAL SEAL
JULIE M. GURR
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
ORANGE COUNTY
My Commission Exp. Oct. 20, 1989

WITNESS my hand and official seal.

Notary Public in and for said State

ACKNOWLEDGMENT—Corp.—Pres. & Sec.—Wolcotts Form 222CA—Rev. 11/83
©1983 WOLCOTTS, INC. Price class B 2

SCHWABE, WILLIAMSON, WYATT, MOORE & ROBERTS
ATTORNEYS AT LAW

Pacwest Center, Suites 1600-1800
1211 S.W. Fifth Avenue
Portland, Oregon 97204-3795
(503) 222-9981

JAMES E. BENEDICT
(503) 796-2957

CABLE ADDRESS "ROBCAL"
TELEX 4937535 SWK UI
TELECOPIER (503) 796-2900

April 14, 1988

CERTIFIED-RETURN RECEIPT REQUESTED

Daniel B. Cooper
General Counsel
METROPOLITAN SERVICE DISTRICT
2000 SW First Avenue
Portland, Oregon 97204

Re: Oregon Waste Systems, Inc. / Letters of Credit

Dear Dan:

Enclosed please find two letters of Credit issued by the Bank of Tokyo Ltd., New York Agency, for $5,000,000 each for the account of Oregon Waste Systems, Inc. These letters of Credit are for the benefit of the Metropolitan Service District in lieu of the performance and labor and materials bonds required under the Solid Waste Disposal Service Contract. Please acknowledge receipt of the Letters of Credit by signing the enclosed letter and returning it to me.

Very truly yours,

James E. Benedict

JEB:dlf
Enclosures
cc: Rena Cusma (w/o encl)
John Slocum (w/o encl)
Richard A. Daniels (w/encl)
Brent Ditton (w/encl)
Dave Kelly (w/encl)
Ken Amoroso (w/encl)

April 14, 1988

James E. Benedict
SCHWABE, WILLIAMSON & WYATT
Attorneys at Law
Suites 1600-1800
Pacwest Center
1211 SW Fifth Avenue
Portland, Oregon 97204

Re: Metropolitan Service District Solid Waste Disposal Services Contract -- Letter of Credit

This is to acknowledge receipt of the two Letters of Credit in the amount of $5,000,000 each, issued by the Bank of Tokyo for the account of Oregon Waste Systems, Inc.

DATE: April 21 1988

Very truly yours,

METROPOLITAN SERVICE DISTRICT

Daniel B. Cooper
General Counsel

THE BANK of TOKYO, LTD.
NEW YORK AGENCY

TELEPHONE 766-3400 100 BROADWAY, NEW YORK, N. Y. 10005 CABLE ADDRESS: "TOHBANK"

April 13, 1988

LETTER OF CREDIT

April 13, 1988

Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97201-5398

Letter of Credit in Lieu of Performance Bond

Dear Sirs:

We hereby establish our Irrevocable Standby Letter of Credit No. 110LCS820617 in favor of the Metropolitan Service District, 2000 S.W. First Avenue, Portland, Oregon 97201-5398, as beneficiary, at the request and for the account of Oregon Waste Systems, Inc., 3003 Butterfield Road, Oak Brook, IL 60521, as customer, up to the aggregate amount of U.S. $5,000,000.00 (Five Million and no/100 U.S. Dollars) pursuant to the terms and conditions hereof, upon presentation of the documents described below to:

The Bank of Tokyo, Ltd.
411 South West 6th Avenue
Portland, OR 97204

on or before the expiration date.

Documents Required

1. An acknowledged drawing certificate in the form of either Exhibit I or Exhibit II attached hereto, signed by any officer of Metropolitan Service District ("Metro") and dated the date such drawing certificate is presented hereunder; together with

2. An acknowledged certificate of an Oregon registered professional engineer on active status in substantially the form of Exhibit III, only if the drawing certificate presented is in the form of Exhibit I attached hereto; together with

3. A sight draft in the form of Exhibit IV attached hereto, which forms an integral part of this letter of credit;

   a. Drawn on us by Metro and payable to Metro or Metro's designee;

   b. Bearing the same letter of credit number as the number of this letter of credit;

   c. Dated the same date as the drawing certificate referred to in (1) above; and

   d. With the dollar amount available therein not in excess of the maximum amount available to be drawn on this letter of credit; together with

4. A copy of this letter of credit.

Expiration Date

We agree with you that all drafts drawn under and in compliance with the terms of this letter of credit will be honored upon presentation to us at our Letters of Credit Section at 411 South West 6th Avenue, Portland, OR 97204 by April 13, 1989, or prior to any subsequent expiration as provided herein. It is a condition of this letter of credit that it shall be automatically extended for additional terms of one (1) year from the present or each future expiration date unless at least one hundred twenty (120) days before said expiration date we give you and Oregon Waste Systems, Inc. written notice by certified mail, return receipt requested, or by hand delivery, that we elect to terminate this Credit at the end of its then current term.

Other Terms

This letter of credit and the exhibits attached hereto set forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any other document whatsoever. This letter of credit shall be governed by, and construed in accordance with, the terms of the Uniform Customs and Practice for Documentary Credits (1983 revision), International Chamber of Commerce Publication No. 400 and, to the extent not inconsistent therewith the terms of the Uniform Commercial Code of the State of Oregon.

Communications with respect to this letter of credit shall be addressed to The Chicago Tokyo Bank, 40 North Dearborn Street, Chicago, IL 60602 specifically referring to this letter of credit.

Drafts drawn under this Letter of Credit must be marked: "Drawn under The Bank of Tokyo, Ltd. New York Agency, Credit No. 110LCS820617 dated April 13, 1988.

Very truly yours,

The Bank of Tokyo, Ltd.
New York Agency

By: Karen Maloney
Its: Assistant V.P.

N. MALONEY

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820617 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT I

DRAWING CERTIFICATE

The undersigned does hereby certify that: (1) the undersigned is an officer of Metropolitan Service District, a political subdivision of the State of Oregon (herein "Metro"), which is the beneficiary of that certain letter of credit issued of by The Bank of Tokyo, Ltd. New York Agency and known as ("Bank") Irrevocable Standby Letter of Credit No. 110LCS820617 (the "Letter of Credit") for the account of Oregon Waste Systems, Inc., a Delaware corporation (herein "Contractor"), and is authorized to make this certificate; (2) Metro and Contractor are parties to a contract dated April 11, 1988 (the "Contract"); (3) Contractor, without good cause, has failed to perform or cause to be performed obligations of the type which would be covered by the Performance Bond described in the Contract in substitution for which the Letter of Credit has been issued, and in consequence thereof Metro presently is entitled to recover from Contractor the sum of $_____ under the Contract; (4) Metro has made written demand, in the manner provided by the Contract, that Contractor pay such sum but Contractor has wrongfully refused to pay such sum, and Metro has informed Contractor in writing as to the identity of the "Engineer" described herein; (5)_____, an Oregon registered professional engineer or active status, Registration No. _____ P.E. ("Engineer"), appointed by Metro, has certified that he/she has reasonable cause to believe that Metro presently is entitled to recover said sum from Contractor; (6) neither the above certification of Engineer nor payment of any sight draft submitted with this Certificate shall prejudice in any way the rights of Metro or Contractor in any litigation or arbitration conducted under the Contract; (7) Metro shall be responsible for all costs and expenses of the Engineer and (8) the amount of the draft presented with this Certificate does not exceed the amount allowed to be drawn on the Letter of Credit at this date pursuant to the terms of said Letter of Credit and/or pursuant to the terms of the Contract.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ___ day of _____, 19___.

_____
Signature

_____
Name (Printed) Title
for Metropolitan Service District, a political subdivision of the State of Oregon

STATE OF OREGON)
) ss.
County of Multnomah)

Personally appeared before me this _____ day of_____, 19___, _____ who is known to me to be the individual who executed the within certificate and who acknowledged to me that he/she executed such certificate freely and voluntarily.

_____
Notary Public for Oregon
My Commission Expires:_____

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820617 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT II

DRAWING CERTIFICATE

The undersigned does hereby certify that: (1) The undersigned is an officer of Metropolitan Service District, a political subdivision of the State of Oregon (herein "Metro") which is the beneficiary of that certain letter of credit issued by The Bank of Tokyo, Ltd. New York Agency and known as ("Bank") Irrevocable Standby Letter of Credit No. 110LCS820617" (the "Letter of Credit") for the account of Oregon Waste Systems, Inc., a Delaware corporation (herein "Contractor") and is authorized to make this Certificate; (2) Contractor is obligated for payment of the draft attached hereto, as a result of Metro not having received a renewal Letter of Credit within ninety (90) days prior to the expiration of the Letter of Credit, as is provided for in that certain contract between Metro and Contractor dated as of April 11, 1988 ("Contract") and (3) the amount of the draft presented with this Certificate does not exceed the amount allowed to be drawn on the Letter of Credit at this date pursuant to the terms of said Letter of Credit and/or pursuant to the terms of the Contract.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this ____ day of _____, 19___.

_____
Signature

_____
Name (Printed) Title for Metropolitan Service District, a political subdivision of the State of Oregon

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820617 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT III

CERTIFICATE

The undersigned does certify that: (1) the undersigned is an Oregon registered professional engineer on active status, Registration No._____, P.E.; (2) the undersigned has reviewed (a) that certain contract dated April 11, 1988 (the "Contract") between Metropolitan Service District, a political subdivision of the State of Oregon ("Metro") and Oregon Waste Systems, Inc., a Delaware corporation ("Contractor"), (b) that certain letter of credit issued by The Bank of Tokyo, Ltd. New York Agency and known as the "The Bank of Tokyo, Ltd. New York Agency Irrevocable Standby Letter of Credit No. 110LCS820617" (the "Letter of Credit") and (c) those certain written demand(s) from Metro to Contractor dated _____; (3) the undersigned has personally interviewed such representative(s) of Metro and Contractor as the undersigned has considered appropriate to make this certificate; (4) the undersigned has reasonable cause to believe that Contractor, without good cause, has failed to perform or cause to be performed an obligation or obligations of the type which would be covered by the Performance Bond described in the Contract in substitution for which the Letter of Credit has been issued, and in consequence thereof Metro is presently entitled to recover from Contractor the sum of $_____ under the Contract; (5) the undersigned makes this certificate pursuant to appointment by Metro; and (6) the undersigned is not presently employed or retained and the undersigned has not in the past been employed or retained by either Metro or by Contractor, or by any affiliate of Contractor.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 19___.

_____
Signature

_____
Name (Printed) Title

STATE OF OREGON)
) ss.
County of Multnomah)

Personally appeared before me this _____ day of _____, 19___, _____ who is known to me to be the individual who executed the within certificate and who acknowledged to me that he/she executed such certificate freely and voluntarily.

_____
Notary Public for Oregon
My Commission Expires:_____

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820617 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT IV

SIGHT DRAFT

_____, 19___

To: The Bank of Tokyo, Ltd.
411 South West 6th Avenue
Portland, OR 97204

For Value Received, Pay on Demand:

U.S._____ DOLLARS ($_____)
PAY TO THE ORDER OF:_____
CHARGE TO THE ACCOUNT OF OREGON WASTE SYSTEMS, INC., a Delaware corporation.

Drawn under The Bank of Tokyo, Ltd. New York Agency Irrevocable Standby Letter of Credit No. 110LCS820617

METROPOLITAN SERVICE DISTRICT, a political subdivision of the State of Oregon

By:_____
Its:_____

THE BANK of TOKYO, LTD.
NEW YORK AGENCY

TELEPHONE: 766-3400 100 BROADWAY, NEW YORK, N. Y. 10005 CABLE ADDRESS: "TOHBANK"

April 13, 1988

LETTER OF CREDIT

April 13, 1988

Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97201-5398

Letter of Credit in Lieu of
Labor and Materials Bond

Dear Sirs:

We hereby establish our Irrevocable Standby Letter of Credit No. 110LCS820616 in favor of the Metropolitan Service District, 2000 S.W. First Avenue, Portland, Oregon 97201-5398, as beneficiary, at the request and for the account of Oregon Waste Systems, Inc., 3003 Butterfield Road, Oak Brook, IL 60521, as customer, up to the aggregate amount of U.S. $5,000,000.00 (Five Million and no/100 U.S. Dollars) pursuant to the terms and conditions hereof, upon presentation of the documents described below to:

The Bank of Tokyo, Ltd.
411 South West 6th Avenue
Portland, OR 97204

on or before the expiration date.

Documents Required

1. An acknowledged drawing certificate in the form of either Exhibit I or Exhibit II attached hereto, signed by any officer of Metropolitan Service District ("Metro") and dated the date such drawing certificate is presented hereunder; together with

2. An acknowledged certificate of an Oregon registered professional engineer on active status in substantially the form of Exhibit III, only if the drawing certificate presented is in the form of Exhibit I attached hereto; together with

3. A sight draft in the form of Exhibit IV attached hereto, which forms an integral part of this letter of credit;

   a. Drawn on us by Metro and payable to Metro or Metro's designee;

   b. Bearing the same letter of credit number as the number of this letter of credit;

   c. Dated the same date as the drawing certificate referred to in (1) above; and

   d. With the dollar amount available therein not in excess of the maximum amount available to be drawn on this letter of credit; together with

4. A copy of this letter of credit.

Expiration Date

We agree with you that all drafts drawn under and in compliance with the terms of this letter of credit will be honored upon presentation to us at our Letters of Credit Section at 411 South West 6th Avenue, Portland, OR 97204 by April 13, 1989, or prior to any subsequent expiration as provided herein. It is a condition of this letter of credit that it shall be automatically extended for additional terms of one (1) year from the present or each future expiration date unless at least one hundred twenty (120) days before said expiration date we give you and Oregon Waste Systems, Inc. written notice by certified mail, return receipt requested, or by hand delivery, that we elect to terminate this Credit at the end of its then current term.

Other Terms

This letter of credit and the exhibits attached hereto set forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any other document whatsoever. This letter of credit shall be governed by, and construed in accordance with, the terms of the Uniform Customs and Practice for Documentary Credits (1983 revision), International Chamber of Commerce Publication No. 400 and, to the extent not inconsistent therewith the terms of the Uniform Commercial Code of the State of Oregon.

Communications with respect to this letter of credit shall be addressed to The Chicago Tokyo Bank, 40 North Dearborn Street, Chicago, IL 60602 specifically referring to this letter of credit.

Drafts drawn under this Letter of Credit must be marked: "Drawn under The Bank of Tokyo, Ltd. New York Agency, Credit No. 110LCS820616 dated April 13, 1988.

Very truly yours,

The Bank of Tokyo, Ltd.
New York Agency

By: Noreen McConnell
Its: Assistant V.P.

N. MALONEY

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820616 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT I

DRAWING CERTIFICATE

The undersigned does hereby certify that: (1) the undersigned is an officer of Metropolitan Service District, a political subdivision of the State of Oregon (herein "Metro"), which is the beneficiary of that certain letter of credit issued of by The Bank of Tokyo, Ltd. New York Agency and known as ("Bank") Irrevocable Standby Letter of Credit No. 110LCS820616 (the "Letter of Credit") for the account of Oregon Waste Systems, Inc., a Delaware corporation (herein "Contractor"), and is authorized to make this certificate; (2) Metro and Contractor are parties to a contract dated April 11, 1988 (the "Contract"); (3) Contractor, without good cause, has failed to perform or cause to be performed obligations of the type which would be covered by the Labor and Materials Bond described in the Contract in substitution for which the Letter of Credit has been issued, and in consequence thereof Metro presently is entitled to recover from Contractor the sum of $_____ under the Contract; (4) Metro has made written demand, in the manner provided by the Contract, that Contractor pay such sum but Contractor has wrongfully refused to pay such sum, and Metro has informed Contractor in writing as to the identity of the "Engineer" described herein; (5)_____, an Oregon registered professional engineer or active status, Registration No. _____ P.E. ("Engineer"), appointed by Metro, has certified that he/she has reasonable cause to believe that Metro presently is entitled to recover said sum from Contractor; (6) neither the above certification of Engineer nor payment of any sight draft submitted with this Certificate shall prejudice in any way the rights of Metro or Contractor in any litigation or arbitration conducted under the Contract; (7) Metro shall be responsible for all costs and expenses of the Engineer and (8) the amount of the draft presented with this Certificate does not exceed the amount allowed to be drawn on the Letter of Credit at this date pursuant to the terms of said Letter of Credit and/or pursuant to the terms of the Contract.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ___ day of _____, 19___.

_____
Signature

_____
Name (Printed) Title
for Metropolitan Service District, a political subdivision of the State of Oregon

STATE OF OREGON)
) ss.
County of Multnomah)

Personally appeared before me this _____ day of_____, 19___, _____ who is known to me to be the individual who executed the within certificate and who acknowledged to me that he/she executed such certificate freely and voluntarily.

_____
Notary Public for Oregon
My Commission Expires:_____

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820616 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT II

DRAWING CERTIFICATE

The undersigned does hereby certify that: (1) The undersigned is an officer of Metropolitan Service District, a political subdivision of the State of Oregon (herein "Metro") which is the beneficiary of that certain letter of credit issued by The Bank of Tokyo, Ltd. New York Agency and known as ("Bank") Irrevocable Standby Letter of Credit No. 110LCS820616" (the "Letter of Credit") for the account of Oregon Waste Systems, Inc., a Delaware corporation (herein "Contractor") and is authorized to make this Certificate; (2) Contractor is obligated for payment of the draft attached hereto, as a result of Metro not having received a renewal Letter of Credit within ninety (90) days prior to the expiration of the Letter of Credit, as is provided for in that certain contract between Metro and Contractor dated as of April 11, 1988 ("Contract") and (3) the amount of the draft presented with this Certificate does not exceed the amount allowed to be drawn on the Letter of Credit at this date pursuant to the terms of said Letter of Credit and/or pursuant to the terms of the Contract.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this ____ day of _____, 19___.

_____
Signature

_____
Name (Printed) Title for Metropolitan Service District, a political subdivision of the State of Oregon

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820616 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT III

CERTIFICATE

The undersigned does certify that: (1) the undersigned is an Oregon registered professional engineer on active status, Registration No._____, P.E.; (2) the undersigned has reviewed (a) that certain contract dated April 11, 1988 (the "Contract") between Metropolitan Service District, a political subdivision of the State of Oregon ("Metro") and Oregon Waste Systems, Inc., a Delaware corporation ("Contractor"), (b) that certain letter of credit issued by The Bank of Tokyo, Ltd. New York Agency and known as the "The Bank of Tokyo, Ltd. New York Agency Irrevocable Standby Letter of Credit No. 110LCS820616" (the "Letter of Credit") and (c) those certain written demand(s) from Metro to Contractor dated _____; (3) the undersigned has personally interviewed such representative(s) of Metro and Contractor as the undersigned has considered appropriate to make this certificate; (4) the undersigned has reasonable cause to believe that Contractor, without good cause, has failed to perform or cause to be performed an obligation or obligations of the type which would be covered by the Labor and Materials Bond described in the Contract in substitution for which the Letter of Credit has been issued, and in consequence thereof Metro is presently entitled to recover from Contractor the sum of $_____ under the Contract; (5) the undersigned makes this certificate pursuant to appointment by Metro; and (6) the undersigned is not presently employed or retained and the undersigned has not in the past been employed or retained by either Metro or by Contractor, or by any affiliate of Contractor.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ____ day of _____, 19___.

_____
Signature

_____
Name (Printed) Title

STATE OF OREGON)
) ss.
County of Multnomah)

Personally appeared before me this _____ day of _____, 19___, _____ who is known to me to be the individual who executed the within certificate and who acknowledged to me that he/she executed such certificate freely and voluntarily.

_____
Notary Public for Oregon
My Commission Expires:_____

This page is attached to and made a part of Irrevocable Standby Letter of Credit No. 110LCS820616 issued by The Bank of Tokyo, Ltd. New York Agency.

EXHIBIT IV

SIGHT DRAFT

_____, 19___

To: The Bank of Tokyo, Ltd.
411 South West 6th Avenue
Portland, OR 97204

For Value Received, Pay on Demand:

U.S._____ DOLLARS ($_____)
PAY TO THE ORDER OF:_____
CHARGE TO THE ACCOUNT OF OREGON WASTE SYSTEMS, INC., a Delaware corporation.

Drawn under The Bank of Tokyo, Ltd. New York Agency Irrevocable Standby Letter of Credit No. 110LCS820616

METROPOLITAN SERVICE DISTRICT, a political subdivision of the State of Oregon

By:_____
Its:_____

PERFORMANCE BOND

BOND NO. _____

AMOUNT: $_____

KNOW ALL MEN BY THESE PRESENTS, That _____ CONTRACTOR (Principal), and _____, a corporation, duly authorized to do a general surety business in the state of Oregon, as SURETY, are jointly and severally held and bound unto the METROPOLITAN SERVICE DISTRICT (METRO) (Obligee) herein, in the sum of _____ DOLLARS ($_____), for the payment of which we bind ourselves, our heirs, executors. administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE PARTIES RECITE AND DECLARE THAT:

This bond is executed under the authority of Oregon Revised Statutes chapter 279 of the state of Oregon, the provisions of which are hereby incorporated into this bond and made a part hereof.

The condition of this obligation is such that whereas PRINCIPAL entered into a certain CONTRACT with METRO, dated _____ for the provision of Waste Disposal Services, all of which Contract is hereby fully made a part hereof as if set out fully verbatim herein, and if not attached, as if hereto attached, and is hereinafter referred to as Contract. Said Contract requires CONTRACTOR (PRINCIPAL) to execute and deliver an annually renewable Performance Bond with a qualified surety acceptable to METRO at least ninety (90) days prior to each relevant Contract anniversary date in order that such bond shall be in effect during all periods when the amount of retainage withheld by METRO is less than the relevant initial bond amount designated by Article 2, Section J of the General Conditions of the Contract. This bond shall be in effect for the period beginning _____ through _____ and including _____, and shall be subject to and governed by each and every term and condition of the Contract, as defined therein. Failure to renew this bond at least ninety (90) days prior to each relevant Contract anniversary date as required by Article 2, Section J. of the General Conditions of the Contract, shall constitute a default under the terms of the Contract for which PRINCIPAL shall be liable and for which the above-named SURETY shall be liable under the terms of this Bond.

IN WITNESS:

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS THAT if the above bounden PRINCIPAL shall at the times and in the manner, and under the terms and conditions prescribed by the Contract, well, fully, completely, and faithfully do, keep, perform, and furnish all matters and things which the Contract requires to be done, kept,

performed, and furnished by said PRINCIPAL, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

PROVIDED HOWEVER:

1. Any payment or payments made by SURETY under this bond shall reduce its penalty to the extent of any such payment or payments;

2. No suit or action may be maintained under this bond unless it shall have been instituted within four (4) years from the date on which final payment, as defined in the General Conditions of the Contract, falls due or within four (4) years after the termination date of the Contract, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense under Oregon law shall be applicable;

3. In the event that METRO serves SURETY with a copy of a written notice of METRO'S intent to suspend or terminate CONTRACTOR'S performance of the Contract, SURETY shall, at SURETY'S expense, take one of the following actions within ten (10) days of service of such notice upon SURETY:

   a. arrange for CONTRACTOR to cure any defaults in performance and to renew full and complete performance of the Contract;

   b. take over and assume full and complete performance of the Contract, or that portion thereof which METRO has ordered CONTRACTOR to discontinue, and perform the same or sublet the work (or that portion of the work) taken over to a contractor or contractors acting on behalf of SURETY. Provided, however, that SURETY shall exercise its option and begin performance of the work, if at all, within ten (10) days after METRO serves SURETY with a copy of the written notice of METRO'S intent to Terminate or Suspend CONTRACTOR'S Performance of the Contract. If SURETY exercises its option under this paragraph, SURETY shall be paid for all work performed by SURETY in accordance with and subject to each and every term and condition of the CONTRACT.

4. SURETY shall be subject to each and every term and condition of the Contract.

5. For each and every default in performance of the Contract by CONTRACTOR, METRO shall be entitled to each and every right and remedy against SURETY which METRO has against CONTRACTOR or SURETY.

6. Any notices required to be served upon SURETY, METRO or CONTRACTOR shall be mailed or delivered to the address shown on the signature page of this Bond or the last business address of

the relevant party known to him/her who gives the notice. The date of service for purposes of this Bond shall be the date on which the relevant document was sent by mail or personally delivered to the proper address.

7. In no event shall SURETY be liable for a greater sum than the penalty of this Bond.

The SURETY, for the value received, hereby agrees that no forebearance under the Contract or extension, alteration, deletion of or addition to the terms of the Contract shall in any way affect its obligations on this Bond and SURETY does hereby waive notice of any such forbearance under the Contract, or alteration, deletion, or extension of or addition to the terms of the Contract.

SIGNED AND SEALED this _____ day of _____, 19__.

CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)

Signature: _____

Name and Title: _____

Address: _____

SURETY
Company: (Corporate Seal)

Signature: _____

Name and Title: _____

Address: _____

APPROVED AS TO FORM:

_____

LABOR AND MATERIALS BOND

BOND NO. _____

AMOUNT: $_____

KNOW ALL MEN BY THESE PRESENTS, That _____ CONTRACTOR (Principal), and _____, a corporation, duly authorized to do a general surety business in the state of Oregon, as SURETY, are jointly and severally held and bound unto the METROPOLITAN SERVICE DISTRICT (METRO) (Obligee) herein and to the persons performing labor and furnishing materials, in the sum of _____ DOLLARS ($_____), for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

This bond is executed under the authority of Oregon Revised Statutes chapter 279 of the state of Oregon, the provisions of which are hereby incorporated into this bond and made a part hereof.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, _____, PRINCIPAL entered into a certain CONTRACT with METRO for the provision of Waste Disposal Services which Contract requires CONTRACTOR to execute and deliver to METRO an annually renewable Labor and Materials Bond at least ninety (90) days prior to each relevant Contract anniversary date, in order that such bond shall be in effect during all periods when the amount of retainage withheld by METRO is less than the relevant initial bond amount designated by Article 2, Section J. of the General Conditions of the Contract. This bond shall be in effect for the period commencing _____, through and including _____, and shall be subject to all the terms and conditions of the Contract. Failure to renew this bond at least ninety (90) days prior to each relevant Contract anniversary date as required by Article 2, Section J. of the General Conditions of the Contract, shall constitute a default under the terms of the Contract for which PRINCIPAL shall be liable and for which the above-named SURETY shall be liable under the terms of this Bond.

IN WITNESS:

NOW, THEREFORE, if the CONTRACTOR shall, in accordance with all relevant subcontracts or other contracts related to CONTRACTOR's Contract with METRO, promptly pay all laborers, mechanics, materialmen, and any other persons supplying goods, equipment, vehicles, tools, appliances, materials, work or services for use in the performance of the Contract; and shall pay all patent fees, keep free and clear from any and all such claims all real and personal property designated for use for this Project; and shall indemnify, save harmless, and defend METRO, its officers, agents and employees

from any and all such claims for payment and from any and all claims or damages arising from failure to keep free and clear from any such claims for payment all real and personal property designated for use for the performance of the Contract, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

PROVIDED, HOWEVER:

1. In no event shall the SURETY be liable for greater sum than the penalty of this bond;

2. Any payment or payments made by SURETY under this bond shall reduce its penalty to the extent of any such payment or payments;

3. No suit or action may be maintained under this bond unless it shall have been instituted within two (2) years from the date on which final payment, as defined in the General Conditions of the Contract, falls due, or within two (2) years after METRO serves a notice of termination upon the SURETY.

4. SURETY shall be subject to each and every term and condition of the Contract.

   The SURETY for the value received, hereby stipulates and agrees that no extension, or forbearance, alteration, deletion of or addition to the terms of the Contract Documents or any related subcontracts or other obligations shall in any way affect its obligations on this bond, and SURETY does hereby waive notice of any such extension forbearance alteration, deletion of or addition.

SIGNED AND SEALED this _____ day of _____, 19__.

CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)

Signature: _____

Name and Title: _____

Address: _____

SURETY
Company: (Corporate Seal)

Signature: _____

Name and Title: _____

Address: _____

APPROVED AS TO FORM:

_____

ALTA Owner's Policy
(6-1-87)

FIRST AMERICAN

POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company of Oregon

An assumed business name of TITLE INSURANCE COMPANY OF OREGON

310 S.W. Fourth Avenue • Portland, Oregon 97204-2376 • (503) 222-3651

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON, an assumed business name of TITLE INSURANCE COMPANY OF OREGON, an Oregon corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

This Policy Has Been Issued From The Office Of:

GILLAM COUNTY LAND TITLE CO., Agent

P.O. Box 474
Condon, Oregon 97823
(503) 384-4241

Countersigned

Authorized Officer

Title Insurance Company of Oregon

dba FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON

BY PRESIDENT

ATTEST SECRETARY

TITLE INSURANCE COMPANY OF OREGON CORPORATE SEAL

Nº 104701

TI 128

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:

   (a) created, suffered, assumed or agreed to by the insured claimant;

   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

   (c) resulting in no loss or damage to the insured claimant;

   (d) attaching or created subsequent to Date of Policy; or

   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

CONDITIONS AND STIPULATIONS

DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule (A), and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A), nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the

(continued on inside back cover)

EXHIBIT '1'

IN GILLIAM COUNTY, OREGON:

TOWNSHIP 2 NORTH, RANGE 21 EAST, W.M.:

Section 20: All

Section 29: All

Section 30: All, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded on December 17, 1986, under No. M-65-382, in Microfilm Deed Records of Gilliam County, Oregon.

Section 31: N½N½, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded December 17, 1986, under No. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.

ALSO EXCEPTING that portion deeded to Chem-Nuclear Systems, Inc., by that certain warranty deed recorded November 22, 1978, under No. M-60-156, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 32: N½

EXCEPT, the right of ways for the Union Pacific Railroad and Cedar Springs County Road.

SCHEDULE A

Policy No. 104701

Amount of Insurance $ 2,867,060.00 Premium $ 8,423.25

Date of Policy: April 11, 1988, at 4:30 p.m.

1. Name of Insured:

OREGON WASTE SYSTEMS, INC.

2. The estate or interest in the land which is covered by this policy is:

Fee Simple.

3. Title to the estate or interest in the land is vested in:

OREGON WASTE SYSTEMS, INC.

4. The land referred to in this policy is described as follows:

See Exhibit '1'.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. All taxes are reduced by reason of the Farm Use Tax Deferral.

NOTE: All Gilliam County Real Property Taxes are paid. The 1987-88 taxes were as follows:

2N21, Tax Lot 1101	$ 456.03
2N21, Tax Lot 1200	159.53
2N21, Tax Lot 2000	8.20
2N21, Tax Lot 2200	6.84
2N21, Tax Lot 1203	131.95 (incudes other lands)

2. There is a basic mineral reservation in favor of NORTHERN PACIFIC RAILWAY COMPANY as follows:

   Excepting and reserving all mineral of any nature whatsoever, including coal, iron, natural gas and oil, upon or in said land, together with the use of such of the surface as may be necessary for exploring for and mining or otherwise extracting and carrying away the same; but the Northern Pacific Railway Company, its successors and assigns, shall pay to the surface owner the market value at the time mining operations are commenced of such portion of the surface as may be used for such operations or injured thereby, including any improvements thereon.

   Affects: Section 29: All
   Section 31: N½N½
   Section 32: W½NE¼; NW¼

3. Power Line Easement, including the terms and provisions thereof, dated December 26, 1978, recorded January 29, 1979, in Gilliam County Deed Records as M-60-219; Stone Machinery Co. is Grantor, and Columbia Basin Electric Cooperative is Grantee.

   Affects: Section 30: N½SW¼; N½NW¼SE¼; SW¼NE¼
   Section 31: S½NW¼NE¼; S½N½NW¼
   Section 32: S½SE¼NE¼; S½SW¼NE¼; SE¼NW¼; N½SW¼NW¼

4. Oil and Gas Lease, including the terms and provisions thereof, dated April 8, 1982, recorded April 13, 1983, in Gilliam County Deed Records as M-63-495; Stone Machinery Co., Inc., Lessor to Samuel Gary, Lessee.

   Affects: Section 20: All
   Section 30: All EXCEPT NE¼SE¼
   Section 32: N½

GG-2271

SCHEDULE B (Continued)

5. Patent Mineral Reservation, including the terms and provisions thereof, contained in that certain Patent, dated January 20, 1984, recorded February 24, 1984, in Gilliam County Deed Records as M-64-220; United States of America is Grantor and Stone Machinery Co., is Grantee.
   Affects: Section 30: NE¼SE¼
   Section 32: SE¼NE¼

6. Any claim of adverse possession with respect to that portion of the N½ of Section 32, South of the Union Pacific Railroad right of way.

CONDITIONS AND STIPULATIONS

(continued from inside front cover)

defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or (ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule (A)(C) consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage hereafter executed by the insured or assumed or agreed to by the insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount

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CONDITIONS AND STIPULATIONS

(continued from inside back cover)

ny, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at 310 S.W. Fourth Avenue, Portland, Oregon 97204, or to the office which issued this policy.

Gilliam County
Land Title Company

P.O. BOX 474
CONDON, OREGON 97823
PHONE (503) 384-4241

April 18, 1988

Mr. Daniel B. Cooper
General Counsel
Metropolitan Service District
2000 S.W. First Avenue
Portland, Oregon 97204

Re: Our Order No. GG-2271
Stone - Oregon Waste Systems, Inc.

Dear Mr. Cooper:

Pursuant to instructions I have received from Jim Benedict, the purpose of this letter is to confirm that the Memorandum of Waste Disposal Contract and Covenant dated April 11, 1988, between Oregon Waste Systems, Inc., and the Metropolitan Service District, has been recorded in the Gilliam County Deed Records on April 18, 1988, and has been assigned the recording number M-66-155.

Further, I have examined all the records at the Gilliam County Courthouse and have determined that there are no intervening liens, or any liens, between the date of our title policy herein, which was dated April 11, 1988, at 4:30 p.m., and the date that the said Memorandum of Waste Disposal Contract and Covenant was recorded in Gilliam County.

If you have any questions about this letter, or otherwise, please feel free to call me directly.

Very truly yours,

Pat Wolke
GILLIAM COUNTY LAND TITLE COMPANY

PW:pm
cc: Mr. James E. Benedict

MEMORANDUM OF WASTE DISPOSAL CONTRACT AND COVENANT

KNOW ALL MEN BY THESE PRESENTS, that on the 11th day of April, 1988, OREGON WASTE SYSTEMS, INC., a Delaware corporation (OWS), and the METROPOLITAN SERVICE DISTRICT of Portland, Oregon, a municipal corporation organized pursuant to ORS chapter 268, METRO, made and entered into a certain Waste Disposal Services Contract and Covenant wherein OWS agrees to provide to METRO and METRO agreed to purchase from OWS the right to dispose of solid waste for a 20-year period subject to the terms and conditions of the said contract, the original of which is on file at the address of METRO, 2000 S. W. First Avenue, Portland, Oregon 97201-5398, in and upon the following described real property in Gilliam County, State of Oregon, to-wit:

TOWNSHIP 2 NORTH, RANGE 21 EAST, W.M.:

Section 20: All

Section 29: All

Section 30: All, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded December 17, 1986, under no. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 31: N1/2 of N1/2, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded on December 17, 1986, under no. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.
ALSO EXCEPTING that portion deeded to Chem-Nuclear Systems, Inc., by that certain warranty deed recorded November 22, 1978, under No. M-60-156, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 32: N1/2

EXCEPT the right of ways for the Union Pacific Railroad, and Cedar Springs County Road.

Said contract provides that the obligation to dispose of solid waste on said property shall be a covenant running with the land and the possessor thereof and all parties having a legal or equitable interest in said property shall have an obligation to perform the services provided for in said contract during the term of said contract and subject to the terms and conditions set forth in the contract.

The true and actual consideration for the agreement, set forth in said contract, is the fixed price $36,059,000, payable $0.00 down on the signing of said contract and the balance payable in monthly installments of not less than $150,245.83 each plus unit costs and other costs as provided in the contract; all deferred payments bear interest at the rate of zero (0) percent per annum from the date of said contract
until paid.

In Witness Whereof the said vendors have executed this memorandum APRIL 11TH, 1988.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

X

JOHN H. SCOCUM

OREGON WASTE SYSTEMS, INC. CORPORATE SEAL DELAWARE

- -

STATE OF OREGON, County of MULTNOMAH

APRIL 11TH, 1988.

Personally appeared JOHN H. SCOCUM who, being duly sworn, did say that he is the vice president of Oregon Waste Systems, Inc., a Delaware corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be his voluntary act and deed.

Before me:

(OFFICIAL SEAL)

NOTARY PUBLIC STATE OF OREGON

Notary Public for Oregon
My commission expires: 12 / 6 / 89

OREGON WASTE SYSTEMS, INC.
P. O. Box 11227
Portland, OR 97211
Vendor's Name and Address

METROPOLITAN SERVICE DISTRICT
2000 S. W. First Avenue
Portland, OR 97201-5398
Vendee's Name and Address

After recording return to:

Daniel B. Cooper, General Counsel
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Until a change is requested all tax statements shall be sent to the following address:

_____

_____

_____
Name, Address, Zip

- -

STATE OF OREGON,)
) ss.
County of _____)

Space Reserved For Recorder's Use

I certify that the within instrument was received for record on the _____ day of _____, 1988, at _____ o'clock ___M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____, Record of Deeds of said county.

Witness my hand and seal of County affixed.

_____
Name

By_____

DBC/gl
8694C/530

INDEXED

STATE OF OREGON
County of Gilliam } ss.

I hereby certify that the within instrument was received for record

on April 18, 1988 at 10:50 A.M

and assigned No. M-66-155

in the Microfilm DEED
Records of said county

Witness My Hand and Seal of County Affixed

CHRISTOPHER N. CHILDS
County Clerk

By Rena Kennedy
Deputy

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GENERAL CONDITIONS

ARTICLE 1

Definitions

For the purposes of this Contract, and each and every one of the Contract Documents, the following terms shall have the meanings hereinafter set forth:

A. The term "Acceptable Waste" has the meaning given that term by the Specifications of this Contract.

B. The terms "Contract" and "Contract Documents" are synonymous: either of these terms means

(1) The Advertisement for Bids,
(2) The Invitation to Bid,
(3) The Instructions to Bidders,
(4) The Contractor's Proposal, signed by both parties, including:

  (a) The Bid Schedule
  (b) The Site Location Form
  (c) The Bid Bond,
  (d) The Disadvantaged Business and Women Business Utilization Form,
  (e) The Experience Questionnaire,
  (f) The Anticollusion Affidavit

(5) The Contract Forms signed by both parties thereto, including the Contract, the Performance Bond, the Labor and Materials Bond, or Letter(s) of Credit,
(6) These General Conditions,
(7) The Specifications,
(8) Any and all Addenda to the Contract,
(9) Any and all Appendices, Amendments, Change Orders, or Extensions to or extensions of the foregoing documents which the parties have agreed to in the manner prescribed by the Contract.

C. The term "Contract Change Order" means a document prepared pursuant to applicable provisions of the Metro Code and Article 17 of these General Conditions as a change to the Contract, incorporating approved Contractor's proposals for changes in the Project. Change orders shall be numbered consecutively in chronological order.

D. The term "Contractor" means the person, firm, or corporation or other entity which executes the Contract with Metro.

E. The term "disposal site" means the bidder-selected and Metro-approved landfill which is located outside of Metro's boundaries to which "acceptable waste" is transferred and disposed.

F. The term "gatehouse" means those facilities the purpose of which is to determine and collect charges from public, commercial and industrial users. The term "gatehouse" shall include both the buildings used for this purpose and the weighing system.

G. The term "lump sum price" has the meaning given that term in this Contract.

H. The term "Metro" means the Metropolitan Service District, its officers, employees, subcontractors, or authorized agents or servants; the term Metro does not include Contractor, Contractor's officers, employees, subcontractors, agents or servants.

I. The term "or approved equal" is used to indicate that the material or product to be supplied or installed must be equal to that specified and approved as such by Metro.

J. The term "Project" means any and all matters and things which the Contract requires to be done, kept, performed and furnished.

K. The term "Project Manager" means Metro's representative for all purposes of this Contract, designated as such by Metro. The Project Manager is also the liaison between Contractor and Metro's consultants. The Project Manager has no authority to approve increases in the cost of the contract; all such changes must be approved under the procedures in this Contract and by Metro pursuant to applicable provisions of the Metro Code.

L. The term "Request for Proposal" means a request by Metro for a proposal on contemplated changes in the Project. Such request for proposals shall be numbered consecutively in chronological order.

M. The term "separate contract" means a contract between Metro and a party other than the Contractor for a portion of the Project.

N. [DELETED]

O. The term "unit prices" has the meaning given that term in the specifications of this Contract.

P. The term "waste" means "acceptable waste," as the latter term is defined herein, unless indicated otherwise.

ARTICLE 2

General Provisions

A. The Contract shall be deemed to have been made in and shall be construed under the laws of the State of Oregon.

B. Contractor shall address all correspondence for Metro to Metro's designated Project Manager.

C. Contractor and its officers, employees, agents and subcontractors shall perform each and every service to be performed under this Contract in a skillful and competent manner in accordance with the highest standards of the solid waste disposal industries. Contractor shall be responsible to Metro for any and all errors or omissions in the performance of this Contract and for any and all failures to perform this Contract.

D. Contractor warrants that the personnel and equipment used in the performance of this Contract shall conform with the representations made in Contractor's statement of qualifications.

E. In performing each and every service to be performed under this Contract, Contractor its officers, employees, agents and subcontractors shall comply with all applicable laws, regulations, ordinances, building codes, orders and all other requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the relevant activities, including those of the utility companies, and Contractor shall accordingly give all notices and obtain all licenses and permits so required by law. The latter requirements of law include, but are not limited to all applicable statutes, regulations and orders concerning minimum wage rates, nondiscrimination in the employment of labor, protection of public and employee safety and health, environmental protection, the protection of natural resources, fire protection, burning and nonburning requirements, permits, fees and similar subjects. Copies of all correspondence or any other documents to be sent from Contractor, its officers, employees, agents or subcontractors to any government agency, federal, state, regional, county or local, relative to any and all of the requirements of law referred to by this paragraph shall be sent directly to Metro. Copies of any and all correspondence or other documents received by Contractor, its officers, employees, agents or subcontractors from any government agency federal, state, regional, county or local shall, immediately upon such receipt, be sent directly to Metro. All agreements between Contractor and persons, firms, and corporations employed for this Contract shall contain this paragraph's requirements. The requirements of this paragraph shall survive the expiration of the Contract.

F. Any written notice required or allowed under the Contract shall be deemed to have been duly served if delivered in person to the individual, member of the firm, entity or an officer of the corporation for whom it was intended, or if delivered at or sent by registered or certified mail to the last business address of the relevant person or party known to him/her who gives the notice. The date or time of service for purposes of all notices required or allowed under the Contract shall be the time or date the relevant document was sent by mail or personally delivered to the proper address.

G. Time limits stated in this Contract are of the essence. No waiver of the Contract time limits or schedule dates is to be construed by Metro's failure to object to untimely performance under

the Contract. In any event, any waiver of such time limits or schedules shall not be construed as a waiver of any future time limits or schedules.

H. Whenever the terms "bidder" or "bidders" are used in the Contract documents, those terms shall be deemed to include Contractor or Contractors. Metro shall have the right to inspect and copy all records, documents, to interview any persons, and to review any evidence in Contractor's possession or control which may assist Metro in determining whether and by what amount:

1) Contractor is entitled to reimbursement or increased payment any provision of this Contract; or

2) Metro is entitled to credits or to make reduced payments to Contractor under any provision of this Contract.

I. Contractor shall at all times maintain an accounting system which utilizes generally accepted accounting principles for all services rendered and materials supplied, including additional and deleted work, in connection with this Contract. Contractor's accounts and records covering these charges and all invoices and payments on account of the Contract, as adjusted for additional and deleted work shall, at all reasonable times during the term of this Contract, and for two (2) years thereafter, be open to inspection by Metro or its authorized representatives.

J. If bidder is awarded a contract with Metro, such bidder shall for each contract which bidder is awarded, within ten (10) days of service of notice of contract award upon such bidder and not later than ninety (90) days prior to each contract anniversary date which occurs before Metro has retained pursuant to Article 21 the relevant initial bond amount listed below, execute and deliver to Metro an irrevocable Letter of Credit or Performance Bond on the form bound herewith which shall secure the full, faithful and complete performance of the Contract. In addition, if bidder is awarded a contract with Metro, such bidder shall, for each contract that bidder is awarded, within ten (10) days of service of notice of contract award upon such bidder and not later than ninety (90) days prior to each contract anniversary date which occurs before Metro has retained pursuant to Article 21 the relevant initial bond amount listed below, execute and deliver to Metro an irrevocable Letter of Credit or Labor and Materials Bond of the form bound herewith which shall secure the prompt payment of all persons supplying labor and materials for the performance of the contract and other protection to Metro, as provided in such Bond. The initial amounts of the Performance Bond and the Labor and Materials Bond or Letter(s) of Credit for the first year of the Contract term shall each be:

$ 5 million	($5,000,000.)	for Alternate #1;
2.5 million	($2,500,000.)	for Alternate #2;
3.740 million	($3,740,000.)	for Alternate #3;
1.870 million	($1,870,000.)	for Alternate #4;

4.65	million	($4,650,000.)	for Alternate #5;
2.33	million	($2,330,000.)	for Alternate #6;
4.09	million	($4,090,000.)	for Alternate #7;
2.050	million	($2,050,000.)	for Alternate #8;
.2	million	($200,000.)	for Alternate #9.

There shall be annual reductions in the amounts of the Bonds or Letters of Credit which become due for all years following the first year of the contract term for each alterate: such reductions shall be made effective on the contract anniversary date. The amount of the latter annual reductions shall apply to all bonds or letters of credit and shall be equal to the amount of contract payments which Metro has retained by the date on which the relevant bonds or letters of credit are due for renewal. No further bonds or letters of credit shall be due for any periods following the next contract anniversary date after Metro has retained payments from Contractor equal to the applicable initial bond amounts designated above subject to the following paragraph. Failure to execute and deliver to Metro the bonds or Letter(s) of Credit required above shall constitute a default under the terms of the Contract and under the terms of the Performance Bond or Letter of Credit.

It is possible that the total amount of retainage may reach the above described initial bond amounts and then fall below such amounts due to Metro's exercise of its rights to deduct funds from retainage. It is also possible that at any time the total amount of retainage may fall below five percent (5%) of the total contract payments made to Contractor due to Metro's exercise of its rights to deduct funds from retainage. If either or both of these events occur(s), Metro shall have the right to require Contractor to execute and deliver new Letters of Credit or Bonds of the form described above, within ninety (90) days of service of written notice of such intent from Metro. The amount of such Letters of Credit or Bonds shall be the sum necessary to, when added to the existing Bond or Letters of Credit, if any, and the amount of any existing retainage, equal the relevant initial bond amount. The term for such bonds or letters of credit would extend until the succeeding contract anniversary date or until the amount of retainage is edqual to the relevant initial bond amount listed above, whichever occurs last.

Failure to execute and deliver to Metro such bonds or Letter of Credit within the above described ninety (90) day period shall constitute a default under Contract. To remedy such default, Metro shall have the right to retain one hundred percent (100%) of any and all payments due Contractor under this Contract until the total amount of retainage is restored to an amount equal to relevant initial bond amount designated above whichever amount is lesser. The latter remedy is in addition to any other remedies to which Metro is entitled for such default.

The Surety or Banking Institutions furnishing these bonds or letters of credit shall have a sound financial standing and a record of service satisfactory to Metro and shall have a rating of

at least A and the appropriate class for the relevant bond amounts under Best's Rating System and shall be authorized to do business in the state of Oregon. The Attorney-in-Fact (Resident Agent) who executes these bonds on behalf of the Surety must attach a notarized copy of his/her Power of Attorney as evidence of his/her authority to bind the Surety on the date of execution of each bond.

The surety or banking institution shall deliver to Metro the appropriate bonds or letters of credit designated above within ten (10) days of the award of the Contract.

Contractor shall from time to time take such additional actions and furnish to Metro such additional documents and instruments which Metro reasonably requests to secure performance of Contractor's obligations under this Agreement. None of the requirements contained in this Section J. of Article 2 are intended to, nor shall they in any manner, limit or qualify the liabilities and obligations assumed by Contractor under this Agreement.

K. Contractor agrees to promptly pay all subcontractors, materialmen, suppliers, or laborers engaged for purposes of this contract in accordance with any and all contracts between any such persons (or entities) and Contractor. Contractor agrees to immediately remove any liens or encumbrances which, because of any act or default of Contractor, its officers, employees, or agents or of Contractor's subcontractors or sub-subcontractors, or material suppliers, or disposal site owners, are filed against the Project or against any property, real or personal, which Contractor, its officers, employees, subcontractors, and other agents would require to fully perform this Contract; and to defend, indemnify, and save Metro harmless as required by Article 11, infra.

L. No provision or provisions of this Contract nor any authority granted by the Contract is intended to create or result in any personal liability for any public official or employee or agent of Metro, nor shall any provision or provisions of the Contract be construed to create any such liability.

M. In the event any provision, provisions, clause or clauses of the Contract is/are void, invalid, or unenforceable under any laws, regulations, or ordinances, federal, state, regional, or local, the balance of the Contract shall remain in effect and binding on the parties hereto.

N. Contractor shall comply with each and every provision of the Contract Documents.

O. A waiver by either party of any breach of any provisions hereof shall not be taken or held to be a waiver of any succeeding breach of such provision or as waiver of any provision itself. No payment or acceptance of compensation for any period subsequent to any breach shall be deemed a waiver of any right or acceptance of defective performance.

Where the condition to be waived is a material part of the Contract such that its waiver would affect the essential bargains of the parties, the waiver must be supported by consideration and take the form of a Contract modification as provided for elsewhere in this section.

P. The parties agree that proper and exclusive venue for any and all actions under this Contract or any subcontracts made pursuant to this Contract shall be in Multnomah County of the state of Oregon.

P. Any and all disputes arising under this Contract shall be decided under Oregon law.

Q. Within ten (10) days of Notice of Contract Award, Contractor shall cause owner of the Disposal Site to execute and deliver to Metro a COVENANT with respect to any and all real property utilized for designated by Contractor's Proposal for use in connection with the performance of the Contract and shall record such COVENANT in the County where such property is located. The COVENANT will be in a form approved by Metro's General Counsel. Such COVENANT shall be attached to a copy of this contract (which shall be incorporated by reference in the COVENANT) and shall provide, among other things, that:

(1) Owner grants to Metro a covenant which touches and concerns all real property which is designated by Contractor's Proposal for use in performing the Contract; and

(2) Owner covenants that and such property is and shall be kept free of all liens, mortgages, encumbrances, and any other interests which could in any way interfere with the performance of the Contract or with any of Metro's remedies against Contractor or Surety for any default under the Contract; and

(3) Owner covenants that any transfer of any interest in said property and any liens or encumbrances placed against the property shall render the transferee, the lienors, the encumbrancers, the Contractor and the Surety jointly and severally liable for performing all duties of Contractor under the Contract, and for remedying any existing or future defaults by Contractor, Surety, or transferee under the Contract; and

(4) the Covenant is intended to run with the land.

R. Within ten (10) days of Contract award, Contractor shall cause the owner of the Disposal Site to furnish Metro with a standard form title insurance policy guaranteeing that Owner has good title to all real property which Contractor's Proposal designates for use in performing the Contract and that there are no liens or encumbrances of any kind against said property which affect Owner's good title thereto.

ARTICLE 3

Intent of the Contract Documents

A. All services which are necessary to complete the Project within the limits and in the manner established by these Contract Documents, shall be considered as a part of the Contract and such services shall be executed by Contractor without extra compensation (except as provided by Article 17 or Article 19), in the same manner and with the same quality of material as other portions of the Contract.

B. Unless expressly stipulated otherwise, Contractor shall provide and pay for all disposal site access, services, labor, overtime labor, standby labor, methods, materials, equipment, transportation, power, fuel, water, taxes and all other facilities and services, including operating costs of checking out equipment, and all other items and facilities of every kind necessary for performance of the Contract.

C. Words describing material or work which have a well-known technical or trade meaning, unless otherwise specifically defined in the Contract, shall be construed in accordance with such well-known meaning, recognized by solid waste professionals, engineers and trades.

D. The Contract and each of the Contract Documents are complementary, and they shall be interpreted so that what is called for by one shall be as binding as if called for by all. Should Contractor observe any conflicts between or duplications of any provisions of the Contract, he/she shall bring them to Metro's attention for decision and revision immediately after originally observed. In the event of duplications of or conflicts between any provisions of the Contract after the Contract has been executed, the following priority of documents shall be used to resolve such duplications or conflicts:

1) Specifications,
2) General Conditions,
3) Contract Forms and Contractor's Proposal,
4) Instructions to Bidders,
5) Invitation to Bid.

For purposes of the above priority list, any appendices, addenda, amendments or changes to the above documents which are agreed to by the parties hereto shall be given the same priority as the documents to which they apply.

A duplication of services or items to be performed is not intended by any provision or provisions of the Contract, and any such duplications specified by the Contract shall not become a basis for extra cost to Metro.

E. Contractor shall secure written instructions from Metro's Project Manager before proceeding with services affected by omissions, discrepanices, conflicts or duplications in the provisions of the Contract.

F. It is understood and agreed that, by execution of this Contract, Metro does not waive or surrender any of its governmental powers.

ARTICLE 4

Metro's Responsibility

It is not incumbent upon Metro to notify Contractor when to begin, cease or resume the Project, nor to give early notice of rejection of faulty work, nor in any way to superintend so as to relieve Contractor of any liability, any responsibility or any consequences for neglect, negligence or carelessness or for substandard or defective work or for use of substandard or defective materials or equipment by Contractor, his/her officers, employees, subcontractors or agents

ARTICLE 5

Contractor's Representative

A. Contractor shall provide the services of a competent Representative for the term of this Contract.

B. The Representative shall be in charge of the Project at all times and shall have authority to furnish estimates on behalf of the Contractor.

C. The Representative shall represent Contractor for all purposes of this Contract, and all directions, instructions, or notices given to the Representative by Metro shall be as binding upon Contractor as if delivered personally to Contractor.

ARTICLE 6

Independent Contractor

Contractor shall perform all work under this Contract as an independent Contractor. Contractor is not and shall not be considered an employee, agent or servant of Metro for any purposes, under this Contract or otherwise; neither shall any of Contractor's subcontractors, employees or agents be, nor shall they be considered employees, agents, subagents or servants of Metro for any purposes under this Contract, or otherwise.

Contractor shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder and all persons performing the same. That Contractor shall be solely responsible for the acts and omissions of its

officers, agents, employees, contractors and subcontractors, if any. Nothing in this Contract shall be construed as creating a partnership or joint venture between Metro and Contractor. Nothing in the Contract shall be construed as giving Metro any duty to supervise or control any acts or omissions of any person, entity or party, which acts or omissions are in any way connected with the disposal site or with the performance of services under the Contract.

ARTICLE 7

Subcontractors

A. Contractor shall, in accordance with the specifications, submit to Metro the names and addresses of proposed subcontractors and suppliers for each of the major items (over $100,000 per year) of the Project in accordance with the Specifications.

B. All contracts in connection with the Contract entered into by Contractor with its subcontractors officers, employees, and agents including all contracts relating to operation or ownership of disposal sites and any and all related facilities shall include and be subject to each and every term and condition of this Contract. No provisions of this Contract nor of any contract between the Contractor and his/her subcontractors shall be construed as creating any contractual relation between those subcontractors and Metro. However, all subcontracts shall contain a clause which provides that if Contractor defaults in performance of the Contract and Metro accepts assignment of the subcontract under Article 28, then subcontractor shall recognize Metro or its assignee as Contractor and that Metro or its assignee shall have all the rights, remedies and responsibilities of the Contractor under the relevant subcontract. Contractor shall be as fully responsible to Metro for the acts and omissions of his/her subcontractors, and suppliers and of the subcontractors, suppliers, employees, firms, agents or servants of each subcontractor as he/she is for the acts or omissions of his/her own employees or agents.

ARTICLE 8

Separate Contract

A. Metro reserves the right to let other contracts in connection with this Project or any other contracts or projects involving waste transfer or disposal from any facilities controlled by Metro.

B. Contractor shall use its best efforts to cooperate with other firms, contractors, or subcontractors engaged by Metro for the Project and related projects and with Metro so that all portions of the Contract may be completed in the most efficient and timely manner, without any interference with work on related projects.

C. Should Contractor cause damage to any separate firm, contractor, or subcontractor engaged by Metro for the Project or any

related project, including but not limited to the operation of any transfer station or resource recovery facility, Contractor agrees to use his/her best efforts to negotiate a settlement with such firm, contractor or subcontractor.

ARTICLE 9

Allocation of Risk/Force Majeure

A. Prior to submitting any bids, Contractor is required to acquaint himself/herself with the disposal site(s) and all other conditions relevant to the Project, and make all investigations essential to a full understanding of the difficulties which may be encountered in performing the Project.

B. Contractor represents that prior to submitting his/her proposal for the Project, he/she has examined carefully all of the Specifications, acquainted himself/herself with the site and all other conditions and regulations relevant to the Project, and made all investigations essential to a full understanding of any and all difficulties which may be encountered in performing the Project.

C. By awarding the Contract to Contractor, Metro does not warrant or admit the correctness of any investigation, interpretation, deduction or conclusion relative to any disposal site condition or conditions. Contractor has made and shall make his/her own deductions and conclusions as to any and all problems which may arise from disposal site conditions, and shall accept solely for himself/herself full legal responsibility and liability therefor.

D. The obligations of Contractor to perform the Project and the obligation of Metro to make any payments under the Contract are subject to riots, wars, civil disturbances, insurrections, acts of terrorism at the Disposal Site(s), epidemics, landslides, volcanic eruptions, earthquakes, lightning, floods, washouts, explosions, and fires, federal or state government orders which necessarily and unavoidably prevents performance of the Contract. Both parties agree that no other events, however catastrophic or uncontrollable shall excuse nonperformance of the Project by Contractor or nonpayment therefor by Metro. The parties further agree that no changes in law or regulations, strikes, lockouts, other labor disturbances, or breakage or accidents to machinery, equipment or plants shall excuse any nonperformance of the Project by Contractor or nonpayment therefor by Metro.

E. In the event either party is rendered unable, wholly or in part, by the occurrence of any event itemized in the first sentence of paragraph D. of this Article to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such occurrence and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Any time that such a party intends to rely upon the

occurrence of an event itemized in the first sentence of paragraph D. of this Article to suspend obligations as provided in this Section, such party shall notify the other party immediately or as soon as reasonably possible, setting forth the particulars of the situation. Notice shall again be given immediately after the effect of the occurrence of such event has ceased.

F. Notwithstanding the provisions of paragraph E. in the event that Contractor fails or is unable to dispose of any wastes which it is obligated to dispose of under the terms of this Agreement because of any event itemized in the first sentence of paragraph D. whose occurrence materially and adversely affects Contractor's ability to accept or dispose of such wastes, Contractor will use its best efforts to make available to Metro alternative disposal arrangements for disposal at another solid waste disposal site, at the prevailing solid waste disposal fee then in effect for the majority of waste disposed of at such site; for the period during which such event continues. Failure of Contractor to secure alternative disposal arrangements as provided in this Section shall not be deemed a breach of this Agreement, provided that Contractor has exercised its best efforts to make such alternative arrangements.

ARTICLE 10

Title to Waste

Title to any and all waste contained in each load of waste delivered to the disposal site, whether or not such waste is acceptable waste, shall pass to the Contractor if Contractor fails to indicate in writing on the manifest accompanying the waste shipment that Contractor has deemed the waste contained in the load of waste to be suspicious waste or unacceptable waste within 60 minutes after the load of waste is dumped at the disposal site. After any testing is performed on suspicious waste, title to such waste passes to Contractor unless the results of such testing indicated that the waste is unacceptable.

ARTICLE 11

Indemnification

A. Contractor shall indemnify, and hold harmless Metro from and against any and all claims, causes of action demands, suits, damages, penalties, charges, judgments, liabilities, losses, of whatsoever character or kind (all hereinafter referred to as "claims") and all expenses arising from such claims, including but not limited to attorneys fees and any and all costs, if such claims or expenses allegedly or actually arise or result, directly or indirectly from, or are in any way connected with: 1) the performance or nonperformance of any provision or requirement of this Contract by Contractor, its officers, employees, subcontractors, agents or servants; 2) any of the acts or omissions of Contractor, its officers, employees, subcontractors, agents or servants at the Disposal Site; or 3) the failure of Contractor, its officers,

employees, subcontractors, agents, or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes, orders and all other legal requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the relevant activities as is required by Article 2. E. of the General Conditions; 4) any release(s) or emission(s), or threatened release(s) or emission(s) by any person(s), entity or entities aat, onto, into, above, under, through or from the Disposal Site and orders.

In addition, Contractor shall, upon demand of Metro, at Contractor's sole cost and expense, defend and provide qualified attorneys acceptable to Metro under service contracts acceptable to Metro to defend Metro, its officers, employees, agents and servants against any and all claims, causes of action actions, suits, demands, damages, penalties, charges, liabilities, losses, causes of action, awards of damages, or judgments, of whatsoever character or kind, arising or resulting, directly or indirectly, or in any way connected with 1) the performance or nonperformance of any provision or requirement of this Contract by Contractor, its officers, employees, subcontractors, agents or servants; 2) any of the acts or omissions of Contractor, its officers, employees, subcontractors agents or servants at or in connection with the Project; or 3) the failure of Contractor, its officers, employees, subcontractors, agents, or servants to comply in any respect with the provisions and requirements of all applicable permits, licenses, laws, statutes, regulations, ordinances, codes, orders and all other legal requirements of federal, state, regional, county and local government authorities and agencies having jurisdiction over the relevant activities as is required by Article 2. E. of the General Conditions; 4) any release(s) or emission(s), or threatened release(s) or emission(s) by any person(s), entity or entities at, onto, into, above, under, through or from the Disposal Site.

B. In any and all claims against Metro, these indemnification obligations shall not be limited in any way by any limitation in the amount or type of damages, compensation or benefits payable by or for Contractor's worker's or Workers' Compensation acts, disability acts or other employee benefit acts.

C. This Article does not waive or surrender any indemnity available under any law, federal, regional, state or local. This Article shall survive completion of the Contract.

ARTICLE 12

Contractor's and Metro's Liability Insurance

A. General. The Contractor shall provide (from insurance companies acceptable to Metro) the insurance coverage designated hereinafter and pay all costs therefor.

Before commencing work under this Contract, Contractor shall furnish Metro with certificates of insurance specified herein naming Metro as an additional named insured and showing the type, amount, class of operations covered, effective dates and date of expiration of policies, and containing substantially the following statements:

1. This/These policy(ies) shall be considered as primary insurance and exclusive of any insurance carried by Metro and the insurance endorsed by this certificate shall be exhausted first, notwithstanding the fact that Metro may have other valid and collectible insurance covering the same risk.

2. This/These policy(ies) shall not be cancelled, reduced in coverage, nor materially altered until after sixty (60) days written notice of such cancelled, reduction or alteration in coverage shall have been received by Metro.

3. No act on the part of the insured shall effect the coverage afforded to Metro under the insurance covered by this certificate.

4. This/These policy(ies) consist only of insurance on an occurrence basis, not on a claims made basis.

Contractor shall immediately increase the amounts of insurance required to reflect any changes in Oregon Law to ensure that the insurance provided shall cover, at a minimum and in addition to the designated insurance requirements listed below, the maximum limits under the Oregon Tort Claims Act, or any other applicable tort claims act.

In case of any breach of any provision of this Article, Metro, at its option, may take out and maintain, at the expense of the Contractor, such insurance as Metro may deem proper and may deduct the cost of such insurance from any monies which may be due or become due the Contractor under this Contract including funds held in retainage.

Designated Insurance Requirements	Limits
1. (a) Workers' Compensation covering all employees who are engaged in any work under the contract	Statutory (State/Federal)
(b) Employers' Liability including bodily injury caused by disease. Not less than	$500,000

2. Comprehensive General Liability, and Protection and Indemnity, if applicable:

(a) Contractors' Public Liability:

(i) Bodily injury (inc. death) and Personal Injury

(ii) Broad Form Property Damage and Broad Form Property Damage including Completed Operations, and shall include coverage for Explosion, Collapse and Underground.

(i and ii coverage) $5,000,000 per occurrence/aggregate combined single limit bodily injury and property damage

This insurance shall include contractual liability to cover the liability assumed by the Contractor under Article 9 of the General Conditions.

(b) Metro's and Contractors' Protective Liability:

(i) Bodily injury (inc. death)

(ii) Property Damage and Broad and Broad Form Property Damage including Completed Operations, and shall include coverage for Explosion, Collapse and Underground.

(i and ii coverage) $5,000,000 per occurrence/aggregate combined single limit bodily injury and property damage

3. Comprehensive Automobile Liability including Owned, Nonowned and Hired Vehicles:

(i) Bodily injury (inc. death)

(ii) Property damage

(i and ii coverage) $5,000,000 per occurrence/aggregate combined single limit bodily and property damage

4. Excess/Umbrella Coverage to achieve a total coverage of $15 million

B. When activities of the Contractor are to be accomplished within a public or private right-of-way requiring special insurance coverage, Contractor shall conform to the particular requirements and provide the required insurance. Contractor shall include in his/her liability policy all endorsements that the said authority may require for the protection of the authority, its officers, agents, and employees. Insurance coverage for special conditions, when required, shall be provided by Contractor.

C. Contractor shall maintain the above insurance at all times until completion of the Project or until the termination date of the Contract, whichever is later.

D. Maintenance of insurance by Contractor as specified in this Article shall constitute the minimum coverage required and shall in no way lessen or limit the liability or responsibility of Contractor under this Contract and Contractor may carry, at his/her own expense, such additional insurance as he/she deems necessary.

E. Metro shall have the right, at its sole option, to require Contractor to place all of the aforementioned insurance coverages through such Master Policy as Metro may obtain if such would reduce the premiums for such coverages and Contractor agrees that Metro may deduct from the Contract Sum the amount of the premiums payable thereon, or, at Metro's discretion, pay the same directly to the insurance carrier, and Contractor further agrees to comply with such regulations as Metro may issue from time to time to improve the administration of the Master Policy.

F. Pursuant to Article 19 C. and to the extent allowed by that section, Metro shall only reimburse Contractor for the actual increased cost of premiums which Contractor must pay to comply with insurance requirements not specified above which become effective after the deadline for submission of bids. No other reimbursement for costs associated with increased insurance requirements will be allowed under Article 19 C.

ARTICLE 13

Royalties and Patents

Contractor shall pay all royalties and license fees. Contractor shall defend all suits or claims for any and all infringements of any patents which may occur in the performance of this Contract and shall save Metro harmless from loss on account thereof; provided, however that Metro shall be responsible for all such loss when a particular process or product is specified by it unless Contractor shall have information that a particular process or product infringes a patent, in which event, he/she shall be responsible for loss on account thereof unless he/she promptly and immediately provides such information to Metro.

ARTICLE 14

Performance of Services

A. Contractor shall be responsible for coordination, orderly scheduling, and management of all work for this Contract by his/her officers, employees, subcontractors and agents.

B. Prior to the commencement of disposal services for this contract, a conference will be held at a mutually agreed time and place. The conference shall be attended by:

1) Contractor and his/her superintendent;
2) Principal subcontractors;
3) Representatives of principal suppliers and manufacturers as appropriate;
4) Metro;
5) the relevant Transfer Station Operators;
6) the relevant Resource Recovery Facility Operator;
7) Governmental representatives as appropriate; and
8) Others as requested by Contractor, Metro.

Unless previously submitted to Metro, Contractor shall bring to the conference a tentative schedule for each of the following:

1) Progress status for hiring and training employees;
2) Schedule for the delivery of equipment;
3) Other submittals requested by Metro or deemed necessary by the Contractor; and
4) Acquisition of final permits.

The purpose of the conference is to designate responsible personnel and establish a working relationship. Matters requiring coordination will be discussed and procedures for handling such matters established. The agenda shall include:

1) Contractor's tentative schedule;
2) Transmittal, review and distribution of Contractor's submittals;
3) Processing application for progress and final payments;
4) Maintaining record documents;
5) Critical work sequencing;
6) Change orders procedure;
7) Use of premises, office and storage areas, security, housekeeping, and Metro's needs;
8) Major equipment and materials deliveries and priorities;
9) Contractor's assignments for safety and first aid; and
10) Site development and acquisition schedule.

The Project Manager as designated by Metro shall preside at the conference and arrange for keeping the minutes and distributing the minutes to all persons in attendance.

ARTICLE 15

Permits and Regulations

A. Contractor shall obtain, maintain, and pay for all permits, licenses, certificates, inspections fees and surcharges and other approvals required by law, both temporary and permanent. Any such fees shall be included in the prices bid in the Proposal except as provided by Article 19C of these General Conditions. The Contractor shall obtain any necessary business license required by law.

B. Contractor shall be liable for all fines or civil penalties which may be imposed by any regulatory agency for Contractor-caused violations of permits, laws or regulations; Metro shall not be liable for and shall not reimburse Contractor for payment of any such fines or civil penalties. Contractor reserves the right to contest any such fines in administrative proceedings or in court prior to any payment by Contractor.

ARTICLE 16

Materials, Employees and Workmanship

A. Unless otherwise specified, both workmanship and materials shall be of the highest quality. All workers and subcontractors shall be skilled in their trades. Contractor shall furnish evidence of the skill of his/her employees, subcontractors and agents upon the request of Metro.

B. Contractor shall at all times enforce strict discipline and good order among his/her employees and all subcontractors.

ARTICLE 17

Additional or Deleted Work

A. Payment or Credit for Additional Work

All requests for payment for additional work shall be made only under the conditions and procedures of this Article. For purposes of this Article, the term "additional work" means work which is in addition to the work required to be performed under the original contract or any amendments thereof, but does not include any work required to comply with any changes in law, statutes, rules, regulations, ordinances, permit(s), permit conditions or regulatory prices. Nothing in this Article is intended to negate or lessen any other preconditions or procedures for such payment or reimbursement provided by any other provisions of the Contract.

B. Request for Proposal for Additional Work

Within fourteen (14) calendar days after receipt of an RFP to Contractor from Metro for additional work, Contractor shall submit to Metro an itemized proposal stating the actual costs to Contractor for performing such additional work, a schedule for performing such work, and the effect, if any, on Contractor's performance of the existing contract work by reason of the additional work. Contractor's proposal shall be based on the least costly method for performing the additional work in accordance with all provisions of the Contract. Upon receipt of Contractor's proposal, Metro shall have authority to order Contractor to perform the relevant additional work whether or not Metro accepts Contractor's proposal; Contractor shall comply with any such order. However, no request for proposals by Metro shall be construed as authorization for Contractor to perform the additional work covered by such RFP. To obtain authorization to perform any additional work, Contractor must be notified in writing by Metro that Contractor is ordered to proceed with the relevant additional work. If Metro does not order Contractor to perform the relevant work, Contractor shall not be entitled to any reimbursement for the work in Contractor's proposal.

C. Amount of Payments for Additional Work

Payments or credits for any additions shall be no greater than Contractor's actual costs for performing such additional work plus fifteen percent (15%) of such actual costs. Contractor shall keep and maintain accurate records of the actual costs of additional work in accordance with Article 2, Section I. Contractor acknowledges that the above payment formula for additional work includes all payment for the interruption of schedules, extended overhead, delay or other impact, claim or ripple effect, and Contractor specifically waives any reservation or claim for additional compensation in respect to the subject of the additional work. In the event that Metro orders Contractor to perform any additional work covered by a request for proposals but Metro refuses to pay the amount which Contractor proposes for such additional work, Contractor shall promptly proceed with performance of the additional work in accordance with Metro's order. If Contractor and Metro cannot agree on the amount of payment for the relevant additional work, that matter shall be submitted to arbitration under Article 26.

D. Deductions from Payments for Deleted Work

All deductions from payment for deleted work shall be mae under the conditions and procedures of this Article. For purposes of this Article, the term "deleted work" means work which is deleted from the work required to be performed under the original contract, but does not include any work which need not be performed due to any changes in law, statutes, rules, regulations, ordinances, permit(s), permit conditions, or regulatory policies.

E. Request for Proposal for Deleted Work

With fourteen (14) calendar days after receipt of an RFP to Contractor from Metro for deleted work, Contractor shall submit an itemized proposal stating the actual costs which would be avoided by deleting the work from the Project, a schedule for deleting the relevant work, and the effect, if any, on Contractor's peformance of the remaining contract work by reason of the deleted work. Contractor's proposal shall be based on all current and future avoided costs to Contractor for deleting the work and any profit margins or markups which Contractor's proposal includes for such work. Upon receipt of Contractor's proposal, Metro shall have the authority to order Contractor to delete the relevant work whether or not Metro accepts such proposal and Contractor shall comply with any such order. However, no request for proposals by Metro shall be construed as authorization for Contractor to delete the work covered by an RFP for deleted work. Contractor shall not delete any work unless and until an order from Metro authorizing such deletion is served upon Contractor; however, Metro may make all appropriate deductions from payments, according to the formula below, if Metro has ordered Contractor to delete work, regardless of whether Contractor has complied with such order.

F. Amount of Deductions for Deleted Work

The amount of any deductions from payments for deleted work shall be equal to all current and future avoided costs resulting from the deleted work plus any profit margin or markups which Contractor's proposal includes for such work. If the latter profit margin or markup figures are unavailable, the parties hereby agree that Contractor's profit margin on all work shall be deemed to be fifteen percent (15%) of the actual cost of performing the work. If Contractor and Metro cannot agree on the amount of the deduction for the relevant deleted work, that matter shall be submitted to arbitration under Article 26.

G. Schedule of Payments

Metro shall determine, subject to its accounting and budget limitations, the method and manner of any payment(s) which may include installment payments over an extended period of time which may extend beyond the termination or completion of the Contract. Any such determination with regard to payments shall take into consideration Contractor's reasonable and actual financing costs.

ARTICLE 18

Schedule

A. All schedules submitted by Contractor as part of the Proposal shall be as fully binding upon Contractor as is any other of the items of the Proposal.

B. At monthly intervals, and at all other times as requested by Metro, Contractor shall advise Metro of the status of work on the Project (in duplicate) through an itemized report thereof on marked copies of the current schedule, or in any other manner requested by Metro. If any portion of the Project is not on schedule, Contractor shall immediately advise Metro in writing of any and all proposed action to bring the Project into compliance with the schedules in the Proposal.

C. If the Project is not on schedule and Metro does not believe the proposed action to bring the Project on schedule is adequate, then Metro may deem Contractor in default under this Contract.

D. If Contractor fails to take prompt and corrective action to remedy any noncompliance with the schedules in the Proposal, whether or not any proposed corrections were approved or not disapproved by Metro, Metro may deem Contractor in default of this Contract.

E. Nothing in this Article shall be construed to limit the provisions of Article 8 of this Contract.

ARTICLE 19

Basis and Method of Payment

A. Rates. For all work required under this Contract, Metro will make monthly payments to Contractor based on the rates set forth in the Contractor's proposal.

On or about the eighth day of each month, Contractor will submit to Metro a billing which indicates the quantity of waste and ash transferred and disposed. The value of unit price work shall be based upon the quantity of waste actually transferred and disposed of for the calendar month just completed.

For the item "Fixed Costs" monthly payments will be made by taking the lump sum submitted in the Proposal, dividing the amount by twenty (20), and dividing this amount by twelve (12).

The Contractor shall furnish to Metro such detailed information as set forth in these Contract Documents (including records from disposal sites) and as Metro may request to aid in the preparation of monthly payments. After approval by Metro, Metro will pay to the Contractor by the 25th day of the following month 95 percent of the estimated value of unit price work and lump sum work less any previous payments.

B. Price Adjustment. Unit Prices as bid in the Proposal by the Contractor shall be adjusted upward or downward on each anniversary of this Contract and any extensions thereof to reflect changes in the cost of doing business, as measured by fluctuations in the price index specified below. No adjustment will be made to lump sum work.

Unit prices as bid in the Proposal by the Contractor shall be adjusted up or down each year of this Contract beginning one year from the first day of the month in which this Contract is signed to reflect changes in the cost of doing business. The price adjustment change at the beginning of the second year shall be in a percentage amount equal to the change of the index between the previous year and the current year times the percentage adjustment bid in the Proposal, as described below.

The following formula will be used to calculate the price adjustment: $AI = ((CI_x - CI_B) / CI_B) \times \%$

AI = Percentage price adjustment
CI_x = Consumer Price Index in the current year
CI_B = Consumer Price Index in the previous year
% = Percent adjustment bid by the Contractor in the Proposal

The Consumer Price Index will be based on the index entitled "West-A" from the U. S. Department of Labor, Bureau of Labor Statistics' publication entitled "Consumer Price Indexes, Pacific Cities and U.S. City Average." The index will be a 12 (twelve) month average for the current year minus a 12-month average for the previous year divided by the previous year's average.

Example

If the Contract began in January of 1990, then the current year index would be calculated by adding the West-A indices for January 1990 through December 1990 and dividing the result by 12 (round to one decimal place). The previous year index would be the sum of the West-A indices for January 1989 through December 1989 and dividing the result by 12 (round to one decimal place). Subtract the previous year index from the current year index and divide by the previous year index. Multiply the result by the % bid in the Proposal. Round the result to the third decimal place.

Percent changes in the index shall be calculated with the base year of December 1977 until the Bureau of Labor Statistics publishes data on a new base period. Calculations shall be made from data on the new base from that time forward.

If the BLS series specified above is discontinued, the contracting parties shall agree upon a substitute series by November 1. If BLS designates an index with a new title and/or code number or table number as being the continuation of the index cited above, the new index will be used. If the specific index "West-A"

is discontinued but the "U.S. City Average" remains, this latter index will be used. Otherwise, a substitute shall be agreed upon by the parties.

The price adjustment shall take place as soon as data are available retroactive to the anniversary date.

C. Petition for Increased Costs Due to Change in Law

For purposes of this Section, and Section D of Article 19, the term "change in law" means any new or revised laws, statutes, rules, regulations, ordinances. Upon petition of Contractor and subject to approval of Metro as described in this section, Metro shall pay, subject to the limitations, conditions and procedures stated below, one hundred percent (100%) of Contractor's reasonable, actual increased costs of performing the Contract if such increased costs are directly attributable to changes in law which increase the cost of Contractor's performance of the Contract, and if such changes in law become effective at any time after the deadline for submission of bids.

1. Local and County Law -- Limitations: Metro shall reimburse Contractor, subject to the terms and conditions of this section, for reasonable, actual increased costs due to changes in local and county laws if and only if such changes are applicable to all businesses in the relevant county or local area. Metro shall not compensate Contractor for any increased costs due to changes in local or county laws to the extent that such laws are applicable only to Contractor, Contractor's activities in connection with this Contract, or to persons or entities engaged in the waste management industry.

2. Federal or State Taxes, Fees or Surcharges: Metro shall reimburse Contrator subject to the terms and conditions of this section for all reasonable, actual cost increases due to increases in the rates of federal or state taxes, fees or surcharges, except for increases in the rates of federal or state taxes, fees or surcharges which are generally applicable to all businesses.

   Nothing in this section is intended, nor shall it be construed to intend to relieve Contractor in any way from Contractor's responsibility for paying all taxes, fees and surcharges, of whatever form, which become assessed against Contractor, his/her subcontractors, employees and agents, all real and personal property used in performing the Contract as required under Article 23.

3. General Conditions and Limitations on Reimbursement: Reimbursement shall be allowed under this section

only for any costs incurred which are the least costly means of ensuring full compliance with the relevant change in law. No reimbursement for cost increases shall be allowed for any cost increases which are in any way attributable to Contractor's disposal site(s), conditions, structures, operations, or activities at Contractor's particular disposal site(s), or conditions, structures, operations or activities which are caused by Contractor or his/her subcontractors, employees, agents, or servants, or which are otherwise within Contractor's control.

Contractor must fully demonstrate and document the need for the requested reimbursement to Metro's satisfaction and approval as a condition precedent to Contractor's right to any payment under this section (Article 19 C.).

4. Cancellation of Reimbursement: Metro may at any time cancel any reimbursement made under this section and Contractor shall remit to Metro any reimbursement, payments, or portion thereof within thirty (30) days of service upon Contractor of Metro's determination that the need for the reimbursement has expired or that the original reimbursement was made in error. Contractor shall at all times keep Metro informed as to whether any reimbursement remains necessary. Also, upon Metro's request, Contractor shall immediately provide Metro with all documents or information or other evidence in Contractor's possession or control which Metro requests to determine whether there is a continuing need for any and all reimbursements made under this section.

5. Schedule of Payment of Reimbursement: Metro shall determine, subject to its accounting and budget limitations, the method and manner of any payment(s) which may include installment payments over an extended period of time which may extend beyond the termination or completion of the Contract. Any such determination with regard to payments shall take into consideration Contractor's reasonable and actual financing costs.

D. Deductions from Payments for Reduced Costs due to Changes in Law

Metro shall be entitled to reduce payments to Contractor subject to the conditions stated below, to reflect one hundred percent (100%) of the reduced costs of Contractor's performance under the Contract which reduced costs are attributable to any categories of changes in law for which Contractor is entitled to reimbursement of increased costs under the previous section (Article 19 C.). Metro may at any time serve Contractor with notice and

explanation of Metro's intent to reduce payments under this paragraph. Within thirty (30) days of service of such notice, Contractor shall respond in writing to such notice and such written response shall state whether or not Contractor believes that any deductions from payments due Contractor are justified by the change in law and shall state any reductions in the costs of performing the contract due to the relevant change in law. Contractor shall fully document and otherwise support its response to Metro's notice under this section.

Upon petition of Contractor, Metro may at any time cancel reductions made under this section if Metro determines that the need for the reduction has expired or that a reduction was made in error. Contractor shall at all times keep Metro informed as to both when any reduction due to change in law is appropriate, and as to when any reduction is no longer appropriate.

E. Interest Bearing Account. At the request of the Contractor, Metro will establish an interest bearing escrow account for all monies retained under any provision of this Contract.

F. Partial payments shall not constitute acceptance by Metro of Contractor's work nor be construed as a waiver or surrender of any right or claim by Metro in connection with the Project.

G. Contractor shall submit his/her invoices with a detailed cost breakdown in accordance with the procedures approved by Metro. In addition to the information provided to Metro in support of its monthly applications for payments, Contractor shall submit to Metro, concurrent with its monthly payment application, a detailed accounting of all sums paid to DBE and WBE subcontractors during the previous calendar month. This accounting shall reflect the type of work being performed by the DBE/WBE firms and the DBE/WBE firm's name, address, phone and contact person, previous calendar month's payment and total payments made to the subcontractor.

If it is determined by Metro that the Contractor is not making satisfactory progress towards the DBE/WBE goals established at the time of the contract award, the Contractor shall be required to adequately explain this failure or shall be deemed to be in default of the Contract.

H. Conditions Precedent to Payment. It is a condition precedent to Contractor's rights to any payments under the Contract that all bills for labor and materials, including labor and materials supplied by or to Contractor, shall have been paid in full; and, if requested by Metro, Contractor shall have submitted receipted invoices and/or lien waivers, as evidence of payment in full of all such accounts. As a further condition precedent to Contractor's right to any payments under this Contract, if requested by Metro, Contractor shall submit a lien waiver before any payment, and a final lien waiver stating Contractor has been paid in full prior to the final payment.

Contractor, for itself and for all subcontractors, material suppliers and others furnishing labor, materials, or supplies to Contractor under this Contract, or any amendment or modification thereof, hereby waives and relinquishes all rights to file any lien upon the land upon which any Disposal Site for this Contract is located or upon any structures, equipment, materials or supplies used or to be used to perform the contract; and expressly agrees that no lien of any kind shall be filed by any of them for work done or materials furnished to said Project, or any part thereof or any appurtenances thereto; and Contractor further agrees that this document or separate stipulation against filing of any liens or encumbrances in form approved by Metro shall be filed in the appropriate public office to protect Metro from the filing of any liens or encumbrances upon the land upon which the disposal site for this Contract is located or upon any structure, equipment, material or supplies used or to be used to perform the Contract. Contractor shall obtain agreements to the same effect from persons, firms and corporations and subcontractors employed by him/her. Contractor must provide Metro with signed agreements from the record owners of the disposal site property and any materials, structures and equipment used or to be used to perform the Contract to the following effect: no liens or other encumbrances are currently filed against the land comprising the disposal site, nor against the relevant materials, structures and equipment; nor shall the owners permit any such liens or encumbrances to be so filed; except that all rights of ownership of the relevant real property, materials, structures or equipment are subject to this Contract, for the duration thereof. The above agreements together with copies of this Contract shall be filed in each appropriate public office so as to give Metro first priority over any possible liens or encumbrances.

Nothing in this section is meant to establish an exhaustive list of all the conditions precedent to payment in this Contract. Any and all conditions precedent to payment established by this Contract but not contained in this section remain valid.

I. Final payment shall fall due only after Contractor shall:

1) Submit to Metro an affidavit certifying that Contractor has paid all federal, state and local taxes including excise, use, sales, and employee withholding taxes.

2) Submit to Metro an affidavit certifying that Contractor has met the DBE/WBE goals or the Contractor made a good faith effort to do so and listing each DBE and WBE firm utilized along with the type of work performed and total payments made to each DBE and WBE subcontractor.

3) Submit to Metro all certificates or other documents evidencing closure of the disposal site in full compliance with all applicable laws and regulations, and to the satisfaction of all government agencies which regulate the manner of such closure, if applicable.

4) Pay and obtain release of record, of all liens and all other encumbrances which affect the premises.

5) Deliver to Metro written releases of all rights to file liens against the premises, signed by each subcontractor and materialman who performed labor or furnished materials in connection with the Project.

6) Deliver to Metro his/her written undertaking, with sureties acceptable to Metro:

   a) To promptly pay and obtain a release of record as to liens in connection with the Project covered by this Contract which may in the future affect the premises; and

   b) To defend and indemnify and save Metro harmless from any liability or expense because of any such lien or the enforcement thereof.

I. Final payment shall be deemed to occur when Contractor negotiates an instrument from Metro which instrument Metro has designated as final payment.

J. When final payment occurs, Contractor, warrants that he/she has received payment in full for his/her performance of the Contract and waives all further claims against Metro in connection with the Project. Contractor's acceptance of final payment by Metro shall be conclusive proof of Metro's full and complete performance of the Contract.

ARTICLE 20

Metro's Right to Withhold Payment and to Withdraw Funds from Retainage

A. Metro shall have the right to withhold from payments due Contractor and to withdraw from funds held in retainage such sums as necessary, in Metro's sole and exclusive opinion, to protect Metro against any loss or damage which may result from negligence or unsatisfactory work by Contractor, failure by Contractor to perform or abide by any of his/her obligations under this Contract (including but not limited to failure to maintain satisfactory progress of the Project) or claims against Contractor or Metro relating to Contractor's performance or work. In addition, Metro may withhold payments from Contractor and withdraw from funds held in retainage for damages by Contractor to others not adjusted, failure of Contractor to make proper payment to his/her employees, material suppliers and subcontractors, and where there is reasonable evidence indicating a probable filing of any claim against Metro or Contractor. In no event shall amounts withheld from payment under this section be construed to mean amounts attributable to retainage: Metro's right to retain five percent (5%) of contract payments under Article 21 of these General Conditions is in addition to Metro's right to withhold payments under this paragraph.

B. No action taken by Metro under this Article shall affect any of the other rights or remedies of Metro granted by any other provision or provisions of this Contract or by law or relieve Contractor from any consequences or liabilities arising from his/her acts or omissions.

ARTICLE 21

Retainage

Metro shall retain five percent (5%) of all unit price payments and lump sum payments to Contractor until the total amount of such retainage equals one hundred percent (100%) of the initial amount designated for the Bonds or Letters of Credit required from Contractor under Article 2, Section J. of these General Conditions. This retainage shall not be returned to Contractor until completion of the performance of this contract, including all extensions to its term. In no event shall the total retained amounts exceed the initial amount designated for the relevant Bonds or Letters of Credit by Article 2, Section J.

If any any time the total amount of retainage ever falls below five percent (5%) of the total contract payments made to Contractor or the initial amount designated for the relevant Bonds or Letters of Credit required by Article 2, Section J., whichever amount is less, due to deductions from retainage allowed by the Contract, Metro shall be entitled to the remedies described in Article 2, Section J. of these General Conditions.

ARTICLE 22

Liquidated Damages

A. In the event of any default in the disposal of waste pursuant to this agreement of twelve (12) hours or more which is not caused by one of those events enumerated in the first sentence of Article 9.D., or in the event of any default by Contractor which results in Contractor's termination by Metro under Article 24 and a consequence interruption of twelve (12) hours or more, the Contractor shall pay liquidated damages to Metro in the sum of fifty ($50) dollars per ton multiplied by the average daily tonnage level of the same month for the previous year for each day or portion thereof of interrupted operation. The $50 per ton liquidated damages shall be adjusted pursuant to Article 18B (Basis and Method of Payment -- Price Adjustment). In the event that any single period of such default extends beyond thirty (30) days, Metro shall recover no more liquidated damages for periods beyond such thirty (30) day period; instead Metro's right to recover damages for any period beyond such thirty (30) day period shall be limited to Metro's actual damages attributable to such period.

B. It is expressly understood and agreed that this amount is not to be considered in the nature of a penalty, but because of the difficulties of proof of loss, the parties have determined that this

amount is a reasonable forecast of just compensation in light of the anticipated or actual harm which would be caused by a breach or default on Contractor's part. Metro may deduct such damages from any amount due or which may become due, or from funds held in retainage, or the amount of such damages shall be due and collectible from the Contractor or the Surety within fifteen (15) days of service upon the relevant party of Metro's determination of the amount of damages due Metro under this paragraph. This remedy shall be in addition to, and not a waiver or surrender of, any other rights or remedies Metro may have under this Contract or any provision or provisions of law.

ARTICLE 23

Taxes and Fees

As between Metro and Contractor, Contractor shall be responsible and liable for payment of all federal, state, regional, county and local taxes and fees, and surcharges of every form, which apply to any and all persons, entities, property, income, equipment, materials, supplies, structures, or activities which are involved in the performance of the Contract, including, but not limited to, any and all income taxes, real property taxes, excise taxes, sales and use taxes and fees which arise in connection with the Contract. The extent, if any, to which Metro will reimburse Contractor for cost increases due to increases in the rates of taxes, fees, or surcharges is explained in Article 19 C. of these General Conditions.

ARTICLE 24

Metro's Rights and Remedies for Defaults in Performance of the Contract

A. Metro's Rights and Remedies for Failure to Accept or Dispose of "Acceptable Waste" or to Provide Access to Disposal Site

For each and every event of default in which Contractor fails to accept and dispose of any and all "acceptable waste" which is delivered to Contractor or fails to provide Metro with access to the disposal site in accordance with the Specifications and if neither Contractor nor Surety, within twenty-four (24) hours after written notice of such default has been served upon both Contractor and Surety, cure such default or give Metro reasonable assurances that the default will be promptly cured, Metro shall have the unconditional right to all of the following remedies to the extent permitted by law.

1. The Judicial Remedy of Specific Performance

For each and every default under Article 24 A., Metro shall be entitled to a judicial remedy of Specific Performance requiring Contractor, Surety or any person or entity which is in possession or acquires any

interest in or encumbrance against any or all of the real property which is subject to the Covenant required by Article 2, Section R., to accept and dispose of all "acceptable waste" which Metro delivers to the Disposal Site and to provide Metro with access to the Disposal Site as required by the Contract.

2. Liquidated Damages

As an additional remedy for each and every default under Article 24 A., Metro is entitled to liquidated damages for the first thirty (30) days of such default, as provided in Article 22.

3. Actual Damages

For each and every event of default under Article 24 A. which lasts more than thirty (30) days, Metro shall be entitled to recover its actual damages for the period of default beyond the thirty (30) days period.

4. Termination or Suspension of Contractor's Performance of the Contract

For each and every event of default under Article 24 A. which lasts longer than thirty (30) days, Metro shall be entitled to terminate or suspend Contractor's performance of the contract, in accordance with Section C. of this Article.

B. Metro's Remedies for Defaults Other than Failure to Accept and Dispose of Acceptable Waste and to Provide Access to the Disposal Site

For each and every event of default other than a default under Article 24 A., if neither Contractor nor Surety, within thirty (30) days after written notice of such default has been served upon both Contractor and Surety, cure such default or give Metro reasonable assurances that the default will be promptly cured, Metro shall have the unconditional right to one or more of the following remedies to the extent permitted by law.

1. The Judicial Remedy of Specific Performance

For each and every default under Article 24 B., Metro shall be entitled to a judicial remedy of Specific Performance requiring Contractor, Surety or any person or entity which is in possession or acquires any interest in or encumbrance against any or all of the real property which is subject to the Covenant required by Article 2, Section R., to perform and abide by all releant provisions of the Contract.

2. Actual Damages

As an additional remedy, for each and every default under Article 24 B., Metro shall be entitled to recover its actual damages during all periods of default. Any disputes arising as to the amont of Metro's actual damages shall be resolved by arbitration under Article 26. No liquidated damages remedy shall apply to defaults under this section.

3. Termination or Suspension of Contractor's Performance of the Contract

For each and every event of default under Article 24 B. which lasts longer than thirty (30) days, Metro shall be entitled to terminate or suspend Contractor's performance of the contract, in accordance with Section C. of this Article.

C. Procedure for Termination and Suspension of Contractor's Performance of the Contract by Metro

To terminate or suspend the Contractor's performance of the contract, Metro must notify in writing both Contractor and Contractor's Surety of Metro's intent to terminate or suspend such performance.

Within ten (10) days of service upon Contractor of Metro's notice of intent to terminate or suspend Contractor's performance of the Contract, Contractor shall either:

1. cure any defaults in performance; or

2. discontinue his/her work on the Project or such part thereof as Metro shall designate.

If Contractor does not cure any defaults within ten (10) days after service of the notice of intent to terminate or suspend Contractor's performance of the Contract, Surety may, at its option, take over and assume full and complete performance of the Contract or that portion thereof which Metro has ordered Contractor to discontinue, and may perform the same or may sublet the work or that portion of the work taken over to a contractor or contractors acting on behalf of Surety. Provided, however, that the Surety shall exercise its option and begin performance of the work, if at all, within ten (10) days after Surety is served with a copy of the written notice of termination or suspension. The Surety shall be paid by Metro for all work performed by Surety in accordance with and subject to each and every term of the Contract.

Surety shall be subject to each and every term and condition of the Contract.

D. Metro's Remedies if Contractor Becomes Insolvent, Dissolved, Bankrupt, Files for Bankruptcy, Makes a General Assignment for Creditors

The parties agree that if Contractor is insolvent, is dissolved, files for Bankruptcy, is adjudged bankrupt, or makes a general assignment for the benefit of creditors, or if a receiver is appointed for the benefit of its creditors, or if a receiver is appointed on account of its insolvency, such could impair or frustrate Contractor's performance of this Agreement. Accordingly, it is agreed that upon the occurrence of any such event, Metro shall be entitled to request of Contractor or its successor in interest, adequate assurance of future performance in accordance with the terms and conditions hereof. Failure of Contractor and Surety to comply with such request within ten (10) calendar days of service upon both Contractor and Surety of a written request from Metro for such assurances shall entitle Metro to terminate or suspend Contractor's performance of the Contract under Section C. of this Article. Metro shall not be bound to the Contract by an insolvent Contractor's trustee or receiver.

E. Nothing in this Article, and no actions taken pursuant to this Article shall constitute a waiver or surrender of any rights, remedies, claims or causes of action Metro may have against Contractor or its Surety under any other provision of this Contract or any provision(s) of law.

F. If any event specified in Section D. of Article 9 of these General Conditions occurs and prevents Metro or Contractor from performing the Contract, or if this Contract is for ash disposal and any is made effective after the deadline for submission of bids which prohibits or makes more costly the generation or disposal of ash, then Metro shall have the right, in its sole discretion, to terminate this Contract. In the event that Metro chooses to terminate the Contract under this section, Metro shall serve Contractor with written notice of such intent and shall reimburse Contractor for either: (1) all costs which Metro determines Contractor has incurred in performing the Contract prior to service upon Contractor of the notice to terminate plus an amount equal to fifteen percent (15%) of such costs less the total payments which Metro has paid Contractor prior to service of the notice of termination upon Contractor; or (2) all remaining lump sum payments otherwise due Contractor under the Contract, whichever amount specified in (1) or (2) of this sentence, is less. It shall also be a condition precedent to any payments under this paragraph that Contractor fully demonstrate and document to Metro's satisfaction the costs Contractor actually incurred prior to receiving service of the notice of termination. Metro shall determine, subject to its accounting and budget limitations, the method and manner of any payment(s) which may include installment payments over an extended period of time which may extend beyond the termination or completion of the Contract. Any such determination with regard to payments shall take into consideration Contractor's reasonable and actual financing costs.

ARTICLE 25

Contractor's Right to Terminate

Should the Project as a whole be stopped for a period of sixty days or more by a public authority other than Metro or by Metro (if Metro is acting in violation of Contractor's rights under the Contract) through no fault of Contractor, then Contractor, upon seven (7) days written notice to Metro may stop the work or terminate the Contract and recover from Metro that portion of the Contract payments, less the aggregate of previous payments, allowable to the Project completed as of the date of termination; however, in such event, Metro will make no payments to Contractor for any work done for the Project after the date of termination.

ARTICLE 26

Arbitration

Subject to the conditions and limitations of this paragraph, any controversy or claim arising out of or relating to this Contract or the breach of this Contract or for extensions of time for delay shall be exclusively settled by arbitration under the laws of the state of Oregon, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. However, all disputes concerning Metro's right to the remedy of Specific Performance shall not be subject to arbitration, but shall be decided exclusively by a court of competent jurisdiction in Multnomah County, Oregon, under the laws of the state of Oregon. All disputes shall be heard and decided by one arbitrator.

Contractor agrees to consolidation of any arbitration between Metro and Contractor with any other arbitration involving, arising from, or relating to this same Project.

In the event that Metro determines, in its sole opinion, that the public interest requires a speedy resolution of any controversy or claim regardless of the amount, Metro shall have the option of electing resolution of the controversy or claim by the Expedited Procedures of the Commercial Arbitration Rules of the American Arbitration Association (Rules 54 through 58).

Each party hereto and the Contractor's Surety accepts jurisdiction of the courts of the State of Oregon for the purposes of commencing, conducting and enforcing such arbitration proceedings and agrees to accept notice in writing sent by certified letter addressed to said party of intention to proceed with arbitration and of any other step in connection therewith or enforcement thereof, with the same effect as though personally served therewith in the State of Oregon. The decision of the arbitrator shall be final and binding upon both parties and the Contractor's Surety who hereby agree to comply therewith. The parties agree that proper venue for any judicial proceeding to enforce any decision or award made by an arbitrator under this section shall be exclusively in the County of Multnomah in the State of Oregon.

ARTICLE 27

Attorney's Fees

In the event suit or action or arbitration is instituted to enforce any right granted herein, the prevailing party shall be entitled to, in addition to the statutory costs and disbursements, a reasonable attorney's fee to be fixed by the trial court; and on appeal, if any, similar fees in the appellate court to be fixed by the appellate court.

ARTICLE 28

Assignment

A. Contractor shall not assign any rights or obligations under or arising from this Contract without the prior written consent of Metro. Contractor shall not assign any amounts due or to become due under this Contract without prior written notice to Metro.

B. This Contract is executed with a certain qualified party to accomplish the Project. The delegation of any Contract duties will require the prior written consent Metro and of the Surety. Any such delegation of duties will not relieve the Contractor or his/her Surety of any liability and/or obligation to perform. In the event of any delegation of a duty, the delegate shall assume full responsibility for performance of that duty without affecting Contractor's liability.

ARTICLE 29

Change of Ownership

Any change in control or the transfer of a controlling interest in the beneficial ownership of Contractor shall constitute a default under the terms of this Contract, unless Metro consents to such transfer. "The transfer of a controlling interest of Contractor" shall include, but is not limited to, the transfer of ten percent (10%) or more of the beneficial ownership of Contractor to or from a single entity, unless Metro, at Contractor's request, finds to the contrary. However, intra-company transfers, such as transfers between different subsidiaries or branches of the parent corporation of Contractor, shall not be construed as transfers of a controlling interest in Contractor. If, however, the Metro determines that the new ownership can adequately and faithfully render the services called for in this Contract for the remaining term of the Contract, then the Metro may elect to execute a novation, allowing the new ownership to assume the rights and duties of this Contract and releasing the previous ownership of all obligation and liability. The new ownership would then be solely liable for any work and/or claims attendant to this Contract.

ARTICLE 30

Guarantees and Warranties

A. Contractor shall provide to Metro any and all warrantees and guarantees specifically or implicitly required by any of the Contract Documents.

B. Contractor shall provide any guarantees or warrantees not already specifically required by the Contract Documents which may be necessary to ensure the viability of all of the rights and remedies which this Contract purports to provide Metro.

C. In addition to any specific guarantees and warranties required by the Contract Documents, Contractor hereby guarantees to perform the Project in a first class, workmanlike manner and guarantees all services against defects in material or workmanship for a period of one (1) year from the date of acceptance of the Project and final payment by Metro, whichever is later, as specified in these General Conditions. Acceptance shall occur upon final completion of the Project and acceptance of the entire Project by Metro.

D. All guarantees or warranties of equipment, services or materials furnished to Contractor or subcontractors by any supplier shall be deemed to run to the benefit of Metro. If any supplier of any equipment, services or material furnishes a guarantee or warranty for a period in excess of one (1) year from the date of acceptance, Contractor's guarantee, as provided in Paragraph A of this Article shall be deemed to extend for a like period as to such equipment, service or material.

E. Contractor shall fulfill the conditions of any warranties of manufacturers for material or equipment.

F. Within a reasonable time after receipt of written notice thereof, Contractor shall correct any defects in workmanship which exist prior to or during the period of any guarantee provided herein and any damage caused by such defects or the repairing of such defects, at his/her own expense and without cost to Metro, and without interruption to the Project.

G. The guarantees and warranties shall not be construed to modify, limit, or lessen in any way, any rights or remedies which Metro may otherwise have against Contractor or its Surety.

ARTICLE 31

Dissolution of Metro and Successor to Metro

In the event that Metro is dissolved or its solid waste functions and powers relative to this Contract are taken from Metro by legislative act or by referendum of the people, all of the duties, rights, and remedies of Metro under the Contract, including,

but not limited to all bonds executed for this Contract shall remain in full force and effect and shall be transferred to either: (1) the successor to Metro as specified by the legislative act or referendum by which Metro is dissolved; or, (2) if no successor to Metro is specified by the relevant legislation or referendum, the successor to Metro shall hereby be deemed to be the State of Oregon.

ARTICLE 32

Disadvantaged Business Program

A. Contractor agrees to follow the policies and rules set out in Metro's Disadvantaged Business Program which by this reference are hereby fully incorporated as if fully set forth herein.

B. Contractor shall not replace a disadvantaged or women business subcontractor with another subcontractor, either before Contract award or during Contract performance, without prior approval of Metro. In replacing a disadvantaged or women business subcontractor, Contractor shall replace such disadvantaged or women business subcontractor with another certified disadvantaged business subcontractor or make good faith efforts to do so. Failure to do so shall constitute Contractor's default of this Contract, and Metro, at its option, may terminate this Contract under the procedures set out in Article 23 A.

C. Contractor shall provide monthly reports on its compliance with the DBE/WBE goals of this Contract and with Metro's Disadvantaged Business Program.

D. Metro reserves the right, at all times during the period of this Contract, to monitor compliance with the terms of the Disadvantaged Business Program and this Contract, and with any representation made by Contractor prior to Contract award pertaining to disadvantaged or women participation in the Contract, and any representation made by Contractor regarding replacement of any disadvantaged business or women subcontractor during the duration of this Contract.

ARTICLE 33

Public Contracts

A. When the Contract Documents concern public works of the State or any County, municipality, or political subdivision created by its laws, the applicable statutes of the State of Oregon shall apply.

B. The provisions set out in Oregon Revised Statutes Chapters 187 and 279, as amended or superseded, including the latest additions and revisions, and all applicable provisions of the Metro Code, are incorporated by reference as part of these Contract Documents. In addition, the specific requirements of certain of these sections are set out below.

C. Pursuant to ORS 279.312, Contractor shall make payment promptly, as due, to all persons supplying such Contractor labor or material for the prosection of the Project provided in this Contract. Contractor shall pay all contributions or amounts due the Industrial Accident Fund (IAF) from such Contractor or subcontractor incurred in the performance of the Contract. Contractor shall not permit any lien or claim to be filed or prosecuted against the State, County, school district, municipality, municipal corporation, or subdivision thereof, on account of any labor or material furnished. Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

D. Pursuant to ORS 279. 314, if Contractor fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a subcontractor by any person in connection with this Contract as such claim becomes due, Metro may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due Contractor by reason of such Contract. Metro's payment of such a claim in the manner authorized by ORS 279.314 shall not relieve Contractor or Contractor's surety from obligation with respect to any unpaid claims.

E. Pursuant to ORS 279.316, no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, emergency, or where the public policy absolutely requires it, and in such cases the laborer shall be paid at least time and a half pay for all overtime in excess of eight (8) hours a day and for work performed on Saturday and on any legal holiday specified in ORS 279.334.

F. Pursuant to ORS 279.320, Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to the employees of Contractor, of all sums which Contractor agrees to pay for such services and all monies and sums which Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying such service.

ARTICLE 34

Merger: Previous Contract Superseded

This Contract constitutes the final and complete agreement and understanding between the parties. All prior and contemporaneous contracts, agreements and understandings, whether oral or written, are to be without effect in the construction of any provision or term of this Contract if they alter, vary or contradict this Contract.

ARTICLE 35

Assignment of Antitrust Rights

By entering into a contract, the Contractor, for consideration paid to the Contractor under the Contract, does irrevocably assign to Metro any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future, including, at Metro's option, the right to control any such litigation on such claim for relief or cause of action, by reason of any violation of 15 USC §§ 1-15 or ORS 646.725 or ORS 646.730, in connection with any goods or services provided to the Contractor by any person, which goods or services are used, in whole or in part, for the purpose of carrying out the Contractor's obligations under this Contract.

In the event the Contractor hires subcontractors to perform any of the Contractor's duties under the Contract, the Contractor shall require the subcontractor to irrevocably assign to Metro, as a third party beneficiary any right, title or interest that has accrued or may accrue to the subcontractor by reason of any violation of 15 USC §§ 1-15, ORS 646-725 or ORS 646.730, including, at Metro's option, the rights to control any litigation arising thereunder, in connection with any goods or services provided to the subcontractor by any person, in whole or in part, for the purpose of carrying out the subcontractor's obligations as agreed to by the Contractor in pursuance of the completion of the Contract.

In connection with this assignment, it is an express obligation of the Contractor that it will take no action which will in any way diminish the value of the rights conveyed or assigned hereunder to Metro. It is an express obligation of the Contractor to advise the General Counsel of Metro:

1. In advance, of its intention to commence any action on its own behalf regarding such claims for relief or causes of action;

2. Immediately, upon becoming aware of the fact that an action has been commenced on its own behalf by some other person or persons, of the pendency of such action; and

3. The date on which it notified the obligor(s) of any such claims for relief or causes of action of the fact of its assignment to Metro.

Furthermore, it is understood or agreed that in the event that any payment under any such claim is made to the Contractor, it shall promptly pay over to Metro its proportionate share thereof, if any, assigned to Metro hereunder.

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SPECIFICATIONS

1. GENERAL. A brief description of the services to be provided is stated in the Invitation to Bid. To determine the full scope of the project or any particular part of the project, the applicable information in the several parts of these Contract Documents must be read together.

The following additional information, though not all inclusive, is given to assist bidders in their evaluation of the services required to meet the project objectives.

Metro wishes to acquire disposal capacity for one or more quantities of mixed solid waste as presented in the Bid Schedule contained in these Documents. In addition, Metro is soliciting ash disposal capacity from a resource recovery facility (if constructed) in some of the categories presented in the Bid Schedule.

The quantity of waste and ash (if applicable) for which the Contractor shall be responsible is determined by the alternate from the Bid Schedule which is awarded to the Contractor. Detailed flow information is contained in the Appendix to aid the Contractor in scheduling. The flows are estimates only, and Metro reserves the right to vary the quantities without limit.

Annual Waste Delivery Guarantees by Metro

Metro makes the following guarantee to each Contractor who is awarded a Contract for Disposal Services by Metro for Alternate Nos. 1, 3, 5 or 7 (for one landfill): each calendar year, Metro agrees to deliver to the Contractor's Disposal Site a minimum of ninety percent (90%) of the total tons of acceptable waste (other than ash) which Metro delivers to any general purpose landfill(s) during that calendar year.

Metro makes the following guarantee to each Contractor who is awarded a Contract for Disposal Services by Metro for Alternate Nos. 2,4, 6 or 8 (for two landfills): each calendar year, Metro agrees to deliver to Contractor's Disposal Site a minimum of forty percent (40%) of the total tons of acceptable waste (other than ash) which Metro delivers to any general purpose landfill(s) during that calendar year.

If this Contract is for the services stated in Alternate No. 9, Metro agrees to deliver to Contractor's Disposal Site each calendar year: ninety percent (90%) of all ash (which is Acceptable Waste) which Metro delivers to any ash disposal site during that calendar year.

Waste Acceptance and Disposal Guarantee by Contractor(s)

Each Contractor awarded Contracts for Alternate No. 9 makes the following guarantee to Metro: notwithstanding any other provision

of this Contract, Contractor agrees to accept and properly dispose, according to the terms of the Contract, of all ash which Metro delivers to Contractor's Disposal Site.

Each Contractor for Contracts for Alternates 1, 2, 3, 4, 5, 6, 7, 8 or 9 makes the following guarantees to Metro: Contractor agrees to accept any acceptable waste or ash which Metro's contractors deliver to the Disposal Site from jurisdictions other than Metro.

Limited Guarantee Against Waste Flow Fluctuations by Metro

Metro will guarantee that total solid waste or ash quantities during any calendar year quarter will not vary by plus or minus twenty percent (20%) of the total quantity disposed of during the same quarter of the previous calendar year. If the total quantities fall below eighty percent (80%) of the total quantities for the same quarter of the previous year's calendar quarter, Metro will reimburse the Contractor as provided below.

If the total quantities during any calendar quarter exceed the total quantities for the same quarter of the previous year by twenty percent (20%), Metro will reimburse the Contractor as provided below.

For purposes of determining compliance with these limited guarantees against waste flow fluctuations for the year commencing on January 1, 1990, only, the phrase "the total quantity/quantities of waste disposed of during the same quarter of the previous calendar year" shall refer to ninety percent (90%) of the total quantity of waste disposed of by Metro in any general purpose landfill during the same quarter of the 1989 calendar year.

Metro's obligation to provide reimbursement for any failure by Metro to abide by the above waste and ash flow guarantees is determined as follows: Metro shall reimburse Contractor for any relevant unit prices or lump sum payments which would ordinarily be due Contractor plus any actual additional extraordinary costs incurred by Contractor as a result of Metro's violation of the flow guarantee plus fifteen percent (15%) of such additional extra-ordinary costs. If Metro provides one hundred eighty (180%) days notice to Contractor that quantities delivered will violate the terms of the above described guarantee, Metro shall only be required to pay Contractor according to existing unit prices for waste/ ash quantities actually disposed of and shall not be required to pay any extraordinary costs as outlined above.

Metro shall determine, subject to its accounting and budget limitations, the method and manner of any payment(s) which may include installment payments over an extended period of time which may extend beyond the termination or completion of the Contract. Any such determination with regard to payments shall take into consideration Contractor's reasonable and actual financing costs.

The Contractor is not responsible for reduction of waste landfilled under this Contract unless required by state regulations. The Solid Waste Reduction Program adopted by Metro shall fulfill any waste reduction requirements of state regulations for waste generated in the Metro region.

2. SEQUENCE OF EVENTS FOLLOWING AWARD. Within ninety (90) days of Contract award, the Contractor shall submit a report indicating the status of permits, and of site acquisition and development. Thereafter, Contractor shall submit written updates on site acquisition and development on a quarterly basis and at other intervals as requested by Metro. At any point in time that Metro determines that the Contractor is not making adequate and timely progress toward site acquisition and development and the securing of regulatory approvals, Metro may declare Contractor in default of the Contract and proceed according to Article 24 of the General Conditions. One (1) month following award, Contractor shall specify unloading requirements, including whether a tipper will be available. In addition, the Contractor will supply by July 1, 1989, the following in writing:

- Mobilization plans for equipment and personnel;
- Final list of supervisory personnel;
- Final list of equipment;
- Contingency plans;
- Safety and emergency response program, training, equipment and standard operating procedures;
- Operating plan, including specific operating procedures for unloading transfer vehicles; and
- List of subcontractors and copies of signed agreements along with DBE/WBE information.

3. COORDINATION. The Contractor is responsible for coordinating the unloading of trucks with the transfer vehicle operators. Metro will act as the arbitrator of any disputes between the parties. After January 1, 1990, a monthly coordination meeting will be held, attended by Contractor, to review the progress of the work, discuss operational problems and procedures, and complaints. It will be the responsibility of the Contractor to prepare for and respond to complaints, charges and allegations brought against him/her prior to this meeting. The Contractor will also be required to present a monthly report summarizing all project activities during the prior month and plans and schedules for future activities. The organization of and invitation to the meeting will be the responsibility of Metro.

The summary report shall include at a minimum:

- Solid waste quantities disposed at the landfill;
- Ash quantities disposed at the landfill (if applicable);
- Average solid waste densities disposed;
- Complaint forms and recommended actions;
- Any extraordinary occurrences affecting Metro; and
- Status of operating equipment.

4. OPERATING PLAN: GENERAL. The Contractor shall conduct the disposal of waste and ash in accordance with all state and federal regulations, the solid waste permit, and as described in the Contract Documents. Any change in operating procedures as described by these documents must be approved by Metro.

The Contractor will conduct his/her activities so as to maximize coordination with any Metro-desginated party, and to minimize unloading time spent at the disposal site (site).

5. PAYMENT. Payment for solid waste and ash disposed will be made based on weighing tickets issued at Metro facilities. A copy of the weighing ticket will accompany each transfer vehicle and be used as the basis for payment. If the Contrator disagrees with the weight information contained on the ticket, the Contractor may request, in writing, recalibration of Metro scales, but will be responsible for payment of 50 percent of any costs incurred for recalibration. Metro will reimburse the Contractor for any discrepancy found, retroactive to the date of the Contractor's written request. Nothing contained in this section shall relieve the Contractor of his/her obligation to dispose of the waste. Lump sum payaments will begin in January 1990.

6. OPERATION RECORDS. The Contractor shall keep accurate records of all transactions in connection with this Project. This includes, but is not limited to, weighing tickets issued at the Metro facilities, any receipts or correspondence from the disposal or resource recovery facilities, any communication from public agencies, and documentation from the site that waste and ash transferred from the Metro boundaries to the landfill has been disposed according to the specifications contained herein. Copies of such records shall be forwarded to Metro on a monthly basis unless otherwise directed.

7. CONTINGENCY PLANS: GENERAL. The Contractor will submit to Metro comprehensive plans for dealing with the following:

a. Emergency operating procedures in the event of a work stoppage by any of the Contractor's employees or subcontractors.

b. Emergency procedures in the event of breakdown of equipment or accidents.

c. Emergency bad weather operating procedures to avoid any interruption of service.

Plans must include time frame for the implementation of the plan, and the sources for, and description of replacement equipment. Contingency plans must be approved by Metro.

8. CONTINGENCY PLANS: EMERGENCY. Contractor will provide to Metro a comprehensive plan designed to minimize hazards to human

health, the environment; damage to property; the interruption of disposal operations; due to:

a. Fires
b. Explosions
c. Release of hazardous waste constituents
d. Other emergencies which may occur

The contingency plan must include:

1) A description of actions which operations personnel must take in response to a, b and c above.

2) Evidence of arrangements with local emergency response agencies setting forth what services will be rendered by each agency in the event of an emergency.

9. ACCIDENT REPORTS. If death or serious injuries or serious damages are caused by an accident related to this Project, the accident shall be reported as soon as is reasonably possible by telephone or messenger to Metro. In addition, the Contractor must promptly report in writing to Metro all accidents whatsoever arising out of, or in connection with the performance of the work, giving full details and statements of witnesses.

If a claim is made by anyone against the Contractor or any subcontractor on account of any accident related to this Project, the Contractor shall promptly report the facts in writing to Metro, giving the details of the claim.

10. PROTECTION OF TRANSFER VEHICLES. The Contractor will be held responsible for any damage to Metro-designated transfer vehicles resulting from Contractor's operations and shall repair or replace any such damaged vehicles at no additional charge to Metro.

11. LANDFILL: GENERAL. The Contractor's landfill shall conform with all federal, state and local regulations as well as any specifications contained herein.

Bidders are required to submit with their bids engineering plans depicting the space to be contructed for Metro waste and ash residue (if applicable) for each alternate bid, plus a description of the method of placement and the expected in-place densities and daily cover ratio.

Metro staff will schedule and bidders shall conduct site visits to familiarize Metro with site characteristics. These visits will occur after bid submittal and before Contract award. Metro staff shall be shown the proposed location for the placement of waste.

12. HOURS OF OPERATION. Contractor shall maintain such hours of operation as are reasonably necessary to allow transfer vehicles to properly unload waste at the disposal site.

13. UNLOADING OF TRANSFER VEHICLES AT DISPOSAL FACILITIES. The Contractor is not responsible for unloading transfer vehicles. The Contractor shall coordinate unloading of transfer vehicles with disposal operations so as to minimize unloading time. The Contractor shall be responsible for maintaining access to the unloading area at all times. The Contractor shall maintain and keep in good repair access to the unloading area and shall allow transfer vehicles reasonable access to such area during all hours of operation.

14. TYPE OF WASTES ACCEPTED. The Contractor shall accept and dispose of all Acceptable Waste which is delivered by Metro's Contractors to the disposal site. The Contractor shall not accept nor dispose of any unacceptable waste at the disposal site.

The following definitions are generally applicable to this Contract:

> "Acceptable Waste" means any and all waste that is solid waste, as the latter term is defined in ORS 459.005(18) except unacceptable waste, as defined below.
>
> "Unacceptable Waste" means any and all waste that is either: (1) waste which is prohibited from disposal at a sanitary landfill by state or federal law, regulation, rule, code, permit or permit condition, (2) a hazardous waste, as defined below, or (3) Special Waste without an approved special waste permit. "Unacceptable Waste" shall not include residential waste unless this is prohibited by a change in law which becomes effective after December 21, 1987.
>
> "Hazardous Waste" means any waste, (even though it may be part of a delivered load of waste) which:
>
> "(a) is required to be accompanied by a written manifest or shipping document describing the waste as "hazardous waste," pursuant to any state or federal law, including, but not limited to, to Resource Conservation and Recovery Act, 42 USC 9601, et seq. as amended and the regulations promulgated thereunder; or
>
> "(b) contain polychlorinated biphenyls or any other substance whose storage, treatment or disposal is subject to regulation under the Toxic Substances Control Act, 15 USC 2601, et seq. as amended and the regulations promulgated thereunder; or

"(c) contains a "reportable quantity" of one or more "hazardous substances," as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601, et seq. as amended and the regulations promulgated thereunder (as of December 21, 1987) and as defined under Oregon Law, ORS 466.605 et seq. and regulations promulgated thereunder; or

"(d) contains a readioactive material the storage or disposal of which is subject to state or federal regulation.

"Special Waste" means any waste, (even though it may be part of a delivered load of waste), which is:

"(a) containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in (c)-(h) of this definition, below; or

"(b) waste transported in a bulk tanker; or

"(c) liquid waste; or

"(d) sludge waste; or

"(e) waste from an industrial process; or

"(f) waste from a pollution control process; or

"(g) residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in (a)-(f) or (h) of this definition; or

"(h) soil, water, residue, debris or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in (a)-(g) of this definition; or

"(i) residential wastes listed in (a)-(h) of this definition only if a change in law, statute, regulation, rule, code, ordinance, permit, or permit condition occurs after December 21, 1987, that requires special or additional management that differs from the requirements applicable on December 21, 1987.

"suspicious waste" is waste which Contractor reasonably suspects or should suspect may be "unacceptable waste."

Unacceptable Waste

Metro shall include, in all contracts by contract for the transfer or transport of waste for disposal to the disposal site a requirement that such transfer and transport contractors use all reasonable measures to prevent Unacceptable Waste from being delivered to the disposal site.

Special Waste

Metro shall include in all contracts for the transfer and transport of waste for disposal to the disposal site a requirement that such transfer and transport contractors use all reasonable measures necessary to exclude special waste from being delivered to the disposal site, unless Metro has issued a Special Waste Permit. Metro will consult with Contractor in developing a Special Waste Permit Program.

Contractor's duties under this Contract with respect to Suspicious Waste and Unacceptable Waste and Metro's obligations to pay Contractor for performance of such duties are stated below.

15. Contractor's Duties Re: Suspicious or Unacceptable Waste

(1) Contractor's Duty to Inspect Waste and to Sign all Mainifests

Contractor shall inspect all waste delivered to the disposal site in a manner which is reasonably necessary to determine whether or not such waste is Unacceptable Waste as that term is defined in Section 14. of these Specifications.

Within 60 minutes after each load of waste is dumped at the disposal site, Contractor shall inspect the load dumped and specify in writing on the weigh ticket accompanying the delivery whether:

(a) the waste delivered, or any portion thereof is Suspicious Waste, as defined in Section 14. of these Specifications; or

(b) the waste delivered, or any portion thereof, is Unacceptable Waste, as defined in Section 14. of these Specifications.

A copy of any weigh ticket which indicates that any waste is Unacceptable or Suspicious shall be sent to Metro by certified or registered mail.

(2) Contractor's Duty to Test Suspicious Waste

Contractor shall manage any Suspicious Waste delivered by Metro's contractor to the Disposal Site in accordance with all requirements of the law, and shall cause to be performed any testing of the "Suspicious Waste" which is reasonably necessary to determine whether or not the waste is unacceptable waste. All testing of suspicious waste shall be done as soon as possible after delivery of such waste to the Disposal Site. Metro will reimburse Contractor for fifty percent (50%) of any testing and management costs which Contractor reasonably incurs under this section, except as provided below.

(3) Contractor's Duty to Manage Unacceptable Waste and Metro's Reimbursement Therefor

If any inspection or testing performed or caused to be performed by Contractor (or any governmental authority or agency having jurisdiction over unacceptable waste) reveals that any waste which Metro's contractor delivered to the Disposal Site is unacceptable waste, Contractor shall mange and dispose of such Unacceptable Waste in accordance with all requirements of law. Metro shall reimburse Contractor for one hundred percent (100%) of the Contractor's actual reasonable costs of managing and disposing of the unacceptable waste and of testing done to determine that the waste is unacceptable.

(4) Conditions and Limitations on Reimbursement

The following conditions precedent shall apply to Contractor's right to any reimbursement under Section 15. of these specifications:

(a) Contractor shall prove by clear and convincing evidence that Metro is the source of the unacceptable waste for which Contractor seeks reimbursement for testing or mangement or disposal of such waste:

(b) Contractor shall incooperation with Metro, preserve and protect any and all evidence which may assist Metro in proving ownership of or responsibility for the unacceptable waste; and

(c) Contractor shall fully document Contractor's actual costs and the reasonableness of Contractor's actual costs for testing and managing suspicious waste and for managing and disposing of unacceptable waste.

(d) Metro's reimbursement to Contractor for any waste testing or mangement done pursuant to this section is limited to the costs of doing such testing or mangement in the least costly method available.

(e) Contractor shall comply with Section 15 of these Specifications.

(f) Contractor must prove by clear and convincing evidence that (i) Metro's contractor delivered the hazardous waste at issue and (ii) Contractor used reasonable care in its inspections and other measures to prevent such hazardous waste from being accepted and disposed of at the Disposal Site;

(g) Any costs incurred by Contractor for managing and disposing of any hazardous waste under this paragraph shall be the least costly method of managing and disposing of such waste in accordance with all requirements of law.

(h) Any other conditions precedent or limitations upon reimbursement established by the Contract remain valid.

(5) Schedule for Reimbursement Payments

Metro shall determine, subject to its accounting and budget limitations, the method and manner of any payment(s) under this section, which may include installment payments over any extended period of time which may extend beyond the termination or completion of the Contract. Any such determination with regard to payments shall take into consideration Contractor's reasonable and actual financing costs.

(6) General Limitation on Metro's Liability

Except as otherwise provided in Section 15 of these Specifications, Metro shall have no duty to reimburse Contractor for nor to hold harmless, indemnify, nor defend Contractor against any claims, demands, suits, damages, penalties, charged, judgments, liabilities, or losses of whatsoever character or kind which may arise directly or indirectly from or are in any way connected with any negligent acts or omissions of contractor which relate to the management or disposal of unacceptable waste.

16. [DELETED]

17. INSPECTION. The Contractor shall permit inspection of all facets of the Project by Metro, its representatives and governmental authorities having jurisdiction over any parts of the Project, at all times. Metro shall have no duty to supervise or control any acts or omissions of any persons or parties, which acts or omissions are in any way connected with the disposal site or with the Contract.

15. REGULATORY APPROVAL. The Contractor shall be responsible for obtaining all necessary approvals for the services rendered under

this Contract. Copies of all current permits and conditions shall be submitted in the bidder's Proposal, together with a timetable for obtaining necessary permits not yet obtained.

19. CLOSURE. The Contractor is responsible for all costs associated with landfill closure, post closure maintenance, gas recovery and preparation for final use in a manner that is consistent with all federal, state and local permits, laws and regulations. Unit price and/or lump sum amounts bid by the Contractor shall include all costs of whatsoever nature associated with landfill closure and Metro shall not be obligated financially to Contractor for any such costs even though they may be incurred after termination of the Contract. Contractor shall submit a closure and post closure maintenance plan including cost estimate to Metro with the Contractor's bid. This plan and cost estimate shall be detailed enough to meet the requirements of Oregon Administrative Rules, 340-61-033 and 340-61-034(1)(a)(A)(B)(C) (see appendix) and any other applicable laws or regulations.

8694C/530
12/31/87

All Waste Flow Values Are In Thousands Of Tons. ESTIMATED FUTURE SOLID WASTE FLOW.

Year	ALT 1 Annual Waste	ALT 1 TONNAGE CUMULATIVE	ALT 2 Annual Waste	ALT 2 TONNAGE CUMULATIVE	ALT 3 Annual Waste & Residue	ALT 3 TONNAGE CUMULATIVE	ALT 4 Annual Waste & Residue	ALT 4 TONNAGE CUMULATIVE	ALT 5 Annual Waste & Residue	ALT 5 TONNAGE CUMULATIVE
1990	644	644	322	322	532	532	266	266	532	532
1991	665	1309	333	655	253	785	127	393	553	1085
1992	686	1996	343	998	274	1060	137	530	574	1660
1993	707	2703	354	1352	295	1355	148	678	595	2255
1994	728	3432	364	1716	316	1672	158	836	616	2872
1995	749	4181	375	2090	337	2009	169	1004	637	3509
1996	770	4951	385	2476	358	2367	179	1184	658	4167
1997	792	5743	396	2871	380	2747	190	1373	680	4847
1998	813	6556	406	3278	401	3148	200	1574	701	5548
1999	834	7389	417	3695	422	3569	211	1785	722	6269
2000	855	8244	427	4122	443	4012	221	2006	743	7012
2001	876	9119	438	4560	464	4475	232	2238	764	7775
2002	897	10016	448	5008	485	4960	242	2480	785	8560
2003	918	10934	459	5467	506	5466	253	2733	806	9366
2004	939	11873	469	5936	527	5993	263	2996	827	10193
2005	960	12833	480	6416	548	6541	274	3270	848	11041
2006	985	13818	492	6909	573	7114	286	3557	873	11914
2007	1010	14827	505	7414	598	7711	299	3856	898	12811
2008	1035	15862	518	7931	623	8334	312	4167	923	13734
2009	1060	16923	530	8461	648	8983	324	4491	948	14683

A:WASTFLOW (CELLS A1 THROUGH AC45)
rs 20-NOV-87

ALT 1: Waste Only - One Landfill
ALT 2: Waste Only - Two Landfills
ALT 3: Waste, RDF residue, and Compost residue - One Landfill
ALT 4: Waste, RDF residue, and Compost residue - Two Landfill
ALT 5: Waste, and Compost residue - One Landfill
ALT 6: Waste, and Compost residue - Two Landfill
ALT 7: Waste, and RDF residue - One Landfill
ALT 8: Waste, and RDF residue - Two Landfill
ALT 9: RDF Ash Only

All Waste Flow Values Are In Thousands Of Tons. ESTIMATED FUTURE SOLID WASTE FLOW.

Year	ALT 6 Annual Waste & Residue	ALT 6 TONNAGE CUMULATIVE	ALT 7 Annual Waste & Residue	ALT 7 TONNAGE CUMULATIVE	ALT 8 Annual Waste & Residue	ALT 8 TONNAGE CUMULATIVE	ALT 9 ASH RESIDUE FROM RDF Annual Ash Residue	ALT 9 ASH RESIDUE FROM RDF TONNAGE CUMULATIVE
1990	266	266	644	644	322	322	0	0
1991	277	543	365	1009	183	505	66	66
1992	287	830	386	1396	193	698	66	132
1993	298	1128	407	1803	204	902	66	198
1994	308	1436	428	2232	214	1116	66	264
1995	319	1754	449	2681	225	1340	66	330
1996	329	2084	470	3151	235	1576	66	396
1997	340	2423	492	3643	246	1821	66	462
1998	350	2774	513	4156	256	2078	66	528
1999	361	3135	534	4689	267	2345	66	594
2000	371	3506	555	5244	277	2622	66	660
2001	382	3888	576	5819	288	2910	66	726
2002	392	4280	597	6416	298	3208	66	792
2003	403	4683	618	7034	309	3517	66	858
2004	413	5096	639	7673	319	3836	66	924
2005	424	5520	660	8333	330	4166	66	990
2006	436	5957	685	9018	342	4509	66	1056
2007	449	6406	710	9727	355	4864	66	1122
2008	462	6867	735	10462	368	5231	66	1188
2009	474	7341	760	11223	380	5611	66	1254

A:WASTFLOW (CELLS A1 THROUGH AC45)
rs 20-NOV-87

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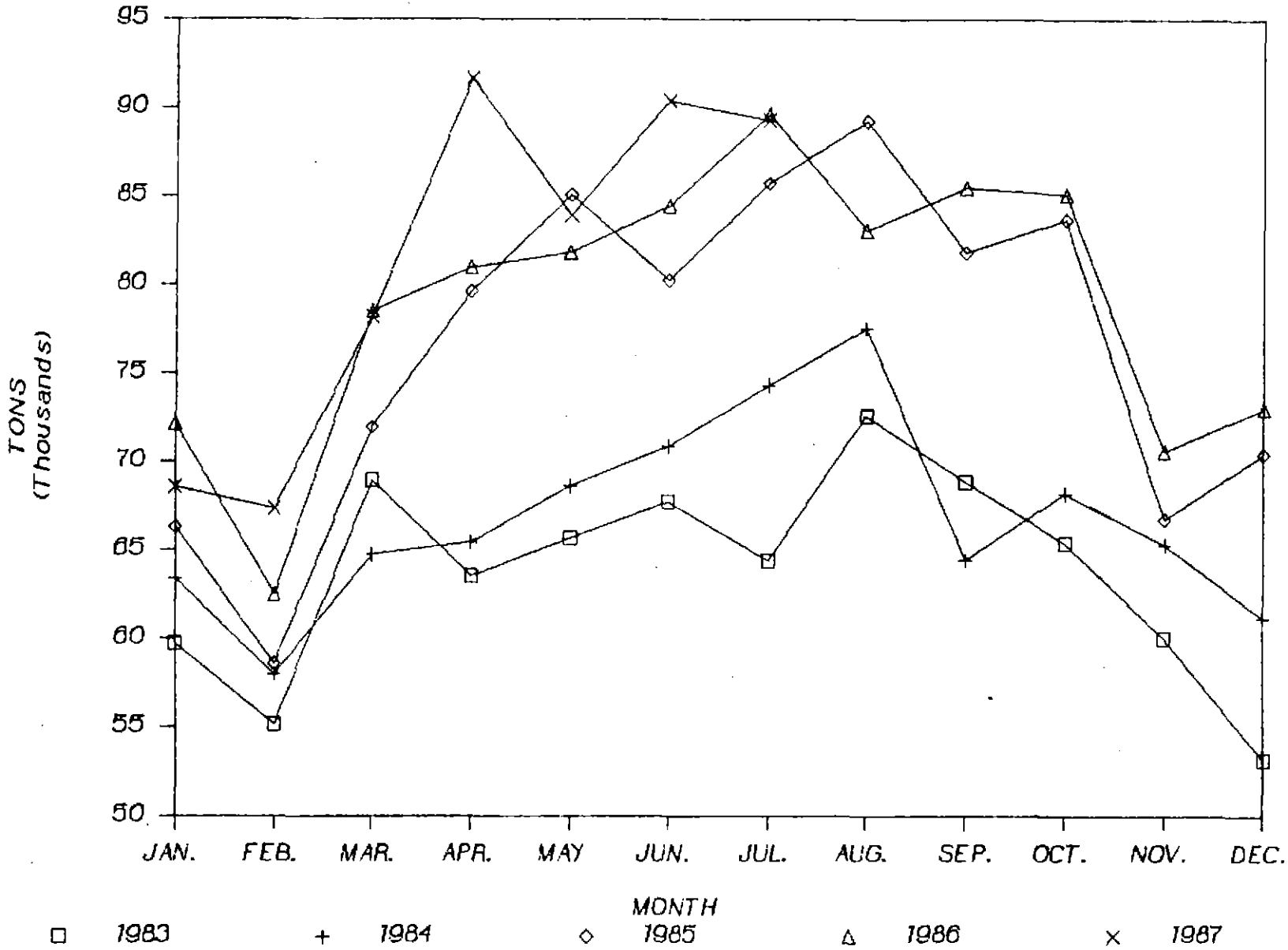
ALT 8: Waste, and RDF residue - Two Landfill
ALT 9: RDF Ash Only

METRO REGION: MONTHLY WASTE FLOWS

JAN. 1983 - JULY 1987



SOLID WASTE MANAGEMENT
(General Provisions)

459.005 Definitions for ORS 459.005 to 459.285. As used in ORS 459.005 to 459.335, unless the context requires otherwise:

(1) "Affected person" means a person or entity involved in the solid waste collection service process including but not limited to a recycling collection service, disposal site permittee or owner, city, county and metropolitan service district.

(2) "Area of the state" means any city or county or combination or portion thereof or other geographical area of the state as may be designated by the commission.

(3) "Board of county commissioners" or "board" includes county court.

(4) "Collection franchise" means a franchise, certificate, contract or license issued by a city or county authorizing a person to provide collection service.

(5) "Collection service" means a service that provides for collection of solid waste or recyclable material or both.

(6) "Commission" means the Environmental Quality Commission.

(7) "Department" means the Department of Environmental Quality.

(8) "Disposal site" means land and facilities used for the disposal, handling or transfer of or resource recovery from solid wastes, including but not limited to dumps, landfills, sludge lagoons, sludge treatment facilities, disposal sites for septic tank pumping or cesspool cleaning service, transfer stations, resource recovery facilities, incinerators for solid waste delivered by the public or by a solid waste collection service, composting plants and land and facilities previously used for solid waste disposal at a land disposal site; but the term does not include a facility subject to the permit requirements of ORS 468.740; a landfill site which is used by the owner or person in control of the premises to dispose of soil, rock, concrete or other similar nondecomposable material, unless the site is used by the public either directly or through a solid waste collection service; or a site operated by a wrecker issued a certificate under ORS 822.110.

(9) "Land disposal site" means a disposal site in which the method of disposing of solid waste is by landfill, dump, pit, pond or lagoon.

(10) "Land reclamation" means the restoration of land to a better or more useful state.

(11) "Local government unit" means a city, county, metropolitan service district formed under ORS chapter 268, sanitary district or sanitary authority formed under ORS chapter 450, county service district formed under ORS chapter 451, regional air quality control authority formed under ORS 468.500 to 468.530 and 468.540 to 468.575 or any other local government unit responsible for solid waste management.

(12) "Metropolitan service district" means a district organized under ORS chapter 268 and exercising solid waste authority granted to such district under ORS chapters 268 and 459.

(13) "Permit" includes, but is not limited to, a conditional permit.

(14) "Person" means the state or a public or private corporation, local government unit, public agency, individual, partnership, association, firm, trust, estate or any other legal entity.

(15) "Recyclable material" means any material or group of materials that can be collected and sold for recycling at a net cost equal to or less than the cost of collection and disposal of the same material.

(16) "Resource recovery" means the process of obtaining useful material or energy resources from solid waste and includes:

(a) "Energy recovery," which means recovery in which all or a part of the solid waste materials are processed to utilize the heat content, or other forms of energy, of or from the material.

(b) "Material recovery," which means any process of obtaining from solid waste, by presegregation or otherwise, materials which still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose.

(c) "Recycling," which means any process by which solid waste materials are transformed into new products in such a manner that the original products may lose their identity.

(d) "Reuse," which means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

(17) "Solid waste collection service" or "service" means the collection, transportation or disposal of or resource recovery from solid wastes but does not include that part of a business operated under a certificate issued under ORS 822.110.

(18) "Solid waste" means all putrescible and nonputrescible wastes, including but not limited to garbage, rubbish, refuse, ashes, waste paper

and cardboard; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction wastes; discarded or abandoned vehicles or parts thereof; discarded home and industrial appliances; manure, vegetable or animal solid and semisolid wastes, dead animals and other wastes; but the term does not include:

(a) Hazardous wastes as defined in ORS 466.005.

(b) Materials used for fertilizer or for other productive purposes or which are salvageable as such materials are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals.

(19) "Solid waste management" means prevention or reduction of solid waste; management of the storage, collection, transportation, treatment, utilization, processing and final disposal of solid waste; or resource recovery from solid waste; and facilities necessary or convenient to such activities.

(20) "Source separate" means that the person who last uses recyclable material separates the recyclable material from solid waste.

(21) "Transfer station" means a fixed or mobile facility normally used, as an adjunct of a solid waste collection and disposal system or resource recovery system, between a collection route and a disposal site, including but not limited to a large hopper, railroad gondola or barge.

(22) "Waste" means useless or discarded materials.

(23) "Wasteshed" means an area of the state having a common solid waste disposal system or designated by the commission as an appropriate area of the state within which to develop a common recycling program. [1971 c.648 §2; 1973 c.811 §1; 1973 c.835 §135; 1975 c.239 §1; 1977 c.867 §21; 1983 c.338 §931; 1983 c.729 §14; 1983 c.766 §5]

459.010 [1967 c.428 §2; 1969 c.593 §42; repealed by 1971 c.648 §33]

459.015 Policy. (1) The Legislative Assembly finds and declares that:

(a) The planning, development and operation of recycling programs is a matter of state-wide concern.

(b) The opportunity to recycle should be provided to every person in Oregon.

(c) There is a shortage of appropriate sites for landfills in Oregon.

(d) It is in the best interests of the people of Oregon to extend the useful life of existing solid waste disposal sites by encouraging recycling and reuse of materials whenever recycling is economically feasible.

(2) In the interest of the public health, safety and welfare and in order to conserve energy and natural resources, it is the policy of the State of Oregon to establish a comprehensive state-wide program for solid waste management which will:

(a) After consideration of technical and economic feasibility, establish priority in methods of managing solid waste in Oregon as follows:

(A) First, to reduce the amount of solid waste generated;

(B) Second, to reuse material for the purpose for which it was originally intended;

(C) Third, to recycle material that cannot be reused;

(D) Fourth, to recover energy from solid waste that cannot be reused or recycled, so long as the energy recovery facility preserves the quality of air, water and land resources; and

(E) Fifth, to dispose of solid waste that cannot be reused, recycled or from which energy cannot be recovered by landfilling or other method approved by the department.

(b) Clearly express the Legislative Assembly's previous delegation of authority to cities and counties for collection service franchising and regulation and the extension of that authority under the provisions of ORS 459.005, 459.015, 459.035, 459.165 to 459.200, 459.250, 459.992 and 459.995.

(c) Retain primary responsibility for management of adequate solid waste management programs with local government units, reserving to the state those functions necessary to assure effective programs, cooperation among local government units and coordination of solid waste management programs throughout the state.

(d) Promote research, surveys and demonstration projects to encourage resource recovery.

(e) Promote research, surveys and demonstration projects to aid in developing more sanitary, efficient and economical methods of solid waste management.

(f) Provide advisory technical assistance and planning assistance to local government units and other affected persons in the planning, development and implementation of solid waste management programs.

(g) Develop, in coordination with federal, state and local agencies and other affected persons, long-range plans including regional approaches to promote reuse, to provide land reclamation in sparsely populated areas, and in

urban areas necessary disposal facilities for resource recovery.

(h) Provide for the adoption and enforcement of minimum performance standards necessary for safe, economic and proper solid waste management.

(i) Provide authority for counties to establish a coordinated program for solid waste management, to regulate solid waste management and to license or franchise the providing of service in the field of solid waste management.

(j) Encourage utilization of the capabilities and expertise of private industry in accomplishing the purposes of ORS 459.005 to 459.105, 459.205 to 459.245 and 459.255 to 459.285.

(k) Promote means of preventing or reducing at the source, materials which otherwise would constitute solid waste.

(L) Promote application of resource recovery systems which preserve and enhance the quality of air, water and land resources. [1971 c.648 §1; 1975 c.239 §2; 1983 c.729 §15]

459.017 Relationship of state to local governments in solid waste management. (1) The Legislative Assembly finds and declares that:

(a) The planning, location, acquisition, development and operation of landfill disposal sites is a matter of state-wide concern.

(b) Local government has the primary responsibility for planning for solid waste management.

(c) Where the solid waste management plan of a local government unit has identified a need for a landfill disposal site, the state has a responsibility to assist local government and private persons in establishing such a site.

(2) It is the intent of the Legislative Assembly that any action taken by the Environmental Quality Commission to establish a landfill disposal site under ORS 459.049 be recognized as an extraordinary measure that should be exercised only in the closest cooperation with local government units that have jurisdiction over the area affected by the proposed establishment of a landfill disposal site. [1979 c.773 §2]

459.020 [1967 c.248 §1; repealed by 1971 c.648 §33]

(State Administration)

459.025 General powers and duties of department. Subject to policy direction by the commission, the department:

(1) Shall promote and coordinate research, studies and demonstration projects on improved methods and techniques in all phases of solid waste management.

(2) May apply to and receive funds from the Federal Government and from public and private agencies to carry out studies, research and demonstration projects in the field of solid waste management.

(3) May enter into agreements with the Federal Government, state agencies, local government units and private persons to carry out ORS 459.005 to 459.105, 459.205 to 459.245 and 459.255 to 459.285. [1971 c.648 §4; 1973 c.835 §136]

459.030 [1967 c.428 §3; 1969 c.593 §43; repealed by 1971 c.648 §33]

459.035 Assistance in development and implementation of solid waste management plans and practices and recycling programs. Consistent with ORS 459.015 (2)(c), the department shall provide to state agencies, local government units and persons providing solid waste collection service, advisory technical and planning assistance in development and implementation of effective solid waste management plans and practices, implementation of recycling programs under ORS 459.165 to 459.200 and 459.250, and assistance in training of personnel in solid waste management. The department shall report to the Legislative Assembly from time to time on further assistance that will be needed to develop, implement and administer effective solid waste management programs or recycling programs. The department shall assist in surveys to locate potential disposal sites. The department may request the assistance of other state agencies. [1971 c.648 §3; 1983 c.729 §16]

459.040 [1967 c.428 §4; 1969 c.593 §44; repealed by 1971 c.648 §33]

459.045 Rules. (1) The commission shall adopt reasonable and necessary solid waste management rules governing the:

(a) Accumulation, storage, collection, transportation and disposal of solid wastes to prevent vector production and sustenance, transmission of diseases to humans or animals, air pollution, pollution of surface or ground waters, and hazards to service or disposal workers or to the public.

(b) Location of disposal sites, giving consideration to the adaptability of each disposal site to the population served, topography and geology of the area and other characteristics as they affect protection of ground and surface waters and air pollution; minimum standards of design, management and operation of disposal sites; and open burning and salvage operations at disposal sites.

(c) Construction, loading and operation of vehicles used in performing solid waste collection

:on registration. The report shall include consideration of :e features, geologic formations, soil boring data, water profile, direction of groundwater flow, background y of water resources in the anticipated zone of influence landfill, need and availability of cover material, climate, ge rates of precipitation, evapotranspiration, runoff, and ation (preliminary water balance calculations):

:) Soil borings shall be to a minimum depth of twenty feet the deepest proposed excavation and lowest elevation of :e or to the permanent groundwater table if encountered twenty feet. A minimum of one boring per representa- ndform at the site and an overall minimum of one boring ch ten acres shall be provided. Soil boring data shall : the location, depth, surface elevation and water level :rements of all borings, the textural classification ed Soil Classification System), permeability and cation nge capacity of the subsurface materials and a prelimi- oil balance;

. For all water wells located within the anticipated zone uence of the disposal site, the depth, static level and : use shall be identified;

Background groundwater quality shall be determined ratory analysis and shall include at least each of the ents specified by the Department.

(d) A proposal for protection and conservation of the air, water and land environment surrounding the disposal site, including control and/or treatment of leachate, methane gas, litter and vectors, and control of other discharges, emissions and activities which may result in a public health hazard, a public nuisance or environmental degradation.

Stat. Auth.: ORS Ch. 459
Hist: DEQ 41, f. 4-5-72, ef. 4-15-72; DEQ 26-1981, f. & ef. 9-8-81

Preliminary Approval

340-61-031 (1) The Department may issue written preliminary approval to any applicant for a Solid Waste Disposal Permit, prior to submission of detailed engineering plans and specifications, based on the material submitted in accordance with the requirements of rule 340-61-030.

(2) The purpose of the preliminary review and approval process is to inform the applicant of the Department's concerns, if any, regarding the proposal and to provide guidance in the development of the detailed plans and specifications required to complete the permit application. Receipt of preliminary approval does not grant the applicant any right to begin construction or operation of a disposal site.

(3) Request for preliminary approval shall be made to the Department in writing. Within 45 days of receipt of such request, the Department shall either grant or deny preliminary approval or request additional information.

(4) Granting of preliminary approval shall not prevent the Department from denying or conditionally approving a completed permit application.

(5) If the Department denies preliminary approval, it shall clearly state the reasons for denial. Failure to receive preliminary approval shall not prevent an applicant from completing a permit application. Any application completed after denial of preliminary approval shall specifically address those concerns listed in the Department's letter of denial.

Stat. Auth.: ORS Ch. 459
Hist: DEQ 26-1981, f. & ef. 9-8-81

Closure Plans

340-61-033 (1) A closure plan must specify the procedures necessary to completely close the land disposal site at the end of its intended operating life. The plan must also identify the activities which will be carried on after closure to properly monitor and maintain the completed land disposal site. At a minimum, the plan shall include:

(a) Detailed plans and specifications consistent with the applicable requirements of rule 340-61-035 and 340-61-040(1), unless an exemption is granted as provided in rule 340-61-025(4);

NOTE: If some of this information has been previously submitted, the permittee shall review and update it to reflect current conditions and any proposed changes in closure or post-closure activities.

(b) A description of how and when the facility will be closed. The description shall, to the extent practicable, show how the disposal site will be closed as filling progresses to minimize the area remaining to be closed at the time that the site stops receiving waste. A time schedule for completion of closure shall be included;

(c) Details of how leachate discharges will be minimized and controlled and treated if necessary;

(d) Details of any landfill gas control facilities, their operation and frequency of monitoring;

(e) Details of final cover including soil texture, depth and slope;

(f) Details of surface water drainage diversion;

(g) A schedule of monitoring the site after closure;

(h) A projected frequency of anticipated maintenance activities at the site after closure, including but not limited to repairing, recovering and regrading settlement areas, cleaning out surface water diversion ditches, and re-establishing vegetation;

(i) Other information requested by the Department necessary to determine whether the disposal site will comply with all applicable rules of the Department.

(2) Approval of Closure Plan. After approval by the Department, the permittee shall implement the closure plan within the approved time schedule.

(3) Amendment of Plan. The approved closure plan may be amended at any time during the active life of the landfill or during the post-closure care period as follows:

(a) The permittee must amend the plan whenever changes in operating plans or facility design, or changes in these rules, or events which occur during the active life of the landfill or during the post-closure care period, significantly affect the plan. The permittee must also amend the plan whenever there is a change in the expected year of closure. The permittee must submit the necessary plan amendments to the Department for approval within 60 days after such changes or as otherwise required by the Department;

(b) The permittee may request to amend the plan to alter the closure requirements, to alter the post-closure care requirements, or to extend or reduce the post-closure care period based on cause. The request must include evidence demonstrating to the satisfaction of the Department that:

(A) The nature of the landfill makes the closure or post-closure care requirements unnecessary, or

(B) The nature of the landfill supports reduction of the post-closure care period, or

(C) The requested extension in the post-closure care period or alteration of closure or post-closure care requirements is necesssary to prevent threat of adverse impact on public health, safety or the environment.

(c) The Department may amend a permit to require the permittee to modify the plan if it is necessary to prevent the threat of adverse impact on public health, safety or the environment. Also, the Department may extend or reduce the post-closure care period or alter the closure or post-closure care requirements based on cause.

Stat. Auth.: ORS Ch.
Hist: DEQ 2-1984, f. & ef. 1-16-84

Financial Assurance

340-61-034 (1) Financial assurance plans shall include but not be limited to:

(a) A written estimate of the costs of:

(A) Closing the land disposal site,

(B) Installing, operating and maintaining any environmental control system required on the disposal site,

(C) Monitoring and providing security for the land disposal site, and

(D) Complying with any other requirement the Department may impose as a condition of renewing the permit.

(b) A detailed description of the form of the financial assurance:

(c) A method and schedule for providing for or accumulating any required amount of funds which may be necessary to meet the financial assurance requirement;

(d) A proposal to the Department for disposing of any excess moneys received or interest earned on moneys received for financial assurance. To the extent practicable, the applicant's provisions for disposing of the excess moneys received or interest earned on moneys shall provide for:

(A) A reduction of the rates a person within the area served by the land disposal site is charged for solid waste collection service as defined by ORS 459.005, or

(B) Enhancing present or future solid waste disposal facilities within the area from which the excess moneys were received.

(2) Amount of Financial Assurance Required. The amount of financial assurance required shall be established based upon the estimated closure and post-closure care costs included in the approved closure plan. This required amount may be adjusted as the plan is amended:

(a) In reviewing the adequacy of the amount of financial assurance proposed by the applicant, the Department shall consider the following:

(A) Amount and type of solid waste deposited in the site,

(B) Amount and type of buffer from adjacent land and from drinking water sources,

(C) Amount, type, availability and cost of required cover,

(D) Seeding, grading, erosion control and surface water diversion required,

(E) Planned future use of the disposal site property,

(F) Type, duration of use, initial cost and maintenance cost of any active system necessary for controlling or stopping discharges,

(G) The portion of the site property closed before final closure of the entire site,

(H) Any other conditions imposed on the permit relating to closure or post-closure of the site,

(I) The financial capability of the applicant.

(b) After reviewing the proposed amount of financial assurance, the Department may either:

(A) Approve the amount proposed by the applicant, or

(B) Disapprove the amount and require the applicant to submit a revised amount consistent with the factors considered by the Department.

(3) Form of Financial Assurance. The financial assurance may be in any form proposed by the applicant if it is approved by the Department:

(a) The Department will approve forms of financial assurance to cover the ongoing closure activities occurring while the land disposal site is still receiving solid waste where the applicant can prove to the satisfaction of the Department that all of the following conditions can be met:

(A) That financial assurance moneys in excess of the amount approved by the Department will not be set aside or collected by the disposal site operator. The Department may approve an additional amount of financial assurance during a review conducted in conjunction with a subsequent application to amend or renew the disposal site permit or a request by the owner or operator of a disposal site to extend the useful life of the disposal site. Nothing in this subsection shall prohibit a site operator from setting aside an additional reserve from funds other than those collected from ratepayers specifically for closure and post-closure and such a reserve shall not be part of any fund or set aside required in the applicable financial assurance plan,

(B) That the use of financial assurance is restricted so that the financial resources can only be used to guarantee that the following activities will be performed or that the financial resources can only be used to finance the following activities and that the financial resources cannot be used for any other purpose:

(i) Close the disposal site according to the approved closure plan,

(ii) Install, operate and maintain any required environmental control systems,

(iii) Monitor and provide security for the disposal site,

(iv) Comply with conditions of the closure permit.

(C) That, to the extent practicable, all excess moneys received and interest earned on moneys shall be disposed of in a manner which shall provide for:

(i) A reduction of the rates a person within the area served by the land disposal site is charged for solid waste collection service (as defined by ORS 459.005), or

(ii) Enhancing present or future solid waste disposal facilities within the area from which the excess moneys were received, or

(iii) Where the disposal site is operated and exclusively used to dispose of solid waste generated by a single business entity, excess moneys and interest remaining in the financial assurance reserve shall be released to that business entity at the time that the permit is terminated.

(b) If the permittee fails to adequately perform the ongoing closure activities in accordance with the closure plan and permit requirements, the permittee shall provide an additional amount of financial assurance in a form meeting the requirements of subsection (3)(c) of this rule within 30 days after service of a Final Order assessing a civil penalty. The total amount of financial assurance must be sufficient to cover all remaining closure and post-closure activities;

(c) The Department will approve only the following forms of financial assurance for the final closure and post-closure activities which will occur after the land disposal site stops receiving solid waste:

(A) A closure trust fund established with an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a federal or state agency. The wording of the trust agreement must be acceptable to the Department. The purpose of the closure trust fund is to receive and manage any funds that may be paid by the permittee and to disburse those funds only for closure or post-closure maintenance activities which are authorized by the Department. Within 60 days after receiving itemized bills for closure activities, the Department will determine whether the closure expenditures are in accordance with the closure plan or otherwise justified and, if so, will send a written request to the trustee to make reimbursements,

(B) A surety bond guaranteeing payment into a closure trust fund issued by a surety company listed as acceptable in Circular 570 of the U.S. Department of the Treasury. The wording of the surety bond must be acceptable to the Department. A standby closure trust fund must also be established by the permittee. The purpose of the standby closure trust fund is to receive any funds that may be paid by the permittee or surety company. The bond must guarantee that the permittee will either fund the standby closure trust fund in an amount equal to the penal sum of the bond before the site stops

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING METRO CODE SECTION 2.04 RELATING TO THE DISADVANTAGED BUSINESS PROGRAM	)))	ORDINANCE NO. 87-231

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

That the Metropolitan Service District Disadvantaged Business Program, incorporated in Metro Code Sections 2.04.100 through 2.04.180, is amended as follows:

2.04.100 Disadvantaged Business Program, Purpose and Authority:

(a) It is the purpose of this ordinance to establish and implement a program to encourage the utilization by Metro of disadvantaged and women-owned businesses by creating for such businesses the maximum possible opportunity to compete for and participate in Metro contracting activities.

(b) The portions of this ordinance which relate to federally funded contracts are adopted pursuant to 49 CFR 23 and are intended to comply with all relevant federal regulations. Federal regulation 49 CFR 23 and its amendments implement section (105)(f) of the Surface Transportation Assistance Act of 1982 relating to the participation by Minority Business Enterprises in Department of Transportation programs.

(c) This ordinance shall be known and may be cited as the "Metro Disadvantaged Business Program," hereinafter referred to as the "Program."

(d) This ordinance supersedes the Metro "Minority Business Enterprise (MBE) Program" dated October 1980 and amended December 1982.

(Ordinance No. 83-165, Sec. 1; amended by Ordinance No. 84-181, Sec. 1)

2.04.105 Policy Statement:

(a) Through this Program, Metro:

(1) expresses its strong commitment to provide maximum opportunity to disadvantaged and women-owned businesses in contracting;

(2) informs all employees, governmental agencies and the general public of its intent to implement this policy statement; and

(3) assures conformity with applicable federal regulations as they exist or may be amended.

(b) It is the policy of Metro to provide equal opportunity to all persons to access and participate in the projects, programs and services of Metro. Metro and Metro contractors will not discriminate against any person or firm on the basis of race, color, national origin, sex, sexual orientation, age, religion, physical handicap, political affiliation or marital status.

(c) The policies, practices and procedures established by this ordinance shall apply to all Metro departments and project areas except as expressly provided in this ordinance.

(d) The objectives of the program shall be:

(1) to assure that provisions of this ordinance are adhered to by all Metro departments, contractors, employees and USDOT subrecipients and contractors.

(2) to initiate and maintain efforts to increase program participation by disadvantaged and women businesses.

(e) Metro accepts and agrees to the statements of 49 CFR §23.43(a)(1) and (2), and said statements shall be included in all USDOT agreements with USDOT subrecipients and in all USDOT assisted contracts between Metro or USDOT subrecipients and any contractor. (Ordinance No. 83-165, Sec. 2)

2.04.110 Definitions: For purposes of this Ordinance, the following definitions shall apply:

(1) APPLICANT -- one who submits an application, request or plan to be approved by a USDOT official or by Metro as a condition to eligibility for Department of Transportation (USDOT) financial assistance; and "application" means such an application, request or plan.

(2) CONSTRUCTION CONTRACT -- means a contract for construction of buildings or other facilities, and includes reconstruction, remodeling and all activities which are appropriately associated with a construction project.

(3) CONTRACT -- means a mutually binding legal relationship or any modification thereof obligating the seller to furnish supplies or services, including construction, and the buyer to pay for them. For purposes of this ordinance a lease or a purchase order of $500.00 or more is a contract.

(4) CONTRACTOR -- means the one who participates, through a contract or subcontract, in the Program and includes lessees.

(5) DEPARTMENT or "USDOT" -- means the United States Department of Transportation, including its operating elements.

(6) DISADVANTAGED BUSINESS or DBE -- means a small business concern which is certified by an authorized agency and:

(a) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

(7) EXECUTIVE DEPARTMENT -- means the State of Oregon's Executive Department.

(8) JOINT VENTURE -- is defined as an association of two or more businesses to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and knowledge. A joint venture of a DBE/WBE and a non-DBE/WBE must receive Metro approval prior to contract award to be counted toward any DBE/WBE contract goals.

(9) LABOR AND MATERIALS CONTRACT -- is a contract including a combination of service and provision of materials other than construction contracts. Examples may include plumbing repair, computer maintenance or electrical repair, etc.

(10) LESSEE -- means a business or person that leases, or is negotiating to lease, property from a recipient or the Department on the recipient's or Department's facility for the purpose of operating a transportation-related activity or for the provision of goods or services to the facility or to the public on the facility.

(11) OREGON DEPARTMENT OF TRANSPORTATION OR "ODOT" -- means the State of Oregon's Department of Transportation.

(12) PERSONAL SERVICES CONTRACT -- means a contract for services of a personal or professsional nature.

(13) PROCUREMENT CONTRACT -- means a contract for the purchase or sale of supplies, materials, equipment, furnishings or other goods not associated with a construction or other contract.

(14) RECIPIENT -- means any entity, public or private, to whom USDOT financial assistance is extended, directly or through another recipient for any program.

(15) SMALL BUSINESS CONCERN -- means a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

(16) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS OR DISADVANTAGED INDIVIDUALS -- means those individuals who are citizens of the United States (or lawfully admitted permanent residents) and who are Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans or Asian-Indian Americans and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to section 8(a) of the Small Business Act. Certifying recipients shall make a rebuttable presumption that individuals in the following groups are socially and economically disadvantaged. Certifying recipients also may determine, on a case-by-case basis, that individuals who are not a member of one of the following groups are socially and economically disadvantaged:

(a) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

(b) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardles of race;

(c) "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaians;

(d) "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, and the Northern Marianas; and

(e) "Asian-Indian Americans," which includes persons whose origins are from India, Pakistan, and Bangladesh.

(18) USDOT ASSISTED CONTRACT -- means any contract or modification of a contract between Metro and a contractor which is paid for in whole or in part with USDOT financial assistance.

(5) USDOT FINANCIAL ASSISTANCE -- means financial aid provided by USDOT or the United States Railroad Association to a recipient, but does not include a direct contract. The financial aid may be provided directly in the form of actual money, or indirectly in the form of guarantees authorized by statute as financial assistance services of Federal personnel, title or other interest in real or personal property transferred for less than fair market value, or any other arrangement through which the recipient benefits financially, including licenses for the construction or operation of a Deep Water Port.

(19) WOMEN-OWNED BUSINESS ENTERPRISE or WBE -- means a small business concern, as defined pursuant to section 3 of the Small Business Act and implementing regulations which is owned and controlled by one or more women and which is certified by an authorized agency. "Owned and controlled" means a business which is at least 51 percent owned by one or more women or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more women, and whose management and daily business operations are controlled by one or more women.

(Ordinance No. 165, Sec. 3; amended by Ordinance No. 84-181, Sec. 2)

2.04.115 Notice to Contractors, Subcontractors and Subrecipients:

Contractors, subcontractors and subrecipients of Metro accepting contracts or grants under the Program which are USDOT-assisted shall be advised that failure to carry out the requirements set forth in 49 CFR 23.43(a) shall constitute a breach of contract and, after notification by Metro, may result in termination of the agreement or contract by Metro or such remedy as Metro deems appropriate. Likewise, contractors of Metro accepting locally-funded contracts under the Program shall be advised that failure to carry out the applicable provisions of the Program shall constitute a breach of contract and, after notification by Metro, may result in termination or such other remedy as Metro deems appropriate. (Ordinance No. 83-165, Sec. 4)

2.04.120 Liaison Officer:

(a) The Executive Officer shall by executive order, designate a Disadvantaged Business Liaison Officer and, if necessary, other staff adequate to administer the Program. The Liaison Officer shall report directly to the Executive Officer on matters pertaining to the Program. (Ordinance No. 83-165, Sec. 5)

(b) The Liaison Officer shall be responsible for developing, managing and implementing the program, and for disseminating information on available business opportunities so that DBEs and WBEs are provided an equitable opportunity to bid on Metro contracts. In addition to the responsibiliites of the Liaison Officer, all department heads and program managers shall have responsibility to assure implementation of the Program.

2.04.125 Directory:

A directory of DBEs and WBEs certified by ODOT or the Executive Department, as applicable shall be maintained by the Liaison Officer to facilitate identifying such businesses with capabilities relevant to general contracting requirements and particular solicitations. The directory shall be available to contract bidders and proposers in their efforts to meet Program requirements. (Ordinance No. 83-165, Sec. 6)

2.04.130 Minority-Owned Banks: Metro will seek to identify minority-owned banks within the policies adopted by the Metro Council and make the greatest feasible use of their services. In addition, Metro will encourage prime contractors, subcontractors and consultants to utilize such services by sending them brochures and service information on certified DBE/WBE banks. (Ordinance No. 83-165, Sec. 7; amended by Ordinance No. 84-181, Sec. 3)

2.04.135 Affirmative Action and Equal Opportunity Procedures:

Metro shall use affirmative action techniques to facilitate DBE and WBE participation in contracting activities. These techniques include:

(a) Arranging solicitations, time for the presentation of bids, quantities specifications, and delivery schedules so as to facilitate the participation of DBEs and WBEs.

(b) Referring DBEs and WBEs in need of management assistance to established agencies that provide direct management assistance to such businesses.

(c) Carrying out information and communications programs on contracting procedures and specific contracting opportunities in a timely manner, with such programs being bilingual where appropriate.

(d) Distribution of copies of the program to organizations and individuals concerned with DBE/WBE programs.

(e) Periodic reviews with department heads to insure that they are aware of the program goals and desired activities on their parts to facilitate reaching the goals. Additionally, departmental efforts toward and success in meeting DBE/WBE goals for department contracts shall be factors considered during annual performance evaluations of the department heads.

(f) Monitor and insure that Disadvantaged and Women Business Enterprise planning centers and likely DBE/WBE contractors are receiving requests for bids, proposals and quotes.

(g) Study the feasibility of certain USDOT-assisted contracts and procurements being set aside for DBE/WBE participation. (Ordinance No. 83-165, Sec. 8, amended by Ordinance No. 84-181, Sec. 4)

(h) Distribution of lists to potential DBE/WBE contractors of the types of goods and services which Metro regularly purchases.

(i) Advising potential DBE/WBE vendors that Metro does not certify DBE/WBEs, and directing them to ODOT until December 31, 1987, and, thereafter, to the Executive Department.

(j) Specifying purchases by generic title rather than specific brand name whenever feasible.

(k) Establishing an interdepartmental contract management committee which will meet regularly to monitor and discuss, among other issues, potential DBE and WBE participation in contracts. In an effort to become more knowledgeable regarding DBE and WBE resources, the committee shall also invite potential DBE and WBE contractors to attend selected meetings.

(l) Requiring that at least one DBE or WBE vendor or contractor be contacted for all contract awards which are not exempt from Metro's contract selection procedures and which are 1) for more than $500 but not more than $15,001 in the case of non-personal services contracts; and 2) for more than $2,500 but not more than $10,001 for personal services contracts. The Liaison Officer may waive this requirement if he/she determines that there are no DBEs or WBEs on the certification list capable of providing the service or item. For contracts over the dollar amounts indicated in this section, all known DBEs and WBEs in the business of providing the service or item(s) required shall be mailed bid or proposal information.

(m) The Executive Officer or his/her designee, may establish and implement additional affirmative action techniques which are designed to facilitate participation of DBEs and WBEs in Metro contracting activities.

2.04.140 Certification of Disadvantaged Business Eligibility:

(a) To participate in the Program as a DBE or WBE, contractors, subcontractors and joint ventures must have been certified by an authorized certifying agency as described in subsection (b) of this section.

(b) Metro will not perform certification or recertification of businesses or consider challenges to socially and economically disadvantaged status. Rather Metro will rely upon the certification and recertification processes of ODOT and will utilize ODOT's certification list until December 31, 1987, and, thereafter, the Executive Department's list in determining whether a prospective contractor or subcontractor is certified as a DBE or WBE. A prospective contractor or subcontractor must be certified as a DBE or WBE by one of the above agencies, as applicable, and appear on the respective certification list of said agency, prior to the award of a contract to be considered by Metro to be an eligible DBE or WBE and be counted toward meeting goals. Metro will adhere to the Recertification Rulings resulting from 105(f) or state law, as applicable.

(c) Prospective contractors or subcontractors which have been denied certification by one of the above agencies may appeal such denial to the certifying agency pursuant to applicable law. However, such appeal shall not cause a delay in any contract award by Metro. Decertification procedures for USDOT-assisted contractor or potential contractors will comply with the requirements of Appendix A "Section by Section Analysis" of the July 21, 1983, Federal Register, Vol. 45, No. 130, p. 45287, and will be administered by the agency which granted certification.

(d) Challenges to certification or to any presumption of social or economic disadvantage with regard to the USDOT-assisted portion of this Program, as provided for in 49 CFR 23.69, shall conform to and be processed under the procedures prescribed by each agency indicated in paragraph (b) of this section. That challenge procedure provides that:

"(1) Any third party may challenge the socially and economically disadvantaged status of any individual (except an individual who has a current 8(a) certification from the Small Business Administration) presumed to be socially and economically disadvantaged if that individual is an owner of a firm certified by or seeking certification from the certifying agency as a disadvantaged business. The challenge shall be made in writing to the recipient.

"(2) With its letter, the challenging party shall include all information available to it relevant to a determination of whether the challenged party is in fact socially and economically disadvantaged.

"(3) The recipient shall determine, on the basis of the information provided by the challenging party, whether there is reason to believe that the challenged party is in fact not socially and economically disadvantaged.

"(i) If the recipient determines that there is not reason to believe that the challenged party is not socially and economically disadvantaged, the recipient shall so inform the challenging party in writing. This terminates the proceeding.

"(ii) If the recipient determines that there is reason to believe that the challenged party is not socially and economically disadvantaged, the recipient shall begin a proceeding as provided in paragraphs (b), (4), (5) and (6) of this paragraph.

"(4) The recipient shall notify the challenged party in writing that his or her status as a socially and economically disadvantaged individual has been challenged. The notice shall identify the challenging party and summarize the grounds for the

challenge. The notice shall also require the challenged party to provide to the recipient, within a reasonable time, information sufficient to permit the recipient to evaluate his or her status as a socially and economically disadvantaged individual.

"(5) The recipient shall evaluate the information available to it and make a proposed determination of the social and economic disadvantage of the challenged party. The recipient shall notify both parties of this proposed determination in writing, setting forth the reasons for its proposal. The recipient shall provide an opportunity to the parties for an informal hearing, at which they can respond to this proposed determination in writing and in person.

"(6) Following the informal hearing, the recipient shall make a final determination. The recipient shall inform the parties in writing of the final determination, setting forth the reasons for its decision.

"(7) In making the determinations called for in paragraphs (b)(3)(5) and (6) of this paragraph, the recipient shall use the standards set forth in Appendix C of this subpart.

"(8) During the pendancy of a challenge under this section, the presumption that the challenged party is a socially and economically disadvantaged individual shall remain in effect." 49 CFR 23.69. (Ordinance No. 83-165, Sec. 9; amended by Ordinance No. 84-181, Sec. 5)

2.04.145 Annual Disadvantaged Business Goals:

(a) The Metro Council shall, by resolution each June, establish annual DBE goals, and separate WBE goals, for the ensuing fiscal year. Such annual goals shall be established separately for construction contracts, labor and materials contracts, personal services contracts, procurement contracts, and USDOT assisted contracts regardless of type.

(b) Annual goals will be established taking into consideration the following factors:

(1) projection of the number and types of contracts to be awarded by Metro;

(2) projection of the number, expertise and types of DBEs and WBEs likely to be available to compete for the contracts;

(3) past results of Metro's efforts under the Program; and

(4) for USDOT-assisted contract goals, existing goals of other local USDOT recipients and their experience in meeting these goals.

(5) for locally-funded contract goals, existing goals of other Portland metropolitan area contracting agencies, and their experience in meeting these goals.

(c) Annual goals for USDOT-assisted contracts must be approved by the United States Department of Transportation. 49 CFR §23.45(g)(3).

(d) Metro will publish notice that the USDOT-assisted contract goals are available for inspection when they are submitted to USDOT or other federal agencies. They will be made available for 30 days following publication of notice. Public comment will be accepted for 45 days following publication of the notice. (Ordinance No. 83-165, Sec. 10)

(e) Metro will publish notice regarding proposed locally-funded contract goals not later than ten (10) days prior to adoption of the goals.

2.04.150 Contract Goals:

(a) The annual goals established for construction contracts shall apply as individual contract goals for construction contracts over $50,000 and shall be met pursuant to the following subsections.

(b) Contract goals for construction contracts over $50,000 may be complied with by prime contractors only by subcontracting a percentage of the contract work, equal to or exceeding the contract goal, to one or more DBE or WBE subcontractors or by a showing of good faith efforts to comply pursuant to Section 2.04.160 of this chapter.

(c) The Liaison Officer may set a contract goal for any contract other than construction contracts over $25,000. The setting of such contract goal shall be made in writing prior to the solicitation of bids for such contract. Contract goals for contracts other than construction contracts over $50,000 shall be set at the discretion of the Liaison Officer and shall not be tied, necessarily, to the annual goal for such contract type. Contract goals for such contracts may be complied with pursuant to Section 2.04.175(a)(2) or Section 2.04.160 of this chapter. (Ordinance No. 83-165, Sec. 11)

(d) Even though no DBE/WBE goals are established at the time that bid/proposal documents are drafted, the Liaison Officer may direct the inclusion of a clause in any RFP or bid documents for any contract described in this section which requires that the prime contractor, prior to entering into any subcontracts, make good faith efforts, as that term is defined in Section 2.04.160, to achieve DBE/WBE participation in the same goal amount as the current annual goal for that contract type.

2.04.155 Contract Award Criteria:

(a) To be eligible for award of contracts containing a DBE/WBE goal, prime contractors must either meet or exceed the specific goal for DBE and WBE participation, or prove that they have made good faith efforts to meet the goal prior to the time bids are opened or proposal are due. Bidders/Proposers are required to utilize the most current list of DBEs and WBEs certified by ODOT until December 31, 1987, and, therafter, by the Executive Department, in all of the bidders'/proposers' good faith efforts solicitations. The address where certified lists may be obtained shall be included in all applicable bid/proposal documents.

(b) All invitations to bid or request for proposals on contracts for which goals have been established shall require all bidders/proposers to submit with their bids and proposals a statement indicating that they will comply with the contract goal or that they have made good faith efforts as defined in Section 2.04.160 to do so. To document the intent to meet the goals, all bidders and proposers shall complete and endorse a Disadvantaged Business Program Compliance form and include said form with bid or proposal documents. The form shall be provided by Metro with bid/proposal solicitations.

(c) Agreements between a bidder/proposer and a DBE/WBE in which the DBE/WBE promises not to provide subcontracting quotations to other bidders/proposers are prohibited.

(d) Apparent low bidders/proposers shall by the close of the next working day following bid opening, (or proposal submission date when no public opening is had), submit to Metro detailed DBE and WBE Utilization Forms listing names of DBEs and WBEs who will be utilized and the nature and dollar amount of their participation. This form will be binding upon the bidder/proposer. Within five working days of bid opening or proposal submission date, such bidders/proposers shall submit to Metro signed Letters of Agreement between the bidder/proposer and DBE/WBE subcontractors and suppliers to be utilized in performance of the contract. A sample Letter of Agreement will be provided by Metro. The DBE and WBE Utilization Forms shall be provided by Metro with bid/proposal documents.

(e) An apparent low bidder/proposer who states in its bid/proposal that the DBE/WBE goals were not met but that good faith efforts were performed shall submit written evidence of such good faith efforts within two working days of bid opening or proposal submission in accordance with Section 2.04.160. Metro reserves the right determine the sufficiency of such efforts.

(f) Except as provided in paragraph (g) of this section, apparent low bidders or apparent successful proposers who state in their bids/proposals that they will meet the goals or will show good faith efforts to meet the goals, but who fail to comply with paragraph (d) or (e) of this section, shall have their bids or proposals rejected and shall forfeit any required bid security or bid bond. In that

event the next lowest bidder or, for personal services contracts, the firm which scores second highest shall, within two days of notice of such ineligibility of the low bidder, submit evidence of goal compliance or good faith effort as provided above. This process shall be repeated until a bidder or proposer is determined to meet the provisions of this section or until Metro determines that the remaining bids are not acceptable because of amount of bid or otherwise.

(g) The Liaison Officer, at his or her discretion, may waive minor irregularities in a bidder's or proposer's compliance with the requirements of this section provided, however, that the bid or proposal substantially complies with public bidding requirements as required by applicable law. (Ordinance No. 83-165, Sec. 12)

2.04.160 Determination of Good Faith Efforts:

(a) Bidders or Proposers on USDOT-assisted contracts to which DBE/WBE goals apply must, to be eligible for contract award, comply with the applicable contract goal or show that good faith efforts have been made to comply with the goal. Good faith efforts should include at least the following standards established in the amendment to 49 CFR §23.45(h), Appendix A, dated Monday, April 27, 1981. A showing of good faith efforts must include written evidence of at least the following:

(1) Attendance at any presolicitation or prebid meetings that were scheduled by Metro to inform disadvantaged and women business enterprises of contracting and subcontracting or material supply opportunities available on the project;

(2) Advertisement in trade association, general circulation, minority and trade-oriented, women-focus publications, if any and through a minority-owned newspaper or minority-owned trade publication concerning the subcontracting or material supply opportunities at least 10 days before bids or proposals are due.

(3) Written notification to a reasonable number but no less than five (5) DBE/WBE firms that their interest in the contract is solicited. Such efforts should include the segmenting of work to be subcontracted to the extent consistent with the size and capability of DBE/WBE firms in order to provide reasonable subcontracting opportunities. Each bidder should send solicitation letters inviting quotes or proposals from DBE/WBE firms, segmenting portions of the work and specifically describing, as accurately as possible, the portions of the work for which quotes or proposals are solicited from DBE/WBE firms and encouraging inquiries for further details. Letters that are general and do not

describe specifically the portions of work for which quotes or proposals are desired are discouraged, as such letters generally do not bring responses. It is expected that such letters will be sent in a timely manner so as to allow DBE/WBE sufficient opportunity to develop quotes or proposals for the work described.

(4) Evidence of follow-up to initial soliciations of interest, including the following:

A. the names, addresses, telephone numbers of all DBE/WBE contacted;

B. a description of the information provided to DBE/WBE firms regarding the plans and specifications for portions of the work to be performed; and

C. a statement of the reasons for non-utilization of DBE/WBE firms, if needed to meet the goal.

(5) Negotiation in good faith with DBE/WBE firms. The bidder shall not, without justifiable reason, reject as unsatisfactory bids prepared by any DBE/WBE firms;

(6) Where applicable, the bidder must provide advice and assistance to interested DBE/WBE firms in obtaining bonding, lines of credit or insurance required by Metro or the bidder;

(7) Overall, the bidder's efforts to obtain DBE/WBE participation must be reasonably expected to produce a level of participation sufficient to meet Metro's goals; and

(8) The bidder must use the services of mnority community organizations, minority contractor groups, local, state and federal minority business assistance offices and other organizations identified by the Executive Department's Advocate for Minority and Women Business that provide assistance in the recruitment and placement of DBEs and WBEs.

(b) Bidders or proposers on locally-funded contracts to which DBE/WBE goals apply shall achieve the applicable contract goal or demonstrate that they have made good faith efforts to achieve the goals. Good faith efforts shall include written documentation of at least the following actions by bidders:

(1) Attendance at any presolicitation or prebid meetings that were scheduled by Metro to inform DBEs and WBEs of contracting and subcontracting or material supply opportunities available on the project;

Documentation required: Signature of representative of bidder or proposer on prebid meeting attendance sheet.

(2) Identifying and selecting specific economically feasible units of the project to be performed by DBEs or WBEs to increase the likelihood of participation by such enterprises;

Minimum documentation required: At least the documentation required under subsection (4) below.

(3) Advertising in, at a minimum, a newspaper of general circulation, and trade association, minority and trade-oriented, women-focused publications, if any, concerning the subcontracting or material supply opportunities on the project at least ten (10) days before bids or proposals are due;

Documentation required: copies of ads published.

(4) Providing written notice soliciting sub-bids/proposals to not less than five (5) DBEs or WBEs for each subcontracting or material supply work item selected pursuant to (2) above not less than ten (10) days before bids/proposals are due.

If there are less than five certified DBEs/WBEs listed for that work or supply specialty then the solicitation must be mailed to at least the number of DBEs/WBEs listed for that specialty. The solicitation shall include a description of the work for which subcontract bids/proposals are requested and complete information on bid/proposal deadlines along with details regarding where project specifications may be reviewed.

Documentation required: Copies of all solicitation letters sent to DBE/WBE along with a written statement from the bidder/proposer that all of the letters were sent by regular or certified mail not less than 10 days before bids/proposals were due.

(5) Making, not later than five days before bids/proposals are due, follow-up phone calls to all DBEs/WBEs who have not responded to the solicitation letters to determine if they would be submitting bids and/or to encourage them to do so.

Minimum documentation required: Log showing a) dates and times of follow-up calls along with names of individuals contacted and individuals

placing the calls; and b) results attained from each DBE/WBE to whom a solicitation letter was sent (e.g., bid submitted, declined, no response). In instances where DBE/WBE bids were rejected, the dollar amount of the bid rejected from the DBE/WBE must be indicated along with the reason for rejection and the dollar amount of the bid which was accepted for that subcontract or material supply item.

(6) Using the services of minority community organizations, minority contractor groups, local, state and federal minority business assistance offices and other organizations identified by the Executive Department's Advocate for Minority and Women Business that provide assistance in the recruitment and placement of DBEs and WBEs; where applicable, advising and assisting DBEs and WBEs in obtaining lines of credit or insurance required by Metro or the bidder/proposer; and, otherwise, making efforts to encourage participation by DBEs and WBEs which could reasonably be expected to produce a level of participation sufficient to meet the goals.

Minimum documentation required: Letter from bidder/proposer indicating all special efforts made to facilitate attainment of contract goals, the dates such actions were taken and results realized.

(7) Notwithstanding any other provision of this section, bidders and proposers on locally-funded contracts to which DBE/WBE goals apply need not accept the bid of a DBE or WBE on any particular subcontract or material supply item if the bidder/proposer demonstrates that none of the DBEs or WBEs submitting bids were the lowest responsible, responsive and qualified bidders/proposers on that particular subcontract item and that the subcontract item was awarded to the lowest responsible, responsive bidder/proposer.

Metro reserves the right to require additional written documentation of good faith efforts and bidders and proposers shall comply with all such requirements by Metro. It shall be a rebuttable presumption that a bidder or proposer has made a good faith effort to comply with the contract goals if the bidder has performed and submits written documentation of all of the above actions. It shall be a rebuttable presumption that the bidder has not made a good faith effort if the bidder has not performed or has not submitted documentation of all of the above actions.

2.04.1656 Replacement of DBE or WBE Subcontractors:

Prime contractors shall not replace a DBE/WBE subcontractor with another subcontractor, either before contract award or during contract performance, without prior Metro approval. Prime contractors who replace a DBE or WBE subcontractor shall replace such DBE/WBE subcontractor with another certified DBE/WBE subcontractor or make good faith efforts as described in the preceding section to do so. (Ordinance No. 83-165, Sec. 14; amended by Ordinance No. 86-197, Sec. 1)

2.04.170 Records and Reports:

(a) Metro shall develop and maintain a recordkeeping system to identify and assess DBE and WBE contract awards, prime contractors' progress in achieving goals and affirmative action efforts. Specifically, the following records will be maintained:

(1) Awards to DBEs and WBEs by number, percentage and dollar amount.

(2) A description of the types of contracts awarded.

(3) The extent to which goals were exceeded or not met and reasons therefor.

(b) All DBE and WBE records will be separately maintained. Required DBE and WBE information will be provided to federal agencies and administrators on request.

(c) The Liaison Officer shall prepare reports, at least semiannually, on DBE and WBE participation to include the following:

(1) the number of contracts awarded;

(2) categories of contracts awarded;

(3) dollar value of contracts awarded;

(4) percentage of the dollar value of all contracts awarded to DBE/WBE firms in the reporting period; and

(5) the extent to which goals have been met or exceeded.

(Ordinance No. 83-165, Sec. 15; amended by Ordinance No. 84-181, Sec. 7, and Ordinance No. 86-197, Sec. 1)

2.04.175 Counting Disadvantaged Business Participation Toward Meeting Goals:

(a) DBE/WBE participation shall be counted toward meeting the goals on each contract as follows:

(1) Subject to the limitations indicated in paragraphs (2) through (8) below, the total dollar value of a contract to be performed by DBEs or WBEs is counted toward the applicable goal for contract award purposes as well as annual goal compliance purposes.

(2) The total dollar value of a contract to a disadvantaged business owned and controlled by both disadvantaged males and non-disadvantaged females is counted toward the goals for disadvantaged businesses and women, respectively, in proportion to the percentage of ownership and control of each group in the business.

The total dollar value of a contract with a disadvantaged business owned and controlled by disadvantaged women is counted toward either the disadvantaged business goal or the goal for women, but not to both. Metro shall choose the goal to which the contract value is applied.

(3) Metro shall count toward its goals a portion of the total dollar value of a contract with an eligible joint venture equal to the percentage of the ownership and control of the disadvantaged or female business partner in the joint venture.

(4) Metro shall count toward its goals only expenditures to DBEs and WBEs that perform a commercially useful function in the work of a contract. A DBE or WBE is considered to perform a commercially useful function when it is responsible for execution of a distinct element of the work of a contract and carrying out its responsibilities by actually performing, managing and supervising the work involved. To determine whether a DBE or WBE is performing a commercially useful function, Metro shall evaluate the amount of work subcontracted, industry practices and other relevant factors.

(5) Consistent with normal industry practices, a DBE or WBE may enter into subcontracts. If a DBE or WBE contractor subcontracts a significantly greater portion of the work of the contract than would be expected on the basis of normal industry practices, the DBE or WBE shall be presumed not to be performing a commercially useful function. The DBE or WBE may present evidence to Metro to rebut this presumption. Metro's decision on the rebuttal of this presumption is subject to review by USDOT for USDOT-assisted contracts.

(6) A DBE or WBE which provides both labor and materials may count toward its disadvantaged business goals

expenditures for materials and supplies obtained from other than DBE or WBE suppliers and manufacturers, provided that the DBE or WBE contractor assumes the actual and contractual responsibility for the provision of the materials and supplies.

(7) Metro shall count its entire expenditure to a DBE or WBE manufacturer (i.e., a supplier that produces goods from raw materials or substantially alters them before resale).

(8) Metro shall count against the goals 20 percent of its expenditures to DBE or WBE suppliers that are not manufacturers, provided that the DBE or WBE supplier performs a commercially useful function in the supply process.

(9) When USDOT funds are passed-through by Metro to other agencies, any contracts made with those funds and any DBE or WBE participation in those contracts shall only be counted toward Metro's goals. Likewise, any USDOT funds passed-through to Metro from other agencies and then used for contracting shall count only toward that agency's goals. Project managers responsible for administration of pass-through agreements shall include the following language in those agreements:

"(a) Policy. It is the policy of the Department of Transportation that minority business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this agreement. Consequently, the MBE requirements of 49 CFR Part 23 apply to this agreement.

"(b) MBE Obligation. The recipient or its contractor agrees to ensure that minority business enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of USDOT-assisted contracts."

(b) DBE or WBE participation shall be counted toward meeting annual goals as follows:

(1) Except as otherwise provided below, the total dollar value of any contract which is to be performed by a DBE or WBE is counted toward meeting annual goals.

(2) The provisions of paragraphs (a)(2) through (a)(8) of this section, pertaining to contract goals, shall apply equally to annual goals.

(Ordinance No. 83-165, Sec. 16; amended by Ordinance No. 84-181, Sec. 8; and Ordinance No. 86-197, Sec. 1)

2.04.180 Compliance and Enforcement:

(a) Metro shall reserve the right, at all times during the period of any contract, to monitor compliance with the terms of this chapter and the contract and with any representation made by a contractor prior to contract award pertaining to DBE and WBE participation in the contract.

(b) The Liaison Officer may require, at any stage of contract completion, documented proof from the contractor of actual DBE and WBE participation. (Ordinance No. 83-165, Sec. 17)

ADOPTED by the Council of the Metropolitan Service District

this 12th day of November, 1987.

Richard Waker, Presiding Officer

ATTEST:

Clerk of the Council

YS/gl/8206C/514
11/17/87

I certify this ordinance was not vetoed by the Executive Officer.

Clerk of the Council

11/20/87

Date

AMENDMENT NO. 1

TO THE CONTRACT FOR WASTE DISPOSAL SERVICES
BETWEEN OREGON WASTE SYSTEMS, INC. AND METRO

April 11, 1988

1. PERFORMANCE BOND of PART IV (CONTRACT FORMS), (p. IV-3).

DELETE the following words from the third sentence of the Performance Bond: "The condition of this obligation is such that whereas" and substitute:

Whereas

2. Article 2, (General Provisions), Section J. of PART V (GENERAL CONDITIONS), (p. V-6).

DELETE all references to the word "Agreement" in the last paragraph of this section and substitute:

Contract

3. Article 2, (General Provisions) of PART V (GENERAL CONDITIONS), (p. V-7).

INSERT the following section at the end of Article 2

T. No heading or headings used in this Contract are intended and nor shall be construed as amending, altering or in any way determining the meaning of any provision of this Contract.

4. Article 22 (Liquidated Damages), Section A. of PART V (GENERAL CONDITIONS), (p. V-28).

DELETE the reference to 18B in the second sentence of this section and substitute:

19 B.

5. Article 24 (Metro's Rights and Remedies for Defaults in Performance of the Contract), Section B. of PART V (GENERAL CONDITIONS), (p. V-30).

DELETE the word "and" in the heading for this section and substitute:

or

6. Article 28 (Assignment) of PART V (GENERAL CONDITIONS), (p. V-34).

INSERT the following after "Assignment" in the heading for this Article:

and Delegation

7. Section 14. (TYPES OF WASTE ACCEPTED) of PART VI. (SPECIFICATIONS), (p. VI-6).

DELETE fourth sentence of the paragraph which reads as follows: " "Unacceptable Waste" shall not include residential waste unless this is prohibited by a change in law which becomes effective after December 21, 1987." and SUBSTITUTE:

"Unacceptable Waste" shall not include residential waste unless residential waste is prohibited from disposal at a general purpose lanfill by a change in law which becomes effective after December 21, 1987.

DELETE the word "contain" in section "(b)" of the definition of "Hazardous Waste" and SUBSTITUTE:

contains

DELETE the word "and" from the phrase "and as defined under Oregon Law, ORS 466.605 et seq." from section "(c)" of the defintion of "Hazardous Waste" and SUBSTITUTE:

or

8. Section 15(6) (General Limitation on Metro's Liability) of PART VI (SPECIFICATIONS), (p. VI-10).

DELETE the following words from the first sentence of this subsection:

except as otherwise provided in Section 15 of these Specifications,

9. Item No. 17 of ADDENDUM NO. 3.

DELETE the reference to "Section F" in this item and SUBSTITUTE:

Section B.

10. Item No. 5 of ADDENDUM NO. 4

DELETE the two references to "O." in this item and SUBSTITUTE:

P.

DELETE the reference to "P." in this item and SUBSTITUTE:

Q.

DELETE the reference to "Q." in this item and SUBSTITUTE:

R.

DELETE the reference to "R." in this item and SUBSTITUTE:

S.

11. Item No. 24 of ADDENDUM NO. 4

INSERT the following word after the word "payment" in the paragraph which reads: "1) Contractor is entitled to reimbursement or increased payment any provision of this contract; or":

under

12. Item No. 24 of ADDENDUM NO 4

DELETE all references to "H." in this item, and for each such deletion, SUBSTITUTE:

I.

13. Item No. 27 of ADDENDUM NO. 4 (p. 21).

DELETE the second set of instructions which read as follows:

INSERT the following words at the end of the last sentence of the first paragraph of Section A."

and orders

14. Item No. 11 of ADDENDUM NO. 5

DELETE the reference to "R." in this item and SUBSTITUTE:

S.

DBC/gl
8694C/530

MOST FAVORABLE RATE AGREEMENT

The parties to this agreement are the Metropolitan Service District ("Metro"), a municipal corporation organized under the State of Oregon and Oregon Waste Systems ("OWS"), a Delaware corporation authorized to do business in the State of Oregon.

AGREEMENT

1. Payment. In consideration of the sum of ONE HUNDRED AND NO/100 DOLLARS ($100.00) receipt of which is hereby acknowledged, Oregon Waste Systems hereby agrees to grant Metro a most favorable rate as provided in this Agreement.

2. Effective Date. This Agreement shall be effective if Metro enters into a disposal services agreement with OWS on or before June 30, 1988, for disposal services at the Oregon Waste Systems Arlington site. The billing credit described herein will be applied to the disposal of waste occurring after December 31, 1989.

3. Billing Credit. In the event that OWS grants another party a lower disposal rate than that charged to Metro, OWS agrees, subject to the conditions below, to grant Metro a billing credit so that the rate charged to Metro will be no greater than the most favorable rate OWS charges other public or private users of the Arlington disposal site, assuming similar volumes and waste composition. To expand on this, the "most favorable rate" provided to Metro shall mean the then lowest rate charged to any user disposing of waste of comparable type and of

comparable or lower volume to the then estimated annual volume to be disposed of under the Metro contract. However, the billing credit shall not be available for, or apply to, volumes of waste received from the host community, assumed to be the jurisdictions within a radius of 75 miles of the Arlington site. The billing credit allowed will begin as of the date of the first delivery of waste to the landfill from a user, as described above, with a most favorable rate and will continue for so long as the most favorable rate is lower than the Metro contract rate.

Credits given to Metro will be on a ton for ton basis for small communities (less than 75,000 ton/year) and a total rate adjustment for large communities over 75,000 tons/year but less than Metro volume. For example, if Wallowa County were to send 50,000 tons/year to the disposal facility for $21.00/ton when the Metro rate is $21.70/ton, Metro would be credited for $.70/ton for the 50,000 tons received that year.

4. Obligation to Notify. OWS further agrees to notify Metro of the award of any contract with any other community for landfill services at the regional landfill in Gilliam County at a rate lower than that for Metro.

5. Notices. All notices, requests or demands or other communications hereunder shall be in writing, and shall be deemed sufficiently given or served if delivered personally or sent by certified mail, return receipt requested, to the party at the address designated below.

Metro: Metropolitan Service District
Attn: Executive Officer
2000 S.W. First Avenue
Portland, Oregon 97201-5398

OWS: Oregon Waste Systems
Attn: Richard A. Daniels
Vice President & General Manager
P.O. Box 11227
Portland, Oregon 97211

6. Arbitration. Subject to the conditions and limitations of this paragraph, any controversy or claim arising out of or relating to this contract or the breach of this contract shall be exclusively settled by arbitration under the laws of the State of Oregon, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. All disputes shall be heard and decided by one arbitrator.

In the event that Metro determines, in its sole opinion, that the public interest requires a speedy resolution of any controversy or claim regardless of the amount, Metro shall have the option of electing resolution of the controversy or claim by the Expedited Procedures of the Commercial Arbitration Rules of the American Arbitration Association (Rules 54 through 58).

Metro and OWS accept jurisdiction of the courts of the State of Oregon for the purposes of commencing, conducting and enforcing such arbitration proceedings and agree to accept notice in writing sent by certified letter addressed to either of intention to proceed with arbitration and of any other step in connection therewith or enforcement thereof, with the same effect as though personally served therewith in the State of Oregon. The decision of the arbitrator shall be final and binding upon both parties who hereby agree to comply therewith. The parties agree that proper venue for any judicial proceeding to enforce any

decision or award made by an arbitrator under this section shall be exclusively in the County of Multnomah in the State of Oregon.

7. Attorneys' Fees. In any arbitration proceeding by any party to enforce the provisions of this Agreement or for the breach thereof, or otherwise to commence legal proceedings with respect to the subject matter of this Agreement, the prevailing party shall be entitled to recover the costs and reasonable attorneys' fees as fixed by the arbitrator or the court as applicable, and if an appeal is taken costs and such reasonable attorneys' fees as fixed by the appellate court.

8. Integration. This Agreement constitutes the entire agreement between the parties hereto. There are no agreements, understandings, restrictions or representations between the parties other than those set forth herein. This Agreement may not be modified or terminated orally, and no modification, termination or waiver shall be valid unless in writing, signed by the party against whom the same is sought to be in force.

IN WITNESS WHEREOF the parties have executed this Agreement on this 24th day of MARCH, 1988.

METROPOLITAN SERVICE DISTRICT

By: _____
Rena Cusma
Executive Officer

OREGON WASTE SYSTEMS, INC.

By: _____
Richard A. Daniels
Vice President & General Manager

AMENDMENT NO. 1

TO THE CONTRACT FOR WASTE DISPOSAL SERVICES
BETWEEN OREGON WASTE SYSTEMS, INC. AND METRO

April 11, 1988

1. PERFORMANCE BOND of PART IV (CONTRACT FORMS), (p. IV-3).

   DELETE the following words from the third sentence of the Performance Bond: "The condition of this obligation is such that whereas" and substitute:

   Whereas

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   DELETE all references to the word "Agreement" in the last paragraph of this section and substitute:

   Contract

3. Article 2, (General Provisions) of PART V (GENERAL CONDITIONS), (p. V-7).

   INSERT the following section at the end of Article 2

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INSERT the following after "Assignment" in the heading for this Article:

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DELETE the word "and" from the phrase "and as defined under Oregon Law, ORS 466.605 et seq." from section "(c)" of the defintion of "Hazardous Waste" and SUBSTITUTE:

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except as otherwise provided in Section 15 of these Specifications,

9. Item No. 17 of ADDENDUM NO. 3.

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Section B.

10. Item No. 5 of ADDENDUM NO. 4

DELETE the two references to "O." in this item and SUBSTITUTE:

P.

DELETE the reference to "P." in this item and SUBSTITUTE:

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11. Item No. 24 of ADDENDUM NO. 4

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13. Item No. 27 of ADDENDUM NO. 4 (p. 21).

DELETE the second set of instructions which read as follows:

INSERT the following words at the end of the last sentence of the first paragraph of Section A."

and orders

14. Item No. 11 of ADDENDUM NO. 5

DELETE the reference to "R." in this item and SUBSTITUTE:

S.

DBC/gl
8694C/530

MEMORANDUM OF WASTE DISPOSAL CONTRACT AND COVENANT

KNOW ALL MEN BY THESE PRESENTS, that on the 11th day of April, 1988, OREGON WASTE SYSTEMS, INC., a Delaware corporation (OWS), and the METROPOLITAN SERVICE DISTRICT of Portland, Oregon, a municipal corporation organized pursuant to ORS chapter 268, METRO, made and entered into a certain Waste Disposal Services Contract and Covenant wherein OWS agrees to provide to METRO and METRO agreed to purchase from OWS the right to dispose of solid waste for a 20-year period subject to the terms and conditions of the said contract, the original of which is on file at the address of METRO, 2000 S. W. First Avenue, Portland, Oregon 97201-5398, in and upon the following described real property in Gilliam County, State of Oregon, to-wit:

TOWNSHIP 2 NORTH, RANGE 21 EAST, W.M.:

Section 20: All

Section 29: All

Section 30: All, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded December 17, 1986, under no. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 31: N1/2 of N1/2, EXCEPT that real property conveyed by Stone Machinery Co., a Washington corporation, to Chem-Security Systems, Inc., a Washington corporation, by statutory warranty deed, dated December 16, 1986, and recorded on December 17, 1986, under no. M-65-382, in the Microfilm Deed Records of Gilliam County, Oregon.
ALSO EXCEPTING that portion deeded to Chem-Nuclear Systems, Inc., by that certain warranty deed recorded November 22, 1978, under No. M-60-156, in the Microfilm Deed Records of Gilliam County, Oregon.

Section 32: N1/2

EXCEPT the right of ways for the Union Pacific Railroad, and Cedar Springs County Road.

Said contract provides that the obligation to dispose of solid waste on said property shall be a covenant running with the land and the possessor thereof and all parties having a legal or equitable interest in said property shall have an obligation to perform the services provided for in said contract during the term of said contract and subject to the terms and conditions set forth in the contract.

OREGON WASTE SYSTEMS, INC.
P. O. Box 11227
Portland, OR 97211
Vendor's Name and Address

METROPOLITAN SERVICE DISTRICT
2000 S. W. First Avenue
Portland, OR 97201-5398
Vendee's Name and Address

After recording return to:

Daniel B. Cooper, General Counsel
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Until a change is requested all tax statements shall be sent to the following address:

_____

_____

_____
Name, Address, Zip

- -

STATE OF OREGON,)
) ss.
County of _____)

Space Reserved
For
Recorder's Use

I certify that the within instrument was received for record on the _____ day of _____, 1988, at _____ o'clock ___ M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____, Record of Deeds of said county.

Witness my hand and seal of County affixed.

_____
Name

By_____

INDEXED

STATE OF OREGON
County of Gilliam } ss.

I hereby certify that the within instrument was received for record

on April 18, 1988 at 10:50 A.M

and assigned No. M-66-155

in the Microfilm DEED
Records of said county

Witness My Hand and Seal of County affixed

CHRISTOPHER N. CHILDS
County Clerk

By Rena Kennedy
Deputy

DBC/gl
8694C/530

The true and actual consideration for the agreement, set forth in said contract, is the fixed price $36,059,000, payable $0.00 down on the signing of said contract and the balance payable in monthly installments of not less than $150,245.83 each plus unit costs and other costs as provided in the contract; all deferred payments bear interest at the rate of zero (0) percent per annum from the date of said contract
until paid.

In Witness Whereof the said vendors have executed this memorandum APRIL 11TH, 1988.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

X

JOHN H. SCOCUM

OREGON WASTE SYSTEMS, INC. CORPORATE SEAL DELAWARE

- -

STATE OF OREGON, County of MULTNOMAH

APRIL 11TH, 1988.

Personally appeared JOHN H. SCOCUM who, being duly sworn, did say that he is the vice president of Oregon Waste Systems, Inc., a Delaware corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be his voluntary act and deed.

Before me:

(OFFICIAL SEAL)

NOTARY PUBLIC STATE OF O

Notary Public for Oregon
My commission expires: 12 / 6 / 89