

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

94-589

In the Matter of the Adoption)
of an Ordinance to Amend the)
Solid Waste Collection)
and Disposal Ordinance to)
Authorize a License Agreement)
with Riverbend Landfill;)
Declaring an Emergency;)
Effective October 1, 1994.)

ORDINANCE 578

FILED
YAMHILL COUNTY, OREGON
1994 SEP -2 AM 11:54
CHARLES STERN
COUNTY CLERK

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON ("the Board") sat for the transaction of county business in special session on August 31, 1994, commissioners Dennis L. Goecks, Ted Lopuszynski and Debi Owens being present.

THE BOARD MAKES THE FOLLOWING FINDINGS:

- A. ORS 459.110 to 459.990 authorize a county to enact ordinances and issue franchises and licenses regulating the collection and disposal of solid waste outside the incorporated areas of cities within the county. Yamhill County's Solid Waste Collection and Disposal Ordinance, as amended by Ordinances 154, 192, 259, 350, 401, 434, 490, 509, 534 and 548, currently regulates solid waste collection and disposal within the unincorporated areas of the county. Under the existing solid waste ordinance, the Board is authorized to grant a solid waste disposal franchise. It is uncertain whether the existing solid waste ordinance allows the Board to grant a solid waste disposal license agreement.
- B. The Board desires to adopt this ordinance to codify changes made by all previous amendments to the original solid waste ordinance and to establish new provisions to authorize a solid waste disposal license agreement with Riverbend Landfill. The License Agreement authorized by this ordinance replaces the existing Solid Waste Disposal Franchise with Riverbend authorized by Board Orders 80-73 and 81-659.
- C. A public hearing by the Board on the proposed License Agreement and possible amendments to the solid waste ordinance was opened on June 15, 1994 and thereafter continued to June 29, July 20, August 3, August 10 and August 31, 1994. Based on the record of the public hearing and on the recommendation of the Solid Waste Advisory Committee, the Board finds that adoption of the proposed License Agreement with Riverbend Landfill will enable the county to maintain stable long-term disposal rates for county residents and businesses, adequate long-term disposal capacity for solid waste

generated within the county and adequate funding for county solid waste programs for the duration of the agreement.

D. On May 19, 1992 the voters approved two county initiative measures that potentially effected operations at Riverbend Landfill, Measure 36-1 and Measure 36-2.

Measure 36-1, entitled the "Yamhill County Groundwater Protection and Landfill Siting Ordinance," was appealed to the Oregon Land Use Board of Appeals ("LUBA") by Riverbend Landfill Company. In its Final Opinion and Order, LUBA decided the appeal in favor of Riverbend Landfill by declaring unconstitutional those parts of Measure 36-1 that purported to limit Riverbend's right to accept solid waste generated outside Yamhill County. Riverbend Landfill Co. v. Yamhill County, LUBA No. 92-114, February 2, 1993. LUBA's decision was appealed to the Oregon Court of Appeals, Appellate Case No. CA A78645. The Court of Appeals dismissed the appeal on March 10, 1993. Given the LUBA decision, the material provisions of Measure 36-1 are unenforceable.

Measure 36-2 was entitled "Initiative - Assurance of Long-Term Solid Waste Planning and Restriction on Importation of Solid Waste." Section 2 of Measure 36-2 measure established 10 "key provisions" which were required to become part of any new "disposal franchise" with Riverbend Landfill. While many of the 10 specified provisions have been incorporated into the License Agreement attached to this Ordinance 578, those provisions that discriminate against Riverbend's acceptance of solid waste generated outside Yamhill County are likely unconstitutional under a series of United States Supreme Court cases decided after the May 19, 1992 election. Although the License Agreement approved by this Ordinance 578 is not a disposal franchise, the Board desires to assure that no conflict occurs between the License Agreement and Measure 36-2. Therefore, this ordinance repeals Measure 36-2.

E. Under the existing franchise, a surcharge of \$3.30 per ton of waste disposed at Riverbend Landfill is paid to the county. From this surcharge the county pays City Sanitary Service, Inc., a subsidy of \$1.07 per ton of non-Yamhill County waste and \$1.20 per ton of Yamhill County waste excluding waste transferred from the Newberg Transfer and Recycling Center. Upon the effective date of the adoption of the Solid Waste Ordinance, 1994, the \$3.30 per ton surcharge will terminate and be replaced by license and host fees specified in the License Agreement. Thereafter, the source of most funding for recycling programs is intended be collection rates. To avoid substantial negative impacts on City Sanitary's recycling programs caused by the elimination of the source of its recycling subsidy upon the effective date of this ordinance, Riverbend Landfill Co., the county and City Sanitary agree by an attachment to this ordinance that Riverbend will continue the recycling subsidy until December 31, 1994.

F. For the reasons set forth above the Board finds that the adoption of a new solid waste ordinance and a License Agreement with Riverbend Landfill is in the best interests of the citizens of Yamhill County.

NOW, THEREFORE,

THE YAMHILL COUNTY BOARD OF COMMISSIONERS HEREBY ORDAINS AS FOLLOWS:

Section 1. Adoption of Solid Waste Ordinance, 1994.

Effective on the date specified in Section 5, the Yamhill County Solid Waste Collection and Disposal Ordinance, as amended by Ordinances 154, 192, 259, 350, 401, 434, 490, 509, 534 and 548, is hereby repealed in its entirety and replaced by the ordinance attached and incorporated into this Ordinance 578 as Exhibit "A". The new ordinance may be cited as the Solid Waste Ordinance, 1994.

Section 2. Adoption of License Agreement; Amendments to Trust.

a. Effective on the date specified in Section 5, the Solid Waste Disposal License Agreement ("the License Agreement") between Yamhill County and Riverbend Landfill attached and incorporated into this Ordinance 578 as Exhibit "B" is hereby approved.

b. The Environmental Impairment Trust, also known as the Revocable Landfill Environmental Trust Agreement or the RLE Trust, approved by Board Order 89-177 is hereby modified in accordance with the provisions of Exhibit "C" to the License Agreement. The License Agreement is attached as Exhibit "B" to this ordinance.

Section 3. Repeal of Measure 36-2.

The initiative measure approved by the voters as Measure 36-2 on May 19, 1992 and entitled "Initiative - Assurance of Long-Term Solid Waste Planning and Restriction on Importation of Solid Waste" is hereby repealed in its entirety.

Section 4. Authorization of Agreement for Payment of Recycling Subsidy.

The chairman of the Board is authorized to execute the agreement entitled "Agreement - Payment of Recycling Subsidy" attached and incorporated into this Ordinance 578 as Exhibit "C".

Section 5. Conflict with Solid Waste Plan; Plan Update.

a. In the event any provision in the Solid Waste Ordinance, 1994 adopted by Section 1 of this ordinance or the License Agreement adopted by Section 2 of this ordinance is inconsistent with a provision in the Yamhill County Solid Waste Management Plan Policies & Implementation Measures, Board Order 91-127, March 6, 1991 ("the Solid Waste Plan"), then the Solid Waste Ordinance, 1994 or the License Agreement shall control over inconsistent provisions in the Solid Waste Plan.

b. County solid waste staff is directed to prepare modifications to the Solid Waste Plan to make the plan consistent with the Solid Waste Ordinance, 1994 and the License Agreement. Modifications shall be presented to the Board for adoption by Board Order not later than 30 days following the effective date specified in Section 5.

Section 6. Effective Date; Emergency Clause.

This ordinance, being necessary for the health, safety and welfare of the citizens of Yamhill County and an emergency having been declared to exist, shall become effective on October 1, 1994.

Section 7. Severability.

All sections, subsections and paragraphs of this ordinance are severable. If any section, subsection or paragraph is ruled invalid for any reason by the court of last resort, the other portions of this ordinance shall be unaffected.

DONE at McMinnville, Oregon this 31st day of August, 1994.

ATTEST

CHARLES STERN
County Clerk

By: Jayne Mitchell
Deputy JAYNIE MITCHELL

FORM APPROVED BY:

John M. Gray, Jr.
JOHN M. GRAY, JR.
Yamhill County Counsel

YAMHILL COUNTY BOARD OF COMMISSIONERS

Dennis L. Goecks
Chairman DENNIS L. GOECKS

Ted Lopuszynski
Commissioner TED LOPUSZYNSKI

Debi Owens
Commissioner DEBI OWENS

SOLID WASTE ORDINANCE, 1994
(Adopted by Ordinance 578)

Note: On August 31, 1994 the Board adopted Ordinance 578. Section 1 of Ordinance 578 adopted the following text as the Solid Waste Ordinance, 1994. The Solid Waste Ordinance, 1994, replaces the Yamhill County Solid Waste and Collection Ordinance, as amended by Ordinances 154, 192, 259, 350, 401, 434, 490, 509, 534 and 548. The Solid Waste Ordinance, 1994 is effective October 1, 1994

SECTION 1

POLICY, PURPOSE AND TITLE

1.1 Policy and Purpose. To protect the health, safety, and welfare of the people of Yamhill County and to provide a coordinated program on accumulation, collection, and disposal of waste and solid waste, Yamhill County shall regulate accumulation, collection, and disposal of waste and solid waste and the creation and operation of disposal sites to:

- a. Provide for safe and sanitary accumulation, storage, collection, transportation, and disposal of solid waste.
- b. Prohibit and provide for abatement of accumulation of waste, or solid waste, on private property in a manner that would create a public nuisance, a hazard to health, or a condition of unsightliness.
- c. Develop a regional long range plan to provide adequate disposal sites and disposal facilities to meet future demands.
- d. Provide a coordinated countywide program of control of solid waste in cooperation with federal, state, and local agencies responsible for the prevention, control, or abatement of air, water, and ground pollution.
- e. Provide for and encourage research, studies, surveys and demonstration projects on developing more sanitary, efficient, and economical solid waste disposal systems and programs.
- f. Provide for a coordinated solid waste disposal program with cities within Yamhill County and with other counties or cities, should regional programs be developed.
- g. Provide for cooperation and agreements between Yamhill County and other counties involving joint or regional franchising or licensing of solid waste collection or disposal.
- h. Provide minimum standards for location and operation of disposal sites to protect adjacent or nearby residents.

SECTION 2

DEFINITIONS

2.1 General Definitions. As used in this ordinance, the terms defined in this section shall have the defined meaning, unless the context requires otherwise. Where appropriate, words in the present tense include the future, the singular includes the plural, plural usage includes the singular, and "shall" means mandatory, not discretionary.

2.2 Specific Definitions. As used in this ordinance:

- a. "Acceptable Waste" means any and all waste that is "Solid Waste" as defined herein but is not "Unacceptable Waste" as defined hereafter and which, in compliance with governmental licenses and permits in effect, may be disposed of at a Disposal Site.
- b. "Administrator or "Coordinator" means the solid waste coordinator or other designate of the Board.
- c. "Beneficial Use" of Solid Waste shall mean the use or reuse of any Solid Waste in lieu of other materials, in the construction or operation of the Disposal Site or any ancillary facilities, including but not limited to road construction, landscaping, soil amendment, disposal cell construction, leachate or landfill gas management, daily, interim or final landfill cover material, all as may be approved by DEQ. Except for purposes of calculating the unrestricted host fee under a License Agreement, Solid Waste beneficially used or reused as described above, shall not be considered "disposed" at a Disposal Site.
- d. "Board" means the Yamhill County Board of Commissioners.
- e. "Collection Vehicle" means any vehicle used to collect or transport solid waste.
- f. "Committee" means the Yamhill County Solid Waste Advisory Committee (SWAC) established by this ordinance.
- g. "Compensation" means any type of consideration paid for service including, but not limited to, direct or indirect compensation by tenants, licensees, or similar persons.
- h. "DEQ" shall mean the Oregon Department of Environmental Quality.
- i. "Dispose or Disposal" means accumulation, storage, collection, transportation, and disposal of solid waste.
- j. "Disposal site" means any land used for the disposal or temporary storage of solid waste as permitted by license or franchise issued under authority of this ordinance. It does not include a site which is not used by the public either directly or through a service and which is used by the owner or tenant thereof to dispose of sawdust, bark, soil, rock, building demolition material or nonputrescible industrial waste products resulting from the process of manufacturing.
- k. "Engineer" means the Yamhill County engineer.
- l. "Franchise" means a permit to provide solid waste disposal or collection service issued by the Board pursuant to Section 9 of this ordinance. The Board shall establish rates of service for all solid waste disposal or collection franchises.
- m. "Franchise Collection" means a permission to store, collect or transport solid waste.
- n. "Franchise Disposal" means a permission to create or maintain a disposal site.
- o. "Hazardous Waste" or "Hazardous Solid Waste" shall have the meaning set forth in ORS 466.005(7) (1993 replacement part) and/or is required to be accompanied by a written manifest or shipping

document describing the waste as "hazardous waste" or "dangerous waste," pursuant to any state or federal law, including but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., and the Hazardous Waste Management Act, Chapter 466 ORS, as amended, and the regulations promulgated thereunder. Hazardous Waste shall not include incidental Household Hazardous Waste or Small Quantity Generator Waste which is commingled with Solid Waste.

- p. "Incinerator" means a combustion device specifically designed for the reduction by burning of solid, semi-solid or liquid combustible waste.
- q. "Landfill" means a disposal site operated by means of compacting and covering solid waste at specific designated intervals, but not each operating day.
- r. "License" means a solid waste disposal license issued by the Board to allow operation of a disposal site. Subject to the terms of the license agreement, the licensee shall establish rates of service for all solid waste disposal authorized at the disposal site.
- s. "Motor Vehicle Tires" means any motor vehicle tire made wholly or in part of rubber or of any other synthetic material, including tire bodies, carcasses, casings, or parts of tires in whatever form, originally designed for use by any vehicle propelled by a motor, including any vehicle pushed or pulled by a motorized vehicle.
- t. "Permittee" means any person who has obtained a permit under this ordinance in order to pick up or transport scrap tires for salvage or disposal, whether or not incidental to another business, but excluding franchisees under this ordinance.
- u. "Person" means individuals, corporations, associations, firms, partnerships, and joint stock companies.
- v. "Putrescible Material" means organic materials that can decompose, and may give rise to foul-smelling, offensive products.
- w. "Regulations" means the authoritative rules established by the Board pursuant to this ordinance.
- x. "Rules" mean the rules established by state agencies, pursuant to ORS Chapter 459.
- y. "Salvage" means the use of a scrap tire for a purpose other than on a motor vehicle. The term "salvage" does not include the recycling of scrap tires through recapping or other means which make the scrap tires suitable for use on a motor vehicle.
- z. "Scrap Tire" means any motor vehicle tire, new or used, whether or not it is in a condition to be reused, retreaded, or otherwise salvaged.
- aa. "Solid Waste" means all putrescible and non-putrescible wastes, whether in solid or semi-solid form, including but not limited to: garbage, trash, rubbish, refuse, ashes, sewage sludge; septic tank and cesspool pumpings or other sludge; commercial and industrial wastes; demolition and construction wastes; manure, vegetable or animal solid or semi-solid wastes including yard debris, dead animals. Medical and infectious waste as defined in ORS 459.386 and OAR 340-93-030(42) and (52); all wastes capable of being recycled that are commingled with other wastes; and, incidental Household

Hazardous Waste or Small Quantity Generator Hazardous Waste as defined under 40 CFR 261.5. The term "Solid Waste" shall not include Hazardous Waste as defined in ORS 466.005.

- bb. "Special Waste" shall mean Acceptable Waste resulting from an industrial and/or manufacturing process or waste which requires special handling or extraordinary management at the Disposal Site, including, without limitation, asbestos, petroleum contaminated soil, sludge, containerized or bulk tanker waste, waste from pollution control processes, waste containing free liquids and other wastes that may be covered by a Special Waste Handling Plan for the Disposal Site as approved by DEQ in accordance with the Disposal Site Permit.
- cc. "Suspicious Waste" shall mean waste which an operator of a Disposal Site, based on visual inspection or other information, reasonably suspects may be or contains "Unacceptable Waste."
- dd. "Unacceptable Waste" shall mean any and all waste that is either:
 - 1. waste which is prohibited from being received at a Disposal Site by state, federal or local law, regulation, rule, code, ordinance, order, permit or permit condition; or
 - 2. Hazardous Waste as defined above.

SECTION 3

SOLID WASTE ADVISORY COMMITTEE

3.1 Solid Waste Advisory Committee. There shall be a Solid Waste Advisory Committee which shall consist of nine voting members. The voting members will be selected with due regard to geographical considerations. Only two voting members may be holders of franchises or licenses issued by the Board to collect or dispose of solid waste. No franchisee shall vote on any matter in which the franchisee has a direct financial interest.

3.2 Ex Officio Members. In addition to the membership as listed in Section 3.1, the Board may designate other members to serve ex officio without vote to advise and assist the committee. The ex officio members may include the following persons who may, with Board approval, designate persons to serve in their place:

- a. Director of DEQ
- b. Director of Regional Parks Agency
- c. Yamhill County Extension Agent
- d. Yamhill County Health Officer
- e. Yamhill County Engineer
- f. Yamhill County Planning Director
- g. Yamhill County Solid Waste Coordinator
- h. Yamhill County Commissioner

3.2 Appointment of the Solid Waste Advisory Committee. Members of the Solid Waste Advisory Committee shall be appointed by the Board. Except for public employees who serve by reason of and for the term of public positions held, and as provided in subsection (b) of this section, the term of office for a member

is three (3) years. Members of the committee shall serve until successors are appointed and qualified. Vacancies shall be filled by the Board for the balance of the unexpired term.

3.3 Officers; Meetings; Minutes.

- a. At the first meeting in January of each year, the committee shall elect a chair and a vice-chair. Six voting members of the committee shall constitute a quorum for the transaction of business. The committee shall meet at least once a month and at such times deemed necessary or called by the committee. The chair or any three members of the committee may call a special meeting with ten days notice to other members of the committee; provided, however, that members may waive such notice.
- b. The minutes of each Committee meeting shall include at least the following information:
 1. All members of the Committee present.
 2. All motions, proposals, resolutions, orders and measures proposed and their disposition, including the substance of any discussion on the matter.
 3. The results of all votes and the vote of each member by name.

3.4 Duties of the Solid Waste Advisory Committee. In addition to other duties as assigned by this ordinance, the committee shall:

- a. Compile an annual report containing its recommendations, if any, regarding proposed changes or additions to regulations promulgated by the Board or amendments to this ordinance in order to carry out the intent of the ordinance.
- b. Develop a long range plan to provide adequate disposal sites and disposal facilities to meet future needs for county and regional disposal sites, in cooperation with the coordinator and other appropriate county officials selected by the Committee or the Board.
- c. Develop minimum standards for the location and operation of disposal sites including, but not limited to, protection of adjacent or nearby residents. This shall be accomplished through consultation with the coordinator and other appropriate county officials selected by the Committee or the Board.
- d. Perform other acts or duties as directed by the Board, established by other ordinances, or as may be necessary, proper, or desirable to effectively conduct the functions and responsibilities of the committee.

SECTION 4

ADMINISTRATION

4.1 **Role of Coordinator.** The solid waste coordinator, under the supervision of the committee and the Board, shall be responsible for the administration and enforcement of this ordinance. In order to carry out the duties imposed by this ordinance, the coordinator shall have authority to administer oaths, certify to all official acts, subpoena, and require the attendance of witnesses at public hearings before the committee or the Board; require production of relevant documents at public hearings; swear witnesses; take testimony of any person by deposition; to the extent allowed by law, enter or authorize personnel to enter

upon the premises of any person regulated by this ordinance and the regulations established by the Board under this ordinance.

4.2 Persons and Agencies Exempted. Except as otherwise specifically provided by this ordinance, this ordinance shall not apply:

- a. Within the incorporated limits of any city.
- b. To federal or state agencies that collect, store, transport, or dispose of solid waste or those who contract with such agencies to perform the service, except to establish terms for collection service or rates to be charged for such service. This exemption shall not apply to disposal on a disposal site operated by a franchise under this ordinance.

SECTION 5

PROHIBITED CONDUCT

5.1 Solid Waste Accumulation Prohibited. Except as provided in Section 5.3, no person shall store, collect, maintain, or display on private property, solid waste that is offensive or hazardous to the health and safety of the public, or which creates offensive odors or a condition of unsightliness. In addition to any other penalty provided in this ordinance or in any other applicable county ordinance, the storage, collection, maintenance, or display of solid waste in violation of this subsection shall be considered to be a public nuisance which may be abated as provided in Section 5.4 of this ordinance or as otherwise provided by Oregon law.

5.2 Unauthorized Dumping Prohibited.

- a. Except as provided in subsection (c) of this section, it shall be unlawful to dispose of solid waste at any other place than a disposal site designated by written approval of the Board.
- b. No person shall use or permit to be used any land within the county outside of incorporated cities as public or private disposal site without approval of the Board.
- c. Persons desiring to bury or dispose of solid waste in any other manner on their own property may do so only in accordance with rules promulgated pursuant to ORS Chapter 459 and regulations approved by the Board pursuant to this ordinance.

5.3 Exemptions. The prohibition established in Section 5.1 shall not apply to:

- a. Areas within the limits of incorporated cities.
- b. Disposal sites franchised or licensed under authority of this ordinance, provided that the disposal sites comply with rules promulgated by any state agency under ORS Chapter 459 and regulations adopted by Yamhill County.
- c. Agricultural operations and growing or harvesting of crops and raising of fowl or animals.

5.4 Nuisance Abatement. The abatement of nuisances under this ordinance shall occur in the following manner:

- a. The coordinator may, on the written complaint of any person or the coordinator's own initiative, make an investigation to determine whether or not the storage, collection, maintenance, or display of

solid waste constitutes a violation of this ordinance. In making an investigation, the coordinator shall have the right of entry at reasonable times to determine the existence of a violation of this ordinance and to insure compliance with this ordinance.

- b. Upon completion of the investigation, the coordinator shall make a written report to the Solid Waste Advisory Committee. The committee shall review the report and determine whether a violation of this ordinance exists.
- c. If, after review of the report, the Solid Waste Advisory Committee determines that a violation exists, the committee shall send written notice to both the owner and the occupant of the real property upon which the violation exists, by registered or certified mail. The notice shall include the information that a violation of this ordinance has been found and shall give the owner and occupant a reasonable length of time either to comply with this ordinance or to appear before the committee to show cause why the violation should not be referred to the Board for abatement under the ordinance. The notice shall provide:
 - 1. Identification of the property.
 - 2. Specific description of the violation.
 - 3. Length of time within which the owner and occupant are to comply with this ordinance.
 - 4. A statement that if the violation is not eliminated within the time specified, the violation will be referred to the Board of Commissioners for action which could result in the county abating the violation and charging the costs of that abatement to the land upon which the violation is found by placing a lien thereon.
- d. If the violation is not abated within the time specified, the Solid Waste Advisory Committee shall notify the Board that there is probable cause to believe that a violation of the ordinance exists, that a reasonable time was provided to abate the violation, and that the time expired without abatement of the violation.
- e. Following notice as provided in subsection (d) above, the Board shall order a notice to be issued and served upon the owner and occupant to appear before the Board, at the time and place specified, to show cause why a violation of this ordinance shall not be declared to exist. The time for appearance shall be not less than 10 days following service of the notice. The notice shall be served in the manner provided by law for the service of summons.
- f. At the time and place scheduled in the notice provided, the Board shall hold a hearing on the alleged violation of this ordinance and shall have the power to subpoena witnesses and compel their attendance.
- g. If the Board finds a violation to exist, it shall declare the existence of a violation by order entered in its journal and shall order the violation abated within 30 days after the entry of its order.
- h. If the owner or occupant of the property fails to abate the violation within 30 days of the order, the Board may either refer the matter to the Yamhill County Counsel's office for appropriate legal action, or cause the violation to be abated and have the costs

thereof charged to the owner of the property, through a lien on the property.

- i. In abating a violation under this ordinance, the county and its employees shall not be liable for either trespass or conversion.
- j. Appeals from orders of the Board under this ordinance shall be by writ of review to the Yamhill County Circuit Court.
- k. The coordinator shall keep an accurate record of expenses incurred by the county in abating the nuisance and shall submit a copy of this record to the county clerk for filing in a lien docket of Yamhill County.
- l. The coordinator or the coordinator's representative shall forward to the property owner, by registered or certified mail, a notice to include:
 1. The total cost of the nuisance abatement;
 2. The statement that the cost will be assessed to and become a lien against the property unless paid within 30 days from the date of the notice.
 3. That a notice of objection to the cost of the abatement may be filed with the Board not more than 10 days from the date of the notice.
- m. If the written statement of objection is provided within 10 days, the Board shall, at the second regular meeting, hear the objections and shall determine whether an adjustment of the assessment should be made.
- n. If the costs of the abatement are not paid within 30 days from the date of determination by the Board of the assessed cost, an assessment of the costs shall be made by resolution and shall be entered in the docket of county liens created in subsection (k) above. The amount of the charges and expenses shall constitute a First Lien upon the land or premises, except as to taxes. If the charges and expenses are not paid and the lien discharged by the owner or occupant of the land within 90 days from the date the lien is docketed, the county clerk shall certify the lien to the Yamhill County tax collector, who shall extend the amount thereof on the current tax rolls. When so extended, the amount shall constitute a valid lien against the premises and shall be collected by the tax collector in the same manner as taxes are collected. All liens so certified by the county clerk to the tax collector after September 1 of each year shall be extended on the next roll delivered to the tax collector under ORS 311.115.
- o. The provisions of this section are in addition to and not in lieu of the any other penalty provided by law.

SECTION 6

REGULATIONS

6.1 Establishment of Regulations. Upon recommendation of the Committee, or upon its own motion, the Board may establish reasonable regulations pertaining to the administration of this ordinance.

6.2 General Regulations. The Board may establish reasonable rules governing storage, accumulation, collection, transportation and disposal of solid waste including, but not limited to, the following:

- a. Accumulation, storage, collection, transportation and disposal of solid waste to prevent:
 1. Vector production and sustenance;
 2. Conditions for transmission of disease to man or animals;
 3. Air pollution by dust fumes, gas, smoke, odors, or particulate matter, or any combination thereof;
 4. Pollution of surface or ground water;
 5. Hazards to service or disposal workers or to the public.
- b. Storage of solid waste at the point of origin to eliminate conditions conducive to the creation of vector nuisances or air or water pollution through proper container construction and design, and through solid waste handling practices, including, but not limited to, container maintenance.
- c. Disposal sites with respect to adaptability of the site to the population served, topography and geology of the area, protection of ground and surface water, air pollution, accessibility, longevity, salvage, ultimate site use, standards of design, management, and operation, regulation and limitation of open burning and salvage operations and protection of adjacent or nearby residents.
- d. Construction, loading, and operation of collection vehicles used in performing service to prevent the contents thereof from dropping, sifting, leaking, or escaping onto public highways.
- e. Safe handling of hazardous waste.

6.3 Regulations Regarding Service. The Board may establish reasonable regulations with respect to service governing:

- a. The quality and character of service provided by any person or to any area outside of an incorporated city.
- b. Rates for service.
- c. Minimum requirements to guarantee service.

SECTION 7

FRANCHISING AND LICENSING SOLID WASTE COLLECTION AND DISPOSAL

7.1 Persons, Activities, and Practices Regulated.

- a. Except as expressly allowed in Section 5 of this ordinance, it shall be unlawful for any person to store, collect, transport, or dispose of any solid waste for compensation unless such person is franchised or licensed by the Board in accordance with the provisions of this ordinance.
- b. It shall be unlawful for any person to create or maintain a disposal site unless that person has obtained a disposal franchise or license from the Board.

7.2. Applications. Applications for a franchise or license shall be on forms provided by the coordinator. In addition to information required on the forms, the coordinator may require the filing of information deemed necessary to insure compliance with this ordinance.

- a. Applicants for a collection franchise shall list the type of service to be provided, and shall supply other information deemed necessary by the coordinator to insure compliance with this ordinance.
- b. Applicants for a disposal franchise or license shall list the type of service to be provided, and shall supply other information deemed necessary by the coordinator to insure compliance with this ordinance. Applicants for a disposal franchise or license shall file with the coordinator a duplicate copy of all information provided to DEQ in connection with their DEQ application.

7.3 Minimum Requirements for Collection Franchise. An applicant for a collection franchise shall submit all information required by the coordinator to determine compliance with this ordinance. At a minimum, the coordinator shall require at least the following:

- a. That the defined service area has not been franchised to another person or that the defined service area is currently not served by a franchisee or
- b. That the defined service area is not being adequately served by the franchisee and that there is a substantial demand from customers within the area for a change of service to that area; and
- c. That the applicant has current public liability insurance of not less than \$500,000 and property damage insurance not less than \$100,000. The applicant shall provide a certificate of insurance to county.

7.4 Review and Issuance of Collection Franchise.

- a. Applications for collection franchises shall be reviewed by the coordinator and persons selected by the Committee or the Board. The coordinator shall give written notice to a current franchisee of an application which would affect any part of the area already franchised.
- b. Following review of the application and recommendation of the coordinator, the Committee shall determine if the qualifications of the applicant are adequate and shall also determine if additional areas should be included or additional service or equipment should be provided. The Committee shall recommend to the Board whether the application should be granted, denied, or modified.
- c. The Board shall issue an order granting, denying, or amending the application.

7.5 Disposal Franchise or License Requirements.

- a. Applicants for a disposal franchise or license shall provide sufficient information to determine compliance with the requirements of this ordinance, its regulations, and the rules of federal, state, or local agencies having jurisdiction.
- b. Applicants shall specify the type of disposal site and the disposal method to be employed, together with any proposed special regulations dealing with hazardous wastes or the type of waste that will be accepted or rejected at the disposal site.

- c. The applicant must demonstrate to the Board that:
1. There is available land, equipment, facilities and personnel to meet the standards established by this ordinance and ORS Chapter 459, and the rules and regulations promulgated thereunder, and that the application has insurance equal to that required by this ordinance.
 2. The applicant is sufficiently experienced to properly provide disposal service to insure compliance with this ordinance and any related regulations. If the Board determines the applicant does not have sufficient experience, a surety bond in an amount deemed adequate by the Board may be required. The bond shall guarantee full and faithful performance of the duties and obligations of a franchise holder under the provisions of this ordinance, and applicable federal, state, and local laws, rules, and regulations. In determining the bond amount to be required, the Board shall consider the size of the site, the method of disposal proposed, the population to be served, adjacent or nearby land uses, and the potential danger of failure of service.

7.6 Review and Issuance of Disposal Franchise or License.

- a. Applications for a disposal franchise or license shall be reviewed by the coordinator and persons selected by the Committee or Board, and, where required by Yamhill County land use ordinances, the Yamhill County Planning Commission. The coordinator, Yamhill County Planning Department and Yamhill County Planning Commission shall investigate as deemed appropriate. Written notice shall be given by the coordinator to any person who holds a disposal franchise for service to all or part of the area that reasonably would be served under the application.
- b. The Committee shall make a finding, based on the application, evidence submitted, and investigation results, on the qualifications of the applicant, and whether or not additional service, land, equipment, and facilities should be provided. Conditions of service to be imposed shall include, but not be limited to, whether the site should be open to the public and any restrictions; whether certain types of waste, solid waste, or hazardous waste should be excluded from the site, or should be required to be accepted at the site. The Committee shall make a finding regarding the economic feasibility of the site, whether the site may be integrated with existing private or county-owned or operated sites, and whether the site complies with all rules and regulations adopted pursuant to ORS Chapter 459 or this ordinance.
- c. The Committee shall recommend to the Board whether or not the application should be granted, denied, or modified. The committee may recommend reasonable conditions of service to be imposed. The conditions may include, but not be limited to, whether the site should be open to the public and any restrictions; whether certain types of waste, solid waste, or hazardous waste should be excluded from the site, or should be required to be accepted at the site.
- d. The Board shall issue an order granting, denying, or amending the application.
- e. These provisions are in addition to, and not in lieu of, any provisions of the Yamhill County land use ordinances.

7.7 Appeal on a Board Determination as to Franchise or License.

- a. An order of the Board adverse to the applicant or to an existing franchisee shall not become effective for 30 days after the date of the order unless the Board finds that an immediate and serious danger to the public exists, or that a health hazard or public nuisance is created by the delay. The applicant or a franchisee may request a public hearing before the Board by filing a written request for hearing with the Board within 30 days after the date of the order.
- b. The Board shall set a time and place for a public hearing, not more than 30 days from the date of the request for hearing. The applicant or franchisee may submit relevant evidence to the Board. Other interested persons or affected public or private agencies may appear and offer oral or written testimony.
- c. The Board may, following the public hearing, affirm, modify, or rescind its prior order. The determination of the Board at the conclusion of the public hearing shall be final.
- d. Following rejection of all or part of the franchise application, the applicant may not re-submit an application for the same service area or a portion of the same disposal site for a period of six months unless the Board finds that the public interest requires reconsideration within a shorter period of time.

7.8 Exclusive or Joint Service Under a Franchise.

- a. If the Committee recommends and the Board finds that an applicant for collection franchise cannot provide service to a single customer, a group or type of customer, or for a particular type or unusually large quantity of solid waste, it may issue a franchise for joint service with another provider for that service. However, in all cases where the Board finds that the applicant is able to provide adequate service within the defined service area, an exclusive franchise for that area shall be issued to the applicant.
- b. If the franchisee is unable to provide service for particular types or unusually large quantities of solid waste, the Board may issue a temporary or permanent franchise to another provider for the limited purpose of service to the customer or customers having such particular types or unusually large quantities of solid waste.
- c. If the Board finds, upon the recommendation of the coordinator, that the need for service justifies action before a complete investigation and final determination can be made, the Board may issue a temporary certificate, not to exceed six months, entitling a provider to serve a defined service area or customers.

7.9 Transfer of Franchise or License.

- a. A franchisee or licensee may transfer the franchise, or a portion thereof, to other providers only upon written notice to and approval by the Board.
- b. Upon recommendation by the Committee, the Board shall approve the transfer if it finds that the transferee meets all applicable requirements met by the original franchisee or licensee. The Board shall approve or deny any application for transfer of a franchise or license within 30 days of receipt of notice by the Board unless the Board finds there is a substantial question of public health or

safety which requires additional time for investigation and decision.

- c. Upon recommendation by the Committee, the Board may permit a franchise to be pledged as security for purchase of land, equipment, or facilities needed to provide service or to finance purchase of a business providing service under this ordinance. The Board may attach whatever conditions it deems appropriate to guarantee maintenance of service.

7.10 Responsibilities of Collection Franchise Holders.

- a. A collection franchise shall provide required service, equipment and facilities to the service area defined in the franchise within one month from the date of franchise approval unless the Board extends the time at the reasonable request of the applicant. Where an area is not receiving service on the date of the application for a franchise for that area, the Board may order that service be provided at such time as it determines to be reasonable.
- b. A collection franchise shall not discontinue service voluntarily to the service area or any substantial portion thereof or any customer without giving 90 days written notice of the proposed discontinuance of service to the coordinator and to the customers within the franchise and shall not discontinue service without the written consent of the Board. Nothing in this section shall prohibit a franchisee from refusing to provide service to a customer who refuses to pay for the service in accordance with rates established by the Board; provided, however, that in no event shall the franchisee terminate service without seven (7) days prior written notice to the customer and to the coordinator of the franchisee's intent to terminate service. A franchisee who discontinues service based on the customer's refusal to pay may demand that the customer pay in advance a reasonable deposit to guarantee payment for future service before reinstating regular service. Nothing in this subsection shall apply to any order for a change, restriction, or termination of service by any public agency, public body, or court having jurisdiction.
- c. A collection franchise may contract with another person to provide service within a service area after giving written notice to and obtaining approval of the coordinator. The coordinator shall approve the contract unless there is a finding that the quality or extent of service would be jeopardized.
- d. A collection franchisee may refuse service to a customer on reasonable grounds approved by the coordinator if it is determined that service at the particular location would jeopardize the safety of the driver of the collection vehicle or the motoring public; that the customer has not provided reasonable access to the pickup point where the solid waste containers are stored without hazard or risk to the service provider; or that weather conditions prevent service to the particular customer.

7.11 Responsibilities of Disposal Franchisees or Licensees.

- a. A disposal franchisee or licensee shall not voluntarily discontinue operation without giving at least 90 days written notice of the proposed discontinuance of service to the Board and to any franchisee using the disposal site and without receiving the approval of the Board prior to discontinuing the service. This paragraph shall not apply to any order for closure or restriction of use by any public agency, public body, or court having jurisdiction.

- b. A disposal franchisee may contract with another person to operate the disposal site after giving written notice to and obtaining the approval of the coordinator. The coordinator shall approve the contract unless there is a finding that the quality or extent of service would be jeopardized.
- c. A disposal franchisee may refuse service to any customer who refuses to pay for the service in accordance with the rates established by board order. A franchisee who discontinues service based on the customer's refusal to pay may demand that the customer provide a reasonable deposit in advance to guarantee payment for future service prior to reinstating service.
- d. A disposal licensee shall be governed by the terms and conditions established in the underlying license agreement.

7.12 Enforcement of Franchise Provisions. The coordinator shall, on reasonable cause, investigate whether there is sufficient reason and cause to suspend, modify, revoke, or refuse to renew a franchise or license as provided in this section. If, in the opinion of the coordinator, there is sufficient evidence to constitute a violation of this ordinance or ORS Chapter 459 or the applicable rules and regulations, the coordinator shall notify the franchisee or licensee in writing of the alleged violation and of the steps that must be taken to cure the violation and follow the requirements of the coordinator set forth in the notice. The coordinator shall notify the Committee. Upon a finding that a violation exists and that the franchisee or licensee is unable or refuses to cure the violation, the Committee shall recommend to the Board whether the franchise or license is to be suspended, modified, revoked, or that it shall not be renewed.

7.13 Suspension, Modification, Revocation, or Refusal to Renew a Franchise or License. Suspension, modification, revocation or refusal to renew a disposal license shall be governed by the terms and conditions established in the underlying license agreement. Suspension, modification, revocation or refusal to renew a disposal franchise shall be governed by this section.

- a. Upon recommendation by the Committee, or upon its own motion, and subject to the terms of the applicable franchise, the Board may suspend, modify, revoke, or refuse to renew a franchise upon finding that the franchisee has:
 - 1. Willfully violated this ordinance or ORS Chapter 459 or their related rules and regulations; or
 - 2. Materially misrepresented facts or information given in the application for franchise; or
 - 3. Willfully refused to provide adequate service in a defined service area or at the franchised disposal site after written notification and a reasonable opportunity to do so; or
 - 4. Misrepresented the gross receipts from the franchised service area, or, if required to report on such receipts, the gross receipts from operation of a franchised disposal site.
- b. In lieu of immediate suspension, modification, revocation, or refusal to renew a franchise, the Board may order compliance and make the suspension, modification, revocation, or refusal to renew a franchise contingent upon compliance with the order within the time frame stated in the order.
- c. An action by the Board to suspend, modify, revoke, or refuse to renew a franchise shall not become effective for 30 days after the

order unless the Board finds that there is a serious and immediate danger to the public health or that a public nuisance would be created. The franchisee may request a public hearing before the Board by submitting a written request for hearing to the Board within 30 days following Board action. The Board shall then schedule a time and place for a public hearing within 30 days of the receipt of request for hearing. The franchisee and other interested persons or affected public agencies may submit oral or written evidence relevant to the Board's order. The Board may, following the public hearing, affirm, amend, or rescind its prior order. The determination of the Board after the public hearing shall be final.

7.14 Preventing Interruption of Service. If the Board finds that failure to provide service would result in creation of health hazards or public or private nuisance, the Board shall have the right to authorize another franchise holder or other qualified person to provide service or to use and operate the land, facilities, or equipment of the franchisee or licensee, by lease, in order to provide emergency service to reduce a serious interruption of service to all or a portion of franchisee's or licensee's customers for so long as the interruption continues. Reasonable notice and not less than 24 hours notice shall be given to the franchisee or licensee, and a public hearing scheduled if the franchisee or licensee so requests.

7.15. Term of Franchise or License. A franchise shall be renewable unless grounds exist for refusal to renew.

- a. The term for a collection franchise shall be ten years unless the Board finds that a longer or shorter term is required in the public interest.
- b. The term for a disposal franchise or license shall be determined by the Board based on the recommendation of the Committee's review on site longevity, population to be served, and probable use.

7.16 Collection Franchise Fees.

- a. A collection franchise shall remit to the county an annual fee equal to 2% of the gross cash receipts from collection service to the franchise service area. The annual collection franchise fee shall be computed on the basis of the previous year's gross cash receipts, shall be collected on a quarterly basis, and shall be paid by the franchisee not later than 30 days after the end of each calendar quarter.
- b. A collection franchisee shall file with the Board, within 60 days after the end of each calendar year, a certified and true statement of the gross receipts for the previous year and shall pay the franchise fee on any increase in gross receipts for the previous year. If the gross receipts are less than that of the previous year, the franchisee shall receive a proportionate credit against the quarterly payments next due.
- c. A collection franchisee shall maintain books and records disclosing the gross receipts from the franchise service area. The books and records shall be open at reasonable times and places for audit by authorized personnel of Yamhill County.

7.17 Disposal Franchise Fees.

- a. A disposal franchise shall remit to the county an annual fee of \$25.

- b. A disposal franchise shall, where reasonably required by the Board, maintain books and records disclosing gross receipts at the disposal site; these books and records shall be available for audit.

7.18 License and Host Fees for License Agreements. Where the Board has authorized a disposal site to operate under license instead of franchise, the licensee shall pay license and host fees according to the terms of the underlying license agreement.

7.19. Use of Franchise and License Fees. Fees collected as franchise fees under Section 7.16 shall be paid into the general fund or the solid waste fund of the county. Fees collected as franchise fees or license fees under Section 7.17 or 7.18 shall be paid into the solid waste fund of the county for the purposes of carrying out the provisions of Section 1 of this ordinance.

SECTION 8

RATES AND CHARGES FOR COLLECTION AND DISPOSAL SERVICE

8.1 Determination of Rates. This section governs the establishment of rates and rate adjustments for collection and disposal franchises. This section does not regulate the rate charged for services provided under a solid waste disposal license agreement.

- a. Upon recommendation of the Committee, the Board may approve and establish rates filed by applicants for franchises if it finds that such rates are not demonstrably unreasonable and are not substantially higher than those charged generally in the county under similar service requirements and for the same or similar quality of service or it may establish a different rate schedule. In determining whether rates are reasonable under this subsection, the Board shall consider the rate guidelines established by this section.
- b. Upon recommendation of the Committee, the Board may establish uniform rates throughout the county, or may establish uniform rates within zones based upon the length of haul or other factors which may, in the opinion of the Board, justify establishment of rate differentials.
- c. When establishing rates for disposal sites, and in addition to other factors specified, the Board shall consider: the type of site; the cost of operation of such site; whether the site is open to the public; the type of waste to be disposed of; and cost of compliance with federal, state, and local laws and regulations together with other factors which may, in the opinion of the Board, affect the rates to be charged. The Board may establish uniform rates for all disposal sites, or may establish different rates based upon the factors specified in this section.
- d. Increases or decreases in rates approved under this section shall not be made by the Board unless, upon the recommendation of the Committee, the Board finds that the increase or decrease is based upon an increase in the cost of doing business or an increase in the cost of additional, better, or a more comprehensive service.
- e. In determining rates or proposed rate charges, the Committee and the Board shall consider: investment in facilities and equipment; management services; local wage scales; concentration of customers in the area serviced; methods of storage; collection; transportation and disposal; length of haul to disposal facilities; cost of disposal; a reasonable return to the owners of the business; future

service demands of the area or site which must be anticipated in equipment, facilities, personnel or land; extra charge for special pickups or pickups on days service is not normally provided on a route; extra charge where the solid waste may include but not be limited to wastes with peculiarly offensive odors, may require special handling or service; and extra charge for providing janitorial services on the premises where service is provided.

- f. The Committee will review any proposed rate, rate increase, or decrease. The Committee, in cooperation with the coordinator, is authorized to hold public hearings and to receive testimony relevant to the considerations to be made by the Board in establishing a rate, or in allowing or denying rate increases or decreases under this ordinance. The Committee shall make a report of the public hearing and shall recommend action regarding the proposed rate to the Board.
- g. In establishing rates or in considering rate increases or decreases, the Board must find that the rates will be just, fair, reasonable, and sufficient to provide proper service to the public. The Board may consider the rates charged by providers performing the same or similar service in the same or other areas.
- h. The Engineer may establish an interim rate for a particular type of service where no rate has been established, until the Board makes a final determination on the rate for that type of service. In establishing such a rate, the Engineer shall consider all of the factors established as guidelines for the Committee and the Board in this section.
- i. When an application for a rate increase is submitted to the Board by a disposal franchise, the applicant shall mail a copy of the application to all collection franchises which use the disposal site operated by the applicant as their primary disposal site. Any collection franchise whose rates are established by county may, within 10 days of receipt by the county of the disposal rate increase application, submit to the Board an application for a collection rate increase. Any such application submitted within the 10 day period shall be considered jointly within the disposal rate increase request pursuant to the process authorized by this ordinance for establishment of rates.
- j. When advising the Board on rate increases for collection operations, the Committee shall consider the formulas for establishing collection rate increases set forth in this subsection. Collection rate increases authorized by this ordinance may be established pursuant to the following formulas:
 - 1. Drop box service rates based on cost per yard shall be increased by the amount of increase allowed disposal franchises for the cost per yard for the disposal of loose materials.
 - 2. Container service rates shall be established upon the following basis: Where x = cost per cubic yard compacted, y = size of container in cubic yards, $z = 4.33$ (average service per month), and r = compaction ratio, the monthly charge for weekly pickup service is equal to $(xyz) + (r)$.
 - 3. Can service rates shall be established upon the following basis: Given that six (6) cans constitute a cubic yard, where x = cost per cubic yard compacted, $z = 4.33$ (average services

per month), and r = compaction ratio, the monthly charge for weekly pickup for each can service is equal to $(xz) + (6r)$.

8.2. Rate Preferences Prohibited.

- a. No franchisee subject to rate regulation under this ordinance shall give any rate preference to any person, locality, or type of solid waste stored, collected, transported, or disposed.
- b. Nothing in this section is intended to prevent the reasonable establishment of uniform classes of rates based upon length of haul, type of solid waste stored, collected, transported, or disposed of, or upon the number, type, and location of customers served, or upon other factors if such rates are reasonably based on costs of the particular service and are approved by the Board in the same manner as other rates.
- c. Nothing in this section is intended to prevent any person from volunteering service at reduced cost for a charitable, community, civic, or benevolent purpose.

8.3 Responsibility for Payment of Charges for Service. Any person who receives service shall be responsible for payment for the service. The landlord of any premise shall be responsible for payment for service provided to the premises if the tenant does not pay for the service.

SECTION 9

REGIONAL COLLECTION AND DISPOSAL

9.1 Agreements for Joint Franchising. The Board may enter into agreements with any city or county for joint or regional franchising of collection or disposal service.

9.2 Agreements for Allocation of Franchise Fees. The Board may enter into agreements with any city or county to provide for allocation of franchise fees where the franchise service areas cross city or county boundaries.

SECTION 10

ENFORCEMENT AND PENALTIES

10.1 Restraining Orders. In addition to all other authority granted to and inherent in the Board, the Board is hereby authorized to make and issue temporary restraining orders enjoining the alleged violation of any of the terms of this ordinance or franchises or regulations issued thereto. The order shall direct the alleged violator to immediately cease and desist from any act or acts described in the order until the Board determines whether or not a violation has occurred. Before issuing a temporary restraining order, the Board must have reasonable grounds to believe that the violation has occurred. In no event shall the Board make or issue such an order without having first received a written complaint containing allegations of a violation of this ordinance. The complaint shall specify the alleged violation in brief, concise language sufficient to appraise the alleged violator of the act or acts to be enjoined. The order shall direct the alleged violator to appear at the time and place stated in the order and show cause, if any there be, why the alleged violator should not be immediately enjoined from doing the act or acts specified in the order. If a determination is made that a violation of the ordinance has occurred, the Board may make and enter an order permanently enjoining further violations.

10.2 Abatement.

- a. The accumulation, storage, collection, transportation, or disposal of solid waste or waste by any person in violation of this ordinance or regulations established thereunder is a nuisance. The Board or county counsel may, in addition to other remedies provided by law, institute injunction, mandamus, abatement, or other appropriate legal proceedings to temporarily or permanently enjoin or abate such storage, accumulation, collection, transportation, or disposal.
- b. The provisions of this section are in addition to, and not in lieu of, any criminal prosecution or penalties as provided by this ordinance or state law.

10.3. Penalties. Violations of this ordinance shall be punishable, upon conviction, by a fine of not more than \$500 for a noncontinuing offense and a fine of not more than \$1,000 for a continuing offense.

SECTION 11

APPEALS

11.1 Court Appeals. All decisions of the Board under this ordinance shall be subject to review in accordance with ORS 34.010 to 34.100, 1993 replacement part.

11.2. Appeals from Decisions of the Coordinator. The Committee or the Board, upon their own motion or upon the request of an interested person or affected public agency, may review decisions of the coordinator made pursuant to this ordinance.

SECTION 12

REGULATION OF SCRAP TIRES

12.1 Applications for Salvage Permits. Applications for salvage permits shall be made on forms provided by the coordinator. The coordinator may require additional information as deemed necessary to ensure compliance with this ordinance. No fee shall be charged for processing applications.

- a. Applicants shall state the particular use planned for the scrap tires, the number of tires required, date use shall be completed, and the source of the tires.
- b. The applicant shall state specifically the manner in which the scrap tires shall be screened from public view, or anchored to the ground, if applicable.
- c. The applicant shall identify any potential vector or pest breeding or habitat areas in the proposed use and the control methods to be utilized in order to avoid them.

12.2. Review.

- a. All applications shall be subject to review by the Yamhill County Solid Waste Advisory Committee and the Yamhill County Sanitarian who shall investigate as appropriate. The Committee shall review the application at its next regular meeting after completion of the investigation and the appropriate public notice is made, and shall make a finding on the application based on the following criteria:

1. Utility of the proposed use.
 2. Effect of the proposed use on the esthetics of the surrounding neighborhood.
 3. Potential of the proposed use to create vector or pest breeding and/or habitat areas.
- b. The decision of the Committee may be appealed within 30 days of the decision to the Board of Commissioners for a review. Such review, on appeal, shall be de novo by the Board of Commissioners.
- 12.3 **Enforcement.** In addition to the penalties provided below, this section may be enforced by restraining order.

12.4. **Prohibitions.**

- a. No person shall knowingly sell or otherwise make available to any person more than 50 scrap tires for the purpose of salvage or disposal in Yamhill County in any given calendar year unless the other person is a permittee or franchisee under this ordinance.
- b. No person who is not a permittee or franchisee shall knowingly receive more than 50 scrap tires for salvage or disposal in Yamhill County.
- c. No person shall knowingly transport or cause to be transported wholly within, or to a destination within, Yamhill County more than 50 scrap tires for disposal or salvage in any calendar year unless the recipient of the tires is a permittee or franchisee under this ordinance.

12.5. **Penalties.** Violation of Section 13.4 of this ordinance shall be punishable, upon conviction, by a fine of not more than \$50 per tire furnished, received or transported; however the maximum fine shall not exceed \$500 for a noncontinuing offense or \$1,000 for a continuing offense.

SECTION 13

APPLICATION

13.1 This ordinance shall apply to all of unincorporated Yamhill and shall also apply within a city when the governing body or the electors of the city have consented to the application of the ordinance.

ORDINANCE 578
REV. 8/31/94

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

SOLID WASTE DISPOSAL LICENSE AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Hazardous Waste as defined above.

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

AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

4. Disposal Fees.

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

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

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

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

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

SCHEDULE A

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.2.1 Changes in Federal, State and Local Law.

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

6.2.2 Uncontrollable Circumstances.

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

6.2.3 State or Federal Taxes, Fees or Surcharges.

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

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

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

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

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

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

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

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

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

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

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

7. Allocation of Risk/Uncontrollable Circumstances.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Insurance.

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

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

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

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

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

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

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

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

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

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

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

12. Indemnity.

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

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

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

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

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

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

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

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

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

- i. The total amount that all insurance has paid for the loss; and
- ii. The total amount that the RLE Trust has paid for the loss.

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

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

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

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

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

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

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

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

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

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

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

15.5 Insolvency.

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

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

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

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

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

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

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

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

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

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

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

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

18. Five-Year Service Review.

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

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

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

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

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

19. Arbitration.

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

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

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

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

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

20. Assignment; Successors and Assigns.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If to the Licensor, address to:

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

If to the Licensee, address to:

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

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

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

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

EXECUTED as of the day and year first above written.

RIVERBEND LANDFILL CO., INC.

YAMHILL COUNTY, OREGON

By: _____
(signature)

(printed name)

(corporate title)

DENNIS L. GOECKS, Chairman

TED LOPUSZYNSKI, Commissioner

DEBI OWENS, Commissioner

SANIFILL, INC.

By: _____
(signature)

(printed name)

(corporate title)

STATE OF _____)
County of _____) ss

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

Notary Public for Oregon
My Commission Expires: _____

STATE OF _____)
County of _____) ss

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

Notary Public for Oregon
My Commission Expires: _____

SEP 21 '94 04:17PM YAMHILL COUNTY CLERK P.2

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

EXECUTED as of the day and year first above written.

RIVERBEND LANDFILL CO., INC.

YAMHILL COUNTY, OREGON

By: [Signature]

[Signature]

SCOTT A. BRADLEY
(printed name)

DENNIS L. COCKE, Chairman

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

[Signature]
TED KOPUSZYNSKI, Commissioner

[Signature]
DEBI OWENS, Commissioner

SANIFILL, INC.

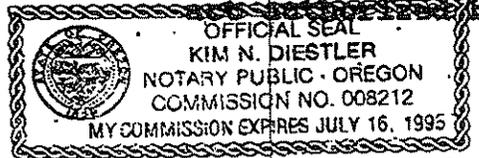
By: [Signature]

DOUGLAS G. SOBEY
(printed name)

REGIONAL VICE PRESIDENT
(corporate title)

STATE OF Oregon
County of Washington } ss

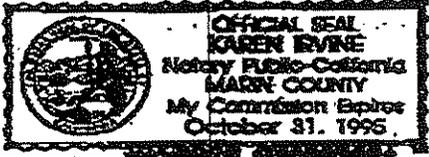
On the second day of September, 1994, personally appeared the above named Scott A. Bradley, the duly appointed Site Manager / Division V.P. of Riverbend Landfill, Inc., and acknowledged the execution of this Agreement to be a voluntary act authorized by and performed on behalf of Riverbend Landfill,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



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

STATE OF California
County of Marin } ss

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



[Signature]
Notary Public for California
My Commission Expires: October 31, 1995

TRUST AGREEMENT
(Closure/Post-Closure)

TRUST AGREEMENT, entered into as of _____ by and between RIVERBEND LANDFILL, INC., an Oregon corporation (the "Grantor"), and _____, a national bank (the "Trustee").

R E C I T A L S

A. Grantor owns and operates a landfill on the real property leased by Grantor which is legally described in Exhibit A, attached hereto and incorporated herein by this reference (the "Facility").

B. In order to comply with the closure and post-closure requirements for the Facility, Grantor desires to establish a financial assurance trust in accordance with OAR 340-61-034 in accordance with the provisions of this Agreement.

A G R E E M E N T S

In consideration of the mutual covenants contained herein, Grantor and Trustee agree as follows:

1. Establishment of Trust. Grantor and Trustee hereby establish a trust to meet the financial assurance requirements of Grantor applicable to the Facility. Grantor will arrange for the transfer and Trustee will receive in trust amounts allocated to this Trust from fees received by Grantor from customers disposing of waste at the Facility. The amounts received, together with any other property hereafter transferred

by Grantor or others to Trustee and accepted by Trustee for administration as provided in this Agreement, the proceeds, investments and reinvestments of such property, and the accumulated income from such property, shall constitute the Trust as used herein.

2. Purpose of Trust. The purpose of this Trust shall be to provide financial resources solely to guarantee that the following activities will be performed as required by and in accordance with the Closure and Post-Closure Plan for the Facility, and all amendments thereto, (the "Plan") submitted to and approved by the State of Oregon Department of Environmental Quality ("DEQ"):

(1) The closure of the Facility in accordance with the approved closure plan;

(2) The installation, operation and maintenance of any required environmental control systems on, under, over, through or around the Facility;

(3) The closure and post-closure monitoring and providing of security for the Facility; and

(4) Compliance with the closure and post-closure conditions of all operating, closure and post-closure permits.

This Trust shall not be used to finance any other activities or for any other purpose.

3. Beneficiary. The beneficiaries of this Trust shall be Grantor and DEQ which shall have the specific rights set forth in this Agreement.

4. Establishment of Funds. The Trust shall be divided into two funds: (1) the Closure Fund; and (2) the Post-Closure Fund. All contributions to this Trust shall be designated as either for the closure of the Facility, which amounts shall be allocated to the Closure Fund, or for the post-closure care of the Facility, which amounts shall be allocated to the Post-Closure Fund. All expenses paid from the Trust shall be paid from the appropriate Fund.

5. Distributions during Term of Trust. From time to time in accordance with the Plan, Grantor or other authorized representatives of Grantor shall incur or contract to incur expenses in furtherance of the purposes of this Trust. Grantor or the representative incurring or contracting to incur such expense shall present an itemized bill, invoice or contract for such expense to Trustee and DEQ along with a written request that such expense either be paid or reimbursed from the Trust and the Fund in the Trust to which such expense applies. An information copy of each itemized bill, invoice or contract shall be provided by the Grantor to the attention of the Yamhill County Board of Commissioners. If DEQ determines that the expenditures are in substantial conformance with the Plan or otherwise justified, it shall give written notice to the Trustee to reimburse Grantor for expenses incurred or make payment directly to providers within ten (10) days after receipt of the notice. Within sixty (60) days after receipt of such itemized expense, DEQ shall verify that the expenditures are in substantial conformance with the Plan or otherwise justified. If DEQ does not give Grantor and

Trustee written notice within such sixty (60) days that any of the expenditures are disapproved, Trustee shall reimburse Grantor for expenses incurred or make payment directly to providers within ten (10) days after expiration of such sixty (60) day period.

6. Distributions Upon Closure.

6.1 If at any time during the term of this Trust, Grantor and DEQ agree that the amounts in the Closure Fund of the Trust are in excess of those necessary for the closure of the Facility upon written direction from Grantor and DEQ, Trustee shall distribute such excess in accordance with the provisions of Paragraph 6.2.

6.2 Within sixty (60) days following DEQ's review and approval of Grantor's certification that the Facility has been closed according to the terms of the Plan, any amounts remaining in the Closure Fund of the Trust shall be reallocated to the Post-Closure Fund to the extent the amounts in the Post-Closure Fund are insufficient, in the judgment of Grantor and DEQ to fund all expenses of post-closure care of the Facility. The Yamhill County Board of Commissioners shall make a proposal for the distribution by Trustee of any excess amount for one of the following purposes:

- (1) The reduction of the rates persons within the area served by the Facility are charged for solid waste collection services as defined by ORS 459.005, 1987 Replacement Part; or

(2) Enhancing present or future solid waste disposal facilities within the area from which the excess monies were received.

That proposal shall be submitted to DEQ for approval. If DEQ fails to act upon that proposal within thirty (30) days of receipt by DEQ, then the County Commissioners' proposal shall be deemed approved. Trustee shall disburse any excess funds in accordance with the approved proposal.

7. Distributions Upon Termination.

7.1 If at any time during the term of this Trust, Grantor and DEQ agree that the amounts in the Post-Closure Fund of the Trust are in excess of those necessary for the post-closure care of the Facility upon written direction from Grantor and DEQ, Trustee shall distribute such excess in accordance with the provisions of Paragraph 7.2.

7.2 Following DEQ's review and approval of Grantor's certification that the Facility has met the post-closure requirements and the terms of the Plan, the Yamhill County Board of Commissioners shall prepare a proposal for the distribution by Trustee of all assets remaining in the Trust for one of the following purposes:

(1) The reduction of the rates persons within the area served by the Facility are charged for solid waste collection services as defined by ORS 459.005, 1987 Replacement Part; or

(2) Enhancing present or future solid waste disposal facilities within the area from which the excess monies were received.

That proposal shall be submitted to DEQ for approval. If DEQ fails to act upon that proposal within thirty (30) days of receipt by DEQ, then the County Commissioners' proposal shall be deemed approved. Trustee shall disburse any remaining assets in accordance with the approved proposal within sixty (60) days following approval of the proposal.

8. Management of Trust Funds. Trustee shall invest and reinvest the principal and income of the Trust and keep the Trust invested as a trust without distinction between principal and income. In investing, reinvesting, exchanging, selling, and managing the Trust, Trustee shall discharge its duties with respect to the Trust solely in the interest of the beneficiaries of this Trust and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise with like character and like aims, provided that Trustee shall at all times hold sufficient cash or assets readily convertible to cash to meet the requirements for distributions under the terms of this Agreement.

9. Qualifications of Trustee. Trustee shall be an entity which has authority to act as a trustee and whose trust operations are regulated and examined by a federal or state agency.

10. Powers of Trustee. Trustee is empowered to do all things appropriate for the orderly administration of the Trust, subject to Trustee's power and control, unless otherwise specifically provided herein. Without limiting this general power, and without limitation of other powers hereby granted or otherwise possessed by Trustee, including those specified in the Uniform Trustees' Powers Act in effect in Oregon as it may be amended from time to time, Trustee shall have the following powers and discretions which Trustee shall exercise in such manner and upon such terms and conditions as Trustee shall deem necessary, desirable or convenient:

10.1 To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by public or private sale. No person dealing with Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

10.2 To retain any property for such period as the Trustee may deem desirable, whether or not such property is productive of any income and independent of any requirement of diversification;

10.3 To receive additions to the assets of the Trust from any source;

10.4 To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

10.5 To continue or participate in the operation of any business or other enterprises, including as a sole proprietor or as a partner in any manner, or as a shareholder, and to effect any form of incorporation, dissolution, liquidation, reorganization or other change in the form of the organization of the business or enterprise, or to contribute capital or to loan money to a business or enterprise;

10.6 To borrow, guaranty, or indemnify in the name of this Trust and to secure any such loan or obligation by mortgage, encumbrance, pledge, or other security interest, and to renew, modify, extend or amend any such obligation. No lender shall be bound to see to or be liable for the application of the proceeds of any obligation, and Trustee shall not be personally liable for any obligation;

10.7 To vote a security, in person or by general or limited proxy, to participate in or consent to any voting trust, and to deposit securities with and transfer title to a protective or other committee;

10.8 To register any securities held in the Trust in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in

bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of Trustee shall at all times show that all such securities are part of the Trust;

10.9 To insure the Trust against any risk, and Trustee against any liability with respect to third persons;

10.10 To prosecute, defend, contest, or otherwise litigate actions, suits, claims, or proceedings for the protection or benefit of this Trust and Trustee; and

10.11 Except as otherwise provided herein, Trustee in the exercise of its duties is authorized to do all acts that might legally be done by an individual in absolute ownership and control of property.

11. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Trust and all brokerage commissions incurred by the Trust shall be paid from the Trust from the Fund to which the activity giving rise to the taxes or commissions applies. All other expenses incurred by Trustee in connection with the administration of this Trust, including fees for legal services rendered to Trustee, the compensation of Trustee, and all other proper charges and disbursements of Trustee shall be paid from the Trust as directed by Grantor and DEQ in writing.

12. Agents and Attorneys. Trustee may employ such agents and attorneys as Trustee may deem necessary or desirable for the proper administration of this Trust, or in connection with any uncertainty, controversy or litigation which may arise with respect to this Agreement, and pay reasonable compensation to such agents and attorneys for their services, such compensation to be allocated between and paid from the Funds in the Trust as directed by Grantor and DEQ in writing. Trustee shall be fully protected in relying upon the advice of legal counsel on questions of law and shall not be liable for any loss or damage caused by any agent or attorney selected by Trustee, if reasonable care was exercised in selecting and retaining such agent or attorney.

13. Trustee Compensation. Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with Grantor which compensation shall be allocated between and paid from the Funds in the Trust as directed by Grantor and DEQ in writing.

14. Successor Trustee. Trustee may resign or Grantor may replace Trustee, but such resignation or replacement shall not be effective until Grantor has appointed a successor trustee and the successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon Trustee hereunder. Upon the successor trustee's acceptance of the appointment, Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Trust. If for any reason Grantor cannot or does not act in

the event of the resignation of Trustee, Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to Grantor, DEQ, and the present Trustee by certified mail ten (10) days before such change becomes effective. Any expenses incurred by Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 12.

15. Accounting. DEQ shall determine in accordance with the Plan the amounts to be set aside in the Closure Fund and Post-Closure Fund of the Trust and shall advise Trustee of such amounts. Trustee shall maintain adequate accounting procedures to ensure that the amounts allocated to each of the Funds do not exceed the amounts approved by DEQ. DEQ shall be entitled to audit, at the expense of DEQ, all accounting records maintained by Trustee in connection with this Trust at reasonable times during normal business hours upon ten (10) days prior written notice.

16. Instructions to the Trustee. All orders, requests, and instructions by Grantor to Trustee shall be in writing, signed by such persons as are designated by Grantor. Provided that the Trustee's actions are otherwise consistent with the terms of this agreement, Trustee shall be fully protected in acting without inquiry in accordance with Grantor's orders, requests, and instructions. All orders, requests, and instructions by DEQ to Trustee shall be in writing, signed by the

Director of DEQ or his designee, and Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of Grantor or DEQ hereunder has occurred. Trustee shall have no duty to act in the absence of such orders, requests, and instructions from Grantor and/or DEQ, except as provided for herein.

17. Amendment of Agreement.

(a) This Agreement may be amended by an instrument in writing executed by Grantor, Trustee, and DEQ, or by Trustee and DEQ if Grantor ceases to exist.

(b) Notwithstanding the terms set forth in paragraph 17(a), amendment of paragraphs 6.2 and 7.2 of the Trust Agreement may be accomplished only with the express written approval of the Yamhill County Board of Commissioners.

18. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 17, this Trust shall be irrevocable and shall continue until terminated as provided in Section 7 or at the written agreement of Grantor, Trustee, and DEQ, or by Trustee and DEQ if Grantor ceases to exist.

19. Immunity and Indemnification. Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this

Trust, or in carrying out any directions by Grantor or DEQ issued in accordance with this Agreement. Trustee shall be indemnified and saved harmless by Grantor or from the Trust, or both, from and against any personal liability to which Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event Grantor fails to provide such defense.

20. Provision Against Alienation. No share or interest shall vest under this Trust until it is actually paid or delivered by Trustee in accordance with the provisions of this Agreement. No share or interest shall be liable for the debts of Grantor or DEQ or be subject to the process of any seizure of any court or be an asset in any bankruptcy of Grantor under any circumstances whatever.

21. Merger with Similar Trusts. If at any time and from time to time, Trustee is trustee of two or more trusts under this or any other instrument which are to fulfill substantially similar purposes for Grantor and DEQ, any two or more of such trusts may, in the discretion of Trustee, be merged if the probable effect of such merger will not be to the substantial disadvantage of Grantor or DEQ or otherwise frustrate the purposes of this Trust.

22. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

23. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Oregon.

Executed as of the day and year first above written.

GRANTOR: RIVERBEND LANDFILL, INC.

By _____
Its _____

TRUSTEE:

By _____
Its _____

Approved by: DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF OREGON

By _____
Its _____

STATE OF OREGON, County of _____) ss.

On this _____ day of _____, 1989, before me personally came _____ to me known, who, being by me duly sworn, did say that she/he is _____ of _____, the corporation described in and which executed the above instrument; and that said instrument was signed in behalf of said corporation by authority of its board of directors; and acknowledges said instrument to be her/his voluntary act and deed.

Notary Public For Oregon
My commission expires: _____

STATE OF OREGON, County of _____) ss.

On this _____ day of _____, 1989, before me personally came _____ to me known, who, being by me duly sworn, did say that she/he is _____ of _____, the corporation described in and which executed the above instrument; and that said instrument was signed in behalf of said corporation by authority of its board of

directors; and acknowledges said instrument to be her/his voluntary act and deed.

Notary Public For Oregon
My commission expires: _____

EXHIBIT A

Being Lot No. 4 as set off to Charles McPhillips by decree of the Circuit Court of the State of Oregon, for Yamhill County, duly made and entered in said Court in that certain suit wherein Rose McPhillips, et al., were plaintiffs and Charles McPhillips, et al., were defendants, which said lot is more particularly bounded and described as follows, to-wit: Beginning at the Northeast corner of the Alex Miller Donation Land Claim in Section 1, Township 5 South, Range 5 West of the Willamette Meridian, running thence South 0°11' East along the East line of the said Alex Miller Donation Land Claim 3696 feet; thence East 528 feet, more or less, to the West line of John Monroe Donation Land Claim; thence North 330 feet to the Northwest corner of the John Monroe Donation Land Claim; thence East along the North line of said Claim 831.6 feet, more or less, to the West line of Government Lot 6 of Section 12 of said Township and Range; thence North along the West line of said Lot 6, a distance of 441 feet to the South line of the J.A. Cornwall Donation Land Claim; thence South 57° East along the South line of the Cornwall Donation Land Claim 809.7 feet to angle corner; thence East along the South line of Cornwall Claim 858 feet to angle corner; thence North 49°45' East along South line of Cornwall Claim 1235.3 feet to the division line of claim as described in Deed book 1 at Page 282, Deed Records of Yamhill County; thence North 24° West along said division line 1692.9 feet; thence North 80° West 2541 feet; thence North 694.323 feet to an iron pin set in center of the County Road leading from McMinnville to Sheridan; thence South 44° West 441.54 feet to the place of beginning; situated in the County of Yamhill and State of Oregon.

Excepting therefrom that portion conveyed to the State of Oregon by and through its State Highway Commission by deed recorded April 28, 1947 in Book 142, Page 263 Yamhill County Deed Records.

Also the following described real estate, situate in the County of Yamhill, State of Oregon, to-wit:

All that portion of the following described tracts in the John Monroe Donation Land Claim No. 74, in Township 5 South, of Range 5 West of the Willamette Meridian, which is Northerly of the Northerly bank of the Yamhill River as it presently exists; beginning at an iron pipe on the North line of and 35.502 chains East from the Northwest corner of said claim; thence South 22.073 chains; thence West 4.077 chains; thence North 22.073 chains; thence East along claim line 4.077 chains to beginning, and excepting the South 30 feet thereof reserved for roadway.

Also: Beginning at a point 31.425 chains East of the Northwest corner of the John Monroe Donation Land Claim; thence South 22.073 chains; thence West 4.983 chains; thence North 22.073 chains; thence East 4.983 chains to the point of beginning; excepting therefrom a strip of land on the South end thereof 30 feet in width for road purposes.

(continued)

Also: That part of said claim described as follows: Beginning on the North line of said claim 12.397 chains East of the Northwest corner of said claim; thence East along the North line of said claim 14.045 chains; thence South 22.073 chains; thence West 14.045 chains; thence North 22.073 chains to the place of beginning.

Excepting a tract of approximately two acres which have been identified and located by the parties, and upon which is located a residence.

Excepting also any portion of the above described premises which is located South of the South bank of the Yamhill River.

RECEIVED
NOV 02 1992
YAMHILL COUNTY DEPT. OF
HEALTH AND DEVELOPMENT

SUPPLEMENTAL TRUST AGREEMENT
TO THE
RIVERBEND LANDFILL CO.

TRUST AGREEMENT (CLOSURE/POST CLOSURE) OF JULY 5, 1989

This Supplemental Trust Agreement, made this _____ day of _____, 1992, between RIVERBEND LANDFILL CO., an Oregon corporation ("Grantor") and FIRST INTERSTATE BANK OF OREGON ("Trustee").

RECITALS

A. Grantor and Trustee entered into an agreement dated July 5, 1989 creating a trust of certain property described therein ("Agreement").

B. Section 17 of said Agreement provides in pertinent part that the "Agreement may be amended by an instrument in writing executed by Grantor, Trustee, and DEQ . . . "

C. Grantor has been determined by the Oregon Department of Environmental Quality ("DEQ") to be operating a "regional disposal site" as defined by ORS 459.005(23) (the "Landfill"), therefore Grantor must comply with additional financial assurance requirements as set forth in ORS 459.235(3) and OAR 340-61-029.

D. Grantor now desires to exercise its right to modify the Agreement in order to satisfy such financial assurance requirements.

AGREEMENTS

In consideration of the mutual covenants contained herein, Grantor, Trustee and DEQ hereby agree to amend the Agreement as follows:

1. The last sentence of Section 2 of the Agreement shall be deleted and the following two new sentences added to such Section:

In addition to the foregoing and OAR 340-61-029(5), if the conditions set forth in Section 5 hereof are satisfied, DEQ may request funds from the Trust to perform remedial action. Except as set forth in this Section 2, the Trust shall not be used to finance any other activities or for any other purpose.

2. The following new paragraph shall be added to Section 5 of the Agreement:

In the event that (a) Grantor has been notified by DEQ of a problem requiring remedial action at the Landfill, and given a reasonable opportunity to take corrective action, (b) Grantor has failed to respond to such notice within the response period designated therein, and (c) it is demonstrated that Grantor has exhausted other sources of revenue with which to respond, then DEQ may use all or any portion of either or both the Closure or Post-Closure Funds to cover the investigation and remedial action necessary to address pollution of air or water off the landfill site.

3. Grantor, Trustee and DEQ hereby ratify and confirm the Agreement in all other respects.

EXECUTED AS OF the day and year first above written.

RIVERBEND LANDFILL CO., Grantor

By Robert J. Emrick
Its General Manager

FIRST INTERSTATE BANK, Trustee

By _____
Its _____

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

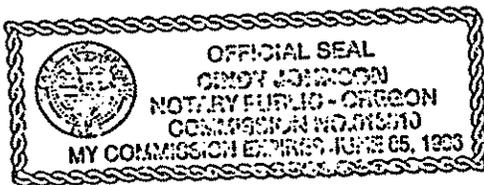
By Stephanie Hallock
Its Administrator Hazardous and Solid Waste Division

STATE OF OREGON
COUNTY OF YAMHILL

)
) ss.
)

I certify that I know or have satisfactory evidence that ROBERT J. EMRICK, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of RIVERBEND LANDFILL CO., to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26th day of August, 1992.



Cindy Johnson
NOTARY PUBLIC in and for the State of OREGON, residing at _____
My appointment expires _____

STATE OF OREGON
COUNTY OF YAMHILL

)
) ss.
)

I certify that I know or have satisfactory evidence that _____, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of RIVERBEND LANDFILL CO., to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 1992.

NOTARY PUBLIC in and for the State
of OREGON, residing at

My appointment expires _____

STATE OF OREGON
COUNTY OF YAMHILL

)
) ss.
)

I certify that I know or have satisfactory evidence that _____, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of RIVERBEND LANDFILL CO., to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 1992.

NOTARY PUBLIC in and for the State
of OREGON, residing at

My appointment expires _____

P. 21
Exh "A" to
License Agreement

EXHIBIT "B"

Being Lot No. 4 as set off to Charles McPhillips by decree of the Circuit Court of the State of Oregon, for Yamhill County, duly made and entered in said Court in that certain suit wherein Rose McPhillips, et al., were plaintiffs and Charles McPhillips, et al., were defendants, which said lot is more particularly bounded and described as follows, to-wit: Beginning at the Northeast corner of the Alex Miller Donation Land Claim in Section 1, Township 5 South, Range 5 West of the Willamette Meridian, running thence South 0°11' East along the East line of the said Alex Miller Donation Land Claim 3696 feet; thence East 528 feet, more or less, to the West line of John Monroe Donation Land Claim; thence North 330 feet to the Northwest corner of the John Monroe Donation Land Claim; thence East along the North line of said Claim 831.6 feet, more or less, to the West line of Government Lot 6 of Section 12 of said Township and Range; thence North along the West line of said Lot 6, a distance of 441 feet to the South line of the J.A. Cornwall Donation Land Claim; thence South 57° East along the South line of the Cornwall Donation Land Claim 809.7 feet to angle corner; thence East along the South line of Cornwall Claim 858 feet to angle corner; thence North 49°45' East along South line of Cornwall Claim 1235.3 feet to the division line of claim as described in Deed book 1 at Page 282, Deed Records of Yamhill County; thence North 24° West along said division line 1692.9 feet; thence North 80° West 2541 feet; thence North 694.323 feet to an iron pin set in center of the County Road leading from McMinnville to Sheridan; thence South 44° West 441.54 feet to the place of beginning; situated in the County of Yamhill and State of Oregon.

Excepting therefrom that portion conveyed to the State of Oregon by and through its State Highway Commission by deed recorded April 28, 1947 in Book 142, Page 263 Yamhill County Deed Records.

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(continued)

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Excepting a tract of approximately two acres which have been identified and located by the parties, and upon which is located a residence.

Excepting also any portion of the above described premises which is located South of the South bank of the Yamhill River.

REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

DATED: _____, 1989

BETWEEN: RIVERBEND LANDFILL COMPANY, INC., an Oregon corporation,
as Trustor

AND: _____, as Trustee

R E C I T A L S:

A. Trustor is the owner and operator of a landfill ("Riverbend Landfill") located on the real property legally described in Exhibit A, attached hereto and by this reference incorporated herein. Trustor was the operator of a closed-landfill ("Whiteson Landfill") located on the real property owned by Yamhill County and legally described in Exhibit B, attached hereto and by this reference incorporated herein.

B. Trustor, being unable to obtain adequate environmental impairment insurance at reasonable cost for either Riverbend Landfill or Whiteson Landfill on the commercial market, desires to establish a trust fund in accordance with the provisions of this Trust Agreement.

The Riverbend Landfill Company, Inc., as Trustor, hereby establishes a Trust with Trustee. The parties agree that the property of this Trust shall be held, managed and distributed by the Trustee as follows:

ARTICLE I
NAME OF TRUST

This Trust may be called the Riverbend-Whiteson Landfills Environmental Trust.

ARTICLE II
IDENTIFICATION OF BENEFICIARIES

The fund established by this Trust Agreement is intended to provide indemnification to Trustor Riverbend Landfill Co., Inc. and McMinnville City Sanitary Service, Inc., their past officers and directors, their current officers and directors, any persons who become officers and directors during the term of this Trust even though they may not be officers and directors at the time of the incident giving rise to a claim for indemnification or at the

Page 1 - REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

time of the claim for indemnification, Mr. Ezra Koch, Mr. Fred Koch, Mr. Marvin Bernards, Yamhill County and all municipalities therein, and any waste generators who have been specifically identified as beneficiaries of this trust in a written indemnification agreement which has been approved and executed by Trustor in accordance with the terms for indemnification provided in this Trust Agreement; provided however, that no entity may obtain beneficiary status by indemnification agreement without the express written consent of the Board of County Commissioners of Yamhill County. It is the intention of Trustor to execute solid waste disposal agreements with all solid waste generators, including Yamhill County and all cities within Yamhill County, disposing of waste at the "Riverbend Landfill" which will include indemnification provided in this Trust Agreement, naming waste generators as beneficiaries herein. All those identified by this article shall be referred to collectively as the "beneficiaries."

For the purposes of this Trust, a generator is defined to be any person or entity whose act or process produces solid waste which is or has been disposed of at the Riverbend Landfill or whose act or process first caused or causes solid waste to be disposed of at the Riverbend Landfill. For purposes of this Agreement, a transporter of solid waste shall not be considered a generator if by contractual agreement or act of governmental authority, it is directed to dispose of waste at the Riverbend Landfill. Transporters who independently and unilaterally choose to dispose of solid waste at the Riverbend Landfill shall be considered generators under this Agreement.

ARTICLE III TRUST FUNDS

Effective the date of the Agreement, Trustor, has transferred and delivered to Trustee the funds described in Exhibit C, attached hereto and by this reference incorporated herein. Such titles and interests as Trustee has received or may hereafter acquire in those funds, and such other funds, including cash, stock or bonds, as may hereafter be added to the Trust shall be vested in the Trustee.

ARTICLE IV CONTRIBUTIONS TO TRUST FUND

The Trustor will arrange for the transfer to this Trust Fund of funds generated by Trustor from payments received from generators disposing of waste at the Riverbend Landfill. These additional funds shall be those which are specifically authorized and dedicated for inclusion in this Trust by rates approved by act of governmental authority or by contract between generators and Trustor. These additional dedicated funds shall be segregated from other payments made by generators, and shall not be assets of the Trustor. These additional funds shall become assets of the Trust

Page 2 - REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

immediately upon receipt by the Trustor. These additional funds shall be maintained in a segregated interest-bearing account pending transfer to this Trust in accordance with the Schedule attached hereto as Exhibit D, and by this reference incorporated herein.

No later than ninety (90) days prior to the date upon which it is anticipated by the Trustee that a cumulative total of \$4 million has accumulated in the Trust by the schedule attached hereto as Exhibit D, Trustee shall provide written notice to the County Commissioners and the Trustor advising them of that anticipated date.

ARTICLE V
OTHER ADDITIONS TO TRUST FUND

The Trustee shall have the discretion and the power to receive and/or reject additional property, plus any other property, real or personal, tangible or intangible, which, upon receipt by Trustee, shall be added to and become a part of the Trust Fund and shall be subject to this Trust Agreement.

ARTICLE VI
WITHDRAWAL AND AMENDMENT

1. Trustor reserves the right by written instrument cosigned by the Board of County Commissioners of the State of Oregon for the County of Yamhill (County Commissioners) and filed with the Trustee, for the purpose of transferring the funds or other property of the Trust for alternative environmental indemnification for the benefit of the same beneficiaries, to withdraw from the trust fund, discharged of the trust, all or any part of the principal and accumulated income of the trust upon satisfying all sums due to the Trustee and indemnifying Trustee to its reasonable satisfaction against liabilities lawfully incurred in the administration of this Trust.

2. Trustor reserves the right to alter or amend this Agreement at any time by written instrument, consistent with all then current solid waste disposal agreements with generators, signed by the Trustor and cosigned by the County Commissioners and accepted by Trustee.

ARTICLE VII
ABSENCE OF TRUSTOR

If Trustor ceases to exist, then all rights reserved to the Trustor in this Trust may be exercised by written instrument by all then surviving beneficiaries with the cosignature of the County Commissioners.

ARTICLE VIII
PURPOSE OF THE TRUST (INDEMNIFICATION)

The purpose of this Trust shall be to provide financial resources solely to indemnify the beneficiaries, regardless of fault, excluding intentionally harmful or fraudulent acts by the beneficiaries, from the following expenses:

1. Sums the beneficiaries become obligated to pay as damages or losses, damages incurred by the beneficiaries, and sums authorized to be paid by the Trustee in mitigation of damages or in settlement of claims, because of "bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, disposal, release or escape of pollutants at or from the Riverbend or Whiteson Landfills.

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

"Property damage" means: (a) Physical injury to tangible property, including all resulting loss of use of that property; (b) loss of use of tangible property that is not physically injured; (c) damage to real or personal property owned by the beneficiaries or others; or (d) any loss, cost, or expense arising out of any governmental direction or request or other independent determination that Trustor test for, monitor, clean up, remove, extract, contain, treat, detoxify or neutralize pollutants at or near the Riverbend or Whiteson Landfills, whether or not such action is taken voluntarily or pursuant to an order.

"Bodily injury" and "property damage" as referenced in this Trust Agreement includes, "bodily injury" or "property damage" for which the beneficiaries are obligated to pay damages by reason of the assumption of liability in a contract or settlement agreement, which has been approved in writing by the Trustee, and which is otherwise an expense intended to be covered by the Trust.

"Bodily injury" and "property damage" as referenced in this Trust Agreement does not include sums obligated to be paid by judgment or settlement agreement prior to execution of this Trust Agreement or sums expended to seek reimbursement for any such judgment or settlement agreement.

"Pollutants" as referenced in this Trust Agreement mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, dust, vapor, soot, fumes, airborne particles, acids, alkalis, chemicals and waste. Waste includes but is not

limited to debris and materials to be recycled, reconditioned or reclaimed.

2. Reasonable attorney's fees as determined by the Trustee, for retained "outside" counsel and costs, excluding only the salaries of any beneficiaries and their employees, expended to defend any "claim" or "suit" brought against any of the beneficiaries for bodily injury or property damage arising from the causes set forth in this Article.

"Suit" as referenced in this Trust Agreement means a civil proceeding in which damages because of bodily injury or property damage to which this Trust applies are alleged. "Suit" includes an arbitration proceeding, alleging such damages, to which the beneficiaries must submit or submit with consent from the Trustee.

"Claim" as referenced in this Trust Agreement means a written claim in which damages resulting from bodily injury or property damage to which this Trust applies are alleged. "Claim" includes any written demand, order or instruction from any governmental entity that Trustor test for, monitor, cleanup, remove, extract, contain, treat, detoxify or neutralize pollutants.

This Trust and the Fund shall not be used to finance any other activities or for any other purpose.

ARTICLE IX DUTIES OF THE BENEFICIARIES

If an event occurs, which gives rise to a claim for indemnification under this Trust Agreement, then the beneficiary presenting the claim shall see that the following are done:

1. Give the Trustee prompt notice of the event including notice of the direct physical loss or damage if any, including a description of the property involved.
2. As soon as possible, give the Trustee a description of how, when and where direct physical loss or damage occurred.
3. Take all reasonable steps to protect the property at the described premises from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of the expenses for consideration in the settlement of the claim.
4. Permit the Trustee to inspect the property and records proving the loss.
5. If requested, permit the Trustee to question the beneficiary under oath at such times as may be reasonably required about

Page 5 - REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

BOARD ORDER 89-177 - Page 11
(Exhibit "A" - page 5)

P.5
Exhibit "C" to
License Agreement

any matter relating to this claim, including beneficiaries' books and records.

6. Cooperate with the Trustee in the investigation and settlement of the claim.

ARTICLE X
INSURANCE ADJUSTER

The Trustee may employ an Insurance Adjuster for the purpose of advising Trustee regarding requests for distribution during the term of the Trust. The Insurance Adjuster shall be experienced with evaluating insurance and/or self-insurance claims. The Insurance Adjuster shall not be affiliated with any insurance company or any beneficiary of this Trust. Trustee is fully protected in relying upon the advice of the Insurance Adjuster on questions concerning requests for distribution during the term of the Trust and shall not be liable for any loss or damage caused by the Insurance Adjuster selected by Trustee, if reasonable care was exercised in selecting and retaining such Insurance Adjuster.

ARTICLE XI
DISTRIBUTION DURING TERM OF THE TRUST
(\$2,500 DEDUCTIBLE APPLICABLE)

From time to time in furtherance of the Purposes of this Trust, the beneficiaries may incur expenses which are subject to indemnification under the terms of this Trust Agreement. The beneficiaries entitled to such indemnification shall present an itemized bill for all such indemnification to the Trustee along with a written request that such indemnification be paid from the Trust fund. The Trustee shall promptly determine, upon the advice of the Trustee's insurance adjuster, whether the expenditures are in accordance with the Purpose of the Trust or otherwise justified, and if so, disburse amounts from the Trust Fund to pay such bill. Claims arising under this agreement from third-party claims shall be given priority by the Trustee in distributing payments from the Trust. The Trustee shall determine, upon the advice of the Trustee's Insurance Adjuster, the priority of payment of all other claims.

The sum of Two Thousand Five Hundred Dollars (\$2,500) shall be deducted from the amount which would otherwise be paid by Trustee to the beneficiaries as indemnification for expenses under the terms of this Trust Agreement. This deductible shall apply separately to each separate request submitted.

If at any time during the term of this Trust, Trustor determines that the amounts in the Trust Fund are in excess of those necessary for effectuating the purposes of this Trust Agreement, upon written direction from the Trustor, with written concurrence from the County Commissioners, Trustee shall distribute such

Page 6 - REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

excess in accordance with the provisions of Article XIII of this Trust Agreement. However, at his discretion, Trustee may retain excess funds for a period not to exceed three (3) years when the Trustee has, with advice from appropriate environmental consultants, determined that such retention is advisable to effectuate the priorities established by the State of Oregon and the local solid waste management plans and programs adopted by the areas from which the funds or property were received.

ARTICLE XII
APPRAISAL AND VALUATION

The value of beneficiaries' property and/or the value of property to be purchased or received in conjunction with the settlement of a claim, as referenced in this Trust Agreement, in the event of loss or damage shall be at actual cash value as of the time of loss or damage.

If the Trustee and the beneficiary disagree on the value of the property, the amount of the loss, or the extent of the damages, either may make written demand for an appraisal of the property, loss or damages. In this event, each party will select a competent and impartial appraiser, each of whom will state separately the value of the property, amount of loss and extent of damages. The two appraisers will attempt to reach an agreement. If they fail to agree, they will jointly select a third impartial appraiser. If they cannot agree upon a third appraiser, either may request that selection be made by a judgment of a court having jurisdiction. A decision agreed to by any two of the three appraisers will be binding. The Trust Fund shall indemnify the Trustee for any expenses arising from the performance of his duties under this article. The Trust Fund will indemnify the beneficiary for any expenses arising from his or her activities under this Article if the beneficiary's appraiser's values are adopted.

ARTICLE XIII
DISTRIBUTION UPON TERMINATION

Within thirty (30) days following thirty (30) years after the date of issuance of the last certificate of closure and the last certificate of post-closure by the Oregon State Department of Environmental Quality for the Riverbend Landfill, Trustee shall disburse all remaining assets in the Fund for one or both of the following purposes as directed by a majority of the state legislators then holding office whose legislative districts lie wholly or partially within Yamhill County:

- (1) The reduction of the rates which persons within the area which has been served by Riverbend are charged for solid waste collection services; or

- (2) Enhancing present or future solid waste programs or facilities, consistent with the applicable approved local comprehensive solid waste management plans within the areas from which the monies were received.

ARTICLE XIV
MANAGEMENT OF TRUST FUND

The Trustee shall invest and reinvest the principal and income of the Trust Fund and keep the Trust Fund invested as a single trust fund without distinction between principal and income in accordance with general investment policies and guidelines applicable to a reasonably prudent businessman. In investing, reinvesting, exchanging, selling and managing the Trust Fund, the Trustee shall discharge its duties with respect to the Trust Fund solely in the interest of the beneficiaries of this Trust, and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise with like character and like aims, provided that:

1. Trustee shall at all times hold sufficient cash or assets readily convertible to cash to meet the requirements for distributions under the terms of this Agreement. At a minimum, the following amounts shall be maintained as cash or assets readily convertible to cash: 25% of the first \$100,000.00 in Trust property; 20% of the second \$100,000.00 in Trust property; 15% of the third \$100,000.00 in Trust property; and 10% of all Trust property after the first \$300,000.00.

2. Trustee is authorized to invest the Fund in insured time deposits, including such deposits bearing a reasonable rate of interest in its own institution, in United States Government and Agency Securities, or in regulated investment funds whose underlying funds are invested in insured time deposits or in United States Government and Agency Securities; and

3. Trustee is authorized to hold cash awaiting investment or distribution uninvested for a up to thirty (30) days and without liability for the payment of interest thereon.

ARTICLE XV
POWERS OF TRUSTEE

Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Trust, the Trustee shall have all powers conferred upon a trustee by the laws of Oregon for the orderly administration of the Trust estate, including those specified in the Oregon Uniform Trustee's Powers Act in effect in Oregon as it may be amended from time to time.

ARTICLE XVI
INSURANCE

This Trust is not insurance and does not cover loss or damage covered by any insurance policy. If valid and collectible insurance is available to a beneficiary making a claim under the terms of this Trust Agreement, the Trustee's obligation are limited as follows:

(a) This Trust will be regarded as excess indemnification over any insurance, whether primary, excess, contingent or on any other basis, and shall apply only after the applicable limits of liability in such valid and collectible insurance shall have been exhausted by the insured.

(b) When this Trust is regarded as excess indemnification over insurance, the Trust will not pay for the defense of any claim or suit that any insurer has a duty to defend. If no insurer defends, the Trust will pay for the defense, but the Trust will be entitled to the insured's rights against all those insurers.

When this Trust is regarded as excess indemnification, the Trust will pay only its share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all insurance has paid for the loss; and
- (b) The total of all deductible and self-insured amounts under all insurance.

ARTICLE XVII
RECOVERED FUNDS

If any beneficiary or Trustee recovers any funds or property from any other source for damage or loss after payment of indemnification pursuant to the terms of this Trust Agreement, the value of that recovery must be returned to the Trust, less any recovery expenses, including any expenses to repair the recovered property. Prior to disbursement from this Trust in payment of any claim, the Trustee shall secure an agreement which transfers to the Trust all rights the beneficiary may have to recover the same damages from another.

ARTICLE XVIII
SEPARATION OF BENEFICIARIES

Any rights or duties specifically assigned in this Trust Agreement to the "beneficiaries" applies:

- (a) As if each described beneficiary were the only beneficiary; and

(b) Separately to each beneficiary against whom claim is made or "suit" is brought.

ARTICLE XIX
ASSIGNMENT

No beneficiary shall have any power to sell, assign, transfer, encumber or in any other manner to anticipate or dispose of his or her interest in this Trust or the income produced thereby prior to its actual distribution by the Trustee to the beneficiaries or to another for the benefit of the beneficiaries in the manner authorized herein. This limitation shall not restrict the exercise of any other powers reserved to Trustor in this Trust Agreement.

ARTICLE XX
TAXES AND EXPENSES

All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage and commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by Trustee in connection with the administration of this Trust, including fees for legal services rendered to Trustee, the compensation of Trustee, and all other property charges and disbursements of Trustee shall be paid from the Fund.

ARTICLE XXI
AGENTS AND ATTORNEYS

Trustee may employ such agents and attorneys as Trustee may deem necessary or desirable for the proper administration of this Trust, or in connection with any uncertainty, controversy or litigation which may arise with respect to this Agreement, and pay reasonable compensation to such agents and attorneys for their services, such compensation to be derived from the assets of the Fund. Trustee shall be fully protected in relying upon the advice of legal counsel on questions of law and shall not be liable for any loss or damage caused by any agent or attorney selected by Trustee, if reasonable care was exercised in selecting and retaining such agent or attorney.

ARTICLE XXII
TRUSTEE COMPENSATION

Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Trustor, which compensation shall be paid from the Trust Fund as directed by Trustor in writing.

ARTICLE XXIII
TRUSTEE SELECTION AND
SUCCESSOR TRUSTEE

The Trustee shall be selected from among those qualified to serve as trustees in the State of Oregon. The Trustee shall be a FDIC regulated national bank insured by the FDIC. No person or entity who is a beneficiary of this Trust shall be eligible for selection as the Trustee. Trustor will select the Trustee according to the terms of this Article and with the approval of the County Commissioners.

Trustee may resign or Trustor may replace Trustee, but such resignation or replacement shall not be effective until Trustor has appointed a successor trustee approved by the County Commissioners and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon Trustee hereunder. Upon the successor trustee's acceptance of the appointment, Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason Trustor cannot or does not act in the event of the resignation of Trustee, Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to Trustor and the present Trustee by certified mail ten (10) days before such change becomes effective. Any expenses incurred by Trustee shall be paid as provided by the prior terms of this Trust Agreement.

ARTICLE XXIV
ACCOUNTING

Trustee shall maintain adequate accounting procedures to ensure that the monies received by Trustor and transferred to the Trust Fund, the income, and the amounts paid out pursuant to the terms of this Trust Agreement are accurately recorded and described. The Trustee shall provide to the County Commissioners and all beneficiaries an annual accounting, due on or before January 31st of each year during the term of the Trust, which shall include the status of the funds. The County Commissioners shall be entitled to audit, and all beneficiaries shall be entitled to examine, at their expense, all accounting records maintained by Trustee in connection with this Trust and the Trust Fund at reasonable times during normal business hours upon ten (10) days prior written notice to Trustor and Trustee.

ARTICLE XXV
INSTRUCTIONS TO THE TRUSTEE

All orders, requests, and instructions by Trustor to Trustee shall be in writing, signed by Trustor or such other designees as Trustor may designate. Provided that the Trustee's actions are otherwise consistent with the terms of this trust, Trustee shall be fully protected in acting without inquiry in accordance with Trustor's orders, requests and instructions. Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of Trustor hereunder has occurred. Trustee shall have no duty to act in the absence of such orders, requests, and instructions from Trustor except as provided for herein.

ARTICLE XXVI
IMMUNITY AND INDEMNIFICATION OF TRUSTEE

Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by Trustor issued in accordance with this Trust Agreement. Trustee shall be indemnified and saved harmless by Trustor or from the Fund, or both, from and against any personal liabilities to which Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event Trustor fails to provide such defense, excluding acts by the Trustee which constitute willful misconduct or fraud.

ARTICLE XXVII
CHOICE OF LAW

This Agreement shall be administered, construed, and enforced according to the laws of the State of Oregon.

ARTICLE XXVIII
INTERPRETATION

As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Article of this Agreement shall not affect the interpretation or legal efficacy of this Agreement.

ARTICLE XXIX
BANKRUPTCY OR FRANCHISE TERMINATION

Bankruptcy or insolvency of the beneficiaries or of any of the beneficiaries' estates, or termination of the Trustor's Yamhill County Franchise, shall not relieve the Trust of its

obligation to provide indemnification under the terms of this Trust Agreement.

ARTICLE XXX
ABANDONMENT

There can be no abandonment of any real property to this Trust.

Executed as of the day and year first above written.

TRUSTOR:

By _____

S _____

STATE OF OREGON, County of _____) ss.

On this _____ day of _____, 1989, before me personally came _____ to me known, who, being by me duly sworn, did say that she/he is _____ of _____, the corporation described in and which executed the above instrument; and that said instrument was signed in behalf of said corporation by authority of its board of directors; and acknowledges said instrument to be her/his voluntary act and deed.

Notary Public For Oregon
My commission expires: _____

TRUSTEE:

By _____

S _____

STATE OF OREGON, County of _____) ss.

On this _____ day of _____, 1989, before me personally came _____ to me known, who, being by me duly sworn, did say that she/he is _____ of _____, the corporation described in and which executed the above instrument; and that said instrument was signed in behalf of said corporation by authority of its board of

directors; and acknowledges said instrument to be her/his voluntary act and deed.

Notary Public For Oregon
My commission expires: _____

14490-0002

6
Page 14 - REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

BOARD ORDER 89-177 - Page 20
(Exhibit "A" - Page 14)

P. 14
Exh "C" to
License Agreement

EXHIBIT A

Being Lot No. 4 as set off to Charles McPhillips by decree of the Circuit Court of the State of Oregon, for Yamhill County, duly made and entered in said Court in that certain suit wherein Rose McPhillips, et al., were plaintiffs and Charles McPhillips, et al., were defendants, which said lot is more particularly bounded and described as follows, to-wit: Beginning at the Northeast corner of the Alex Miller Donation Land Claim in Section 1, Township 5 South, Range 5 West of the Willamette Meridian, running thence South 0°11' East along the East line of the said Alex Miller Donation Land Claim 3696 feet; thence East 528 feet, more or less, to the West line of John Monroe Donation Land Claim; thence North 330 feet to the Northwest corner of the John Monroe Donation Land Claim; thence East along the North line of said Claim 831.6 feet, more or less, to the West line of Government Lot 6 of Section 12 of said Township and Range; thence North along the West line of said Lot 6, a distance of 441 feet to the South line of the J.A. Cornwall Donation Land Claim; thence South 57° East along the South line of the Cornwall Donation Land Claim 809.7 feet to angle corner; thence East along the South line of Cornwall Claim 858 feet to angle corner; thence North 49°45' East along South line of Cornwall Claim 1235.3 feet to the division line of claim as described in Deed book 1 at Page 282, Deed Records of Yamhill County; thence North 24° West along said division line 1692.9 feet; thence North 80° West 2541 feet; thence North 694.323 feet to an iron pin set in center of the County Road leading from McMinnville to Sheridan; thence South 44° West 441.54 feet to the place of beginning; situated in the County of Yamhill and State of Oregon.

Excepting therefrom that portion conveyed to the State of Oregon by and through its State Highway Commission by deed recorded April 28, 1947 in Book 142, Page 263 Yamhill County Deed Records.

Also the following described real estate, situate in the County of Yamhill, State of Oregon, to-wit:

All that portion of the following described tracts in the John Monroe Donation Land Claim No. 74, in Township 5 South, of Range 5 West of the Willamette Meridian, which is Northerly of the Northerly bank of the Yamhill River as it presently exists; beginning at an iron pipe on the North line of and 35.502 chains East from the Northwest corner of said claim; thence South 22.073 chains; thence West 4.077 chains; thence North 22.073 chains; thence East along claim line 4.077 chains to beginning, and excepting the South 30 feet thereof reserved for roadway.

Also: Beginning at a point 31.425 chains East of the Northwest corner of the John Monroe Donation Land Claim; thence South 22.073 chains; thence West 4.983 chains; thence North 22.073 chains; thence East 4.983 chains to the point of beginning; excepting

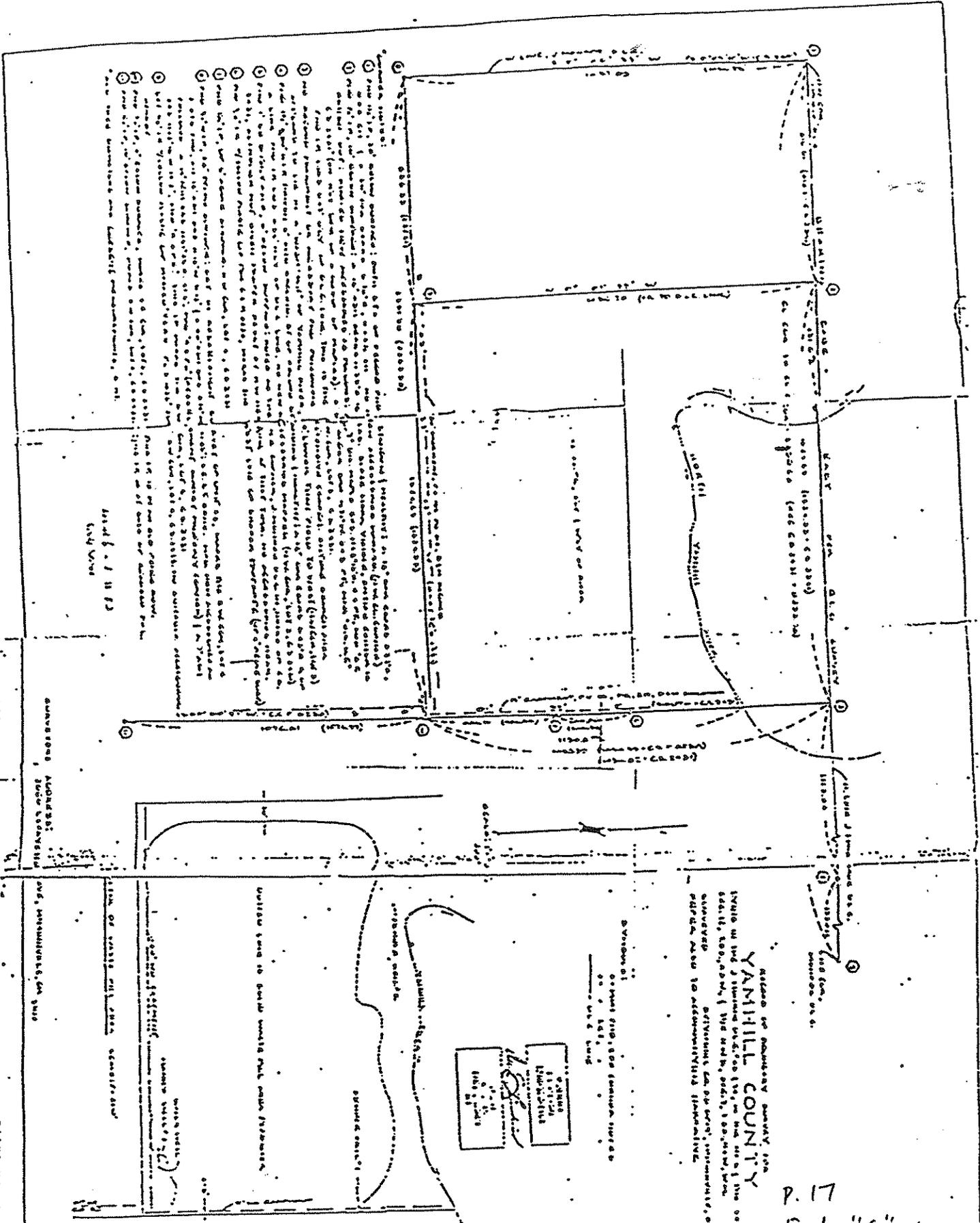
(continued)

therefrom a strip of land on the South end thereof 30 feet in width for road purposes.

Also: That part of said claim described as follows: Beginning on the North line of said claim 12.397 chains East of the Northwest corner of said claim; thence East along the North line of said claim 14.045 chains; thence South 22.073 chains; thence West 14.045 chains; thence North 22.073 chains to the place of beginning.

Excepting a tract of approximately two acres which have been identified and located by the parties, and upon which is located a residence.

Excepting also any portion of the above described premises which is located South of the South bank of the Yamhill River.



1. Proposed building footprint.
2. Proposed parking area.
3. Proposed landscaped area.
4. Proposed access road.
5. Proposed utility easement.
6. Proposed boundary line.
7. Proposed easement area.
8. Proposed easement area.
9. Proposed easement area.
10. Proposed easement area.

PROPOSED ADDRESS: 10000 S.W. 10th St. Astoria, OR 97103

DATE OF THIS PLAN: 10/15/88

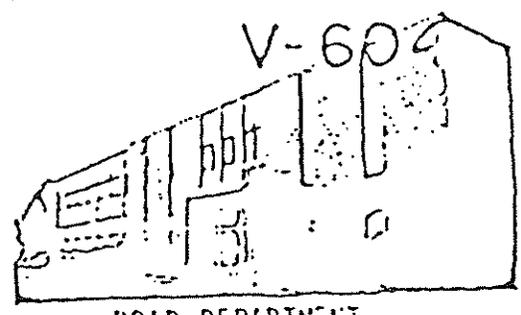
OFFICE OF COUNTY CLERK
 YAMHILL COUNTY
 1000 S.W. 10th St.
 Astoria, Oregon 97103
 PHONE: 325-1234

P. 17
 Exh "C" to
 License Agreement

CS-8274

YAMHILL COUNTY

Oregon



ROAD DEPARTMENT

May 31, 1983

NARRATIVE OF SURVEY

Location: J. Monroe Donation Land Claim No. 65 and 74, Lying in the Northeast Quarter of the Southeast Quarter, Section 12, Township 5 South, Range 5 West, and the Northwest Quarter, Section 7, Township 5 South, Range 4 West, Willamette Meridian, Yamhill County, Oregon

Bearing Base: West on North Line of John Monroe Donation Land Claim

Surveyed for: Yamhill County

Purpose of Survey: Solid Waste Landfill Closure Procedure

Reference Surveys Used: County Survey 2431, County Survey 2476, Resettlement Survey of Unit 58 and CSP 8238.

Procedures Used, Controlling Elements, etc:

Following a preliminary field search for control monuments, a primary four sided polygon was established using random hubs. After sideshots were taken to found monuments, an angular adjustment was applied to the polygon, and a compass rule adjustment was also applied. A separate "double hub" traverse was run to the buggy axle at the Northeast corner of the Monroe Donation Land Claim, with like adjustments being applied. A local coordinate system was established and a rotation was applied to the DLC line to attain conformance with a record G.L.O. bearing of West.

Next, two separate "double hub" traverses were run to the Southwest corner of Lot 6 and the Northwest corner of Lot 5 of County Survey 2431, being likewise adjusted. Refer to corner notes on accompanying plat for evidence found at these corners.

The Yamhill River was not meandered by traverse in the field by this survey; aerial photographs and "quad maps" were deemed sufficient for this purpose. A recent S.C.S. erosion control project upstream may have caused some change in erosion patterns along both banks of the Yamhill along this property. The stake and bearing trees called out in the notes of County Survey 2431 near the South bank of the river, witnessing the line common to Lots 3 and 6 of said survey were searched for and not found. The iron pipe and bearing trees called out for the same survey as marking and referencing the Northwest corner of Lot 3 were also searched for, after "carrying" coordinates into a search area. This area may be the site of a "wash-out", as it is approximately eight feet lower than the cultivated field to the West.

One of the purposes of this survey is to provide adequate public notice of

CS - 8274

V-604

Narrative of Survey
May 31, 1983
Page 2

The area which has been filled with solid waste during the site's operation as Whitesun Landfill, commencing in 1972 and closed to actual fill in 1982. Mr. Bob Emerick, manager of City Sanitary Service, franchise holder of the Landfill during its active years, staked the perimeter of the fill area on May 26, 1983 (see accompanying affidavit) which was accordingly tied and which area is shown on the accompanying map.

All horizontal angles except those turned to the perimeter of the solid waste fill area were turned four times, 2D and 2R. All vertical angles were turned twice, and meaned out.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 12 1979
DAN E. LINSCHIED
1225

Dan E. Linscheid
County Road Surveyor
Yamhill County Road Department
2060 Lafayette Avenue
McMinnville, OR 97128

L/kc
cls.

Received 6 / 19 83

County Surveyor

EXHIBIT C

Funds initially transferred to Trust by Trustor pursuant to Article III of the Trust Agreement is described as follows: \$1,000.00

EXHIBIT D

Schedule for Contributions or Additions to Trust Property:

Pursuant to Article IV of the Trust Agreement, funds from disposal rates dedicated by act of governmental authority or contract with Trustor shall be segregated upon receipt and placed in a segregated interest-bearing account with a national bank approved by County Commissioners, where the principal and interest shall be held pending transfer to the Trust on at least a quarterly basis commencing on October 1, 1989, and on at least the last day of every third month thereafter.

Except as may be amended by ordinance or other appropriate action enacted by the Board of County Commissioners of Yamhill County, Trustor shall receive, reserve and account for, upon receipt, those revenues received for solid waste disposal at the Riverbend Landfill which are required by the County to be reserved for this Trust Agreement, until a total of \$4,000,000 has accumulated in the Trust, as certified in writing by the Trustee.

FIRST SUPPLEMENTAL TRUST AGREEMENT

TO THE RIVERBEND LANDFILL CO.

REVOCABLE LANDFILL-ENVIRONMENTAL TRUST AGREEMENT

This First Supplemental Trust Agreement is entered into as of the _____ day of _____, 1994 between RIVERBEND LANDFILL CO., an Oregon corporation ("Trustor") and FIRST INTERSTATE BANK OF OREGON, N.A. ("Trustee") and is incorporated into and made part of that certain Revocable Landfill-Environmental Trust Agreement between the Trustor and Trustee dated as of July 5, 1989 (the "Trust Agreement").

RECITALS

A. Trustor and Yamhill County, a political subdivision of the state of Oregon (the "County") have entered into a Solid Waste Disposal License Agreement dated of even date herewith (the "License Agreement").

B. At the time the parties executed the Trust Agreement, Trustor was collecting from customers who disposed of waste at the Riverbend Landfill (the "Disposal Site") segregated fees established by separate rate components for the separate funding of environmental impairment costs, closure costs and post-closure maintenance costs of the Disposal Site. Pursuant to the License Agreement, Trustor will now collect a single fee (the "Landfill Environmental Expense Charge" or "LEE Charge") from customers who dispose of waste, not including Beneficial Use waste (as defined in the License Agreement) at the Disposal Site and will allocate the LEE Charge between the costs of funding the environmental impairment trust established pursuant to the Trust Agreement and the closure and post-closure trust funds established pursuant to the Closure/Post-Closure Trust Agreement between Trustor and Trustee dated July 5, 1989 (the "CPC Trust").

C. In addition to establishing a single LEE Charge, the License Agreement requires Trustor to collect a per ton Host Fee (as defined in the License Agreement) from customers who dispose of waste, not including Beneficial Use waste (as defined in the License Agreement) at the Disposal Site. The License Agreement further provides that the costs of any long-term groundwater monitoring at the Whiteson Landfill must be paid from the County's Host Fee fund, subject to the County's right to receive indemnification for the same from the Riverbend-Whiteson Landfills Environmental Trust (this "Trust") under certain limited circumstances.

D. The Trust Agreement provides in pertinent part that the Trustor may alter or amend the Trust Agreement at any time "by

written instrument . . . signed by the Trustor and cosigned by the County Commissioners and accepted by Trustee." The parties wish to amend the Trust Agreement to specify the method of collecting, allocating and distributing funds into and from this Trust, to require Trustor to make additional contributions to this Trust in certain circumstances and to define the circumstances under which the County may seek indemnification under this Trust for long-term groundwater monitoring at the Whiteson Landfill.

C. All capitalized terms that are not otherwise defined in this First Supplemental Trust Agreement shall have the meaning given them in the Trust Agreement or in the License Agreement.

AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trustor, Trustee and the Board of Commissioners for Yamhill County hereby agree as follows:

1. Article IV of the Trust Agreement is hereby amended and restated in its entirety to read as follows:

"In accordance with allocation calculations made by Trustor as provided herein, the Trustor will arrange for the transfer and Trustee will receive in trust amounts allocated to this Trust from LEE Charge fees received by Trustor from customers disposing of waste (not including Beneficial Use waste) at the Riverbend Landfill. On a periodic basis, as required by and in accordance with Oregon state laws, Trustor shall determine the amount of funds, if any, required to be deposited into the Closure Fund and/or the Post-Closure Fund of the CPC Trust. Any amount of the LEE Charge remaining that is not allocated and deposited into the Closure Fund and/or Post-Closure Fund of the CPC Trust shall be deposited by Trustor into this Trust. The amounts of the LEE Charge allocated and deposited to the Trust shall be segregated from other payments made by generators, and shall not be assets of the Trustor. These amounts shall become assets of the Trust immediately upon receipt by the Trustor and shall be segregated upon receipt and placed in a segregated interest-bearing account with a national bank approved by the County Commissioners, where the principal and interest shall be held pending transfer to this Trust on at least a quarterly basis.

In the event the total sum transferred to the this Trust from the LEE Charge in any one calendar year is less than the total amount equal to the product of \$0.50 (as escalated by the CPI in accordance with Section 6.1 of the License Agreement) times the total tons of

Acceptable Waste (not including Beneficial Use waste) disposed of at the Disposal Site during such calendar year (such difference shall be referred to herein as the "Shortfall") then Trustor shall, within ninety (90) days following the end of such calendar year, deposit into this Trust the Shortfall from whatever source of funds are available to Trustor."

2. The second paragraph of Article IV and Exhibit D to the Trust Agreement shall be deleted in their entirety.

3. Article V of the Trust Agreement is hereby amended by adding after the first sentence the following:

"In addition, from time to time upon written direction from Trustor, Trustee shall receive in the Trust amounts from the CPC Trust that Trustor determines are in excess of those necessary for the closure and post-closure of the Riverbend Landfill."

4. Section 1 of Article VIII of the Trust Agreement is hereby amended by adding a new paragraph to the Section to read as follows:

"Damages" or "losses" include, without limitation, any sums paid because of bodily injury or property damage arising from or related to the premature closure of the Riverbend Landfill before the closure date scheduled in the Riverbend Landfill's 1993 operating permit, and any monies borrowed, as well as the costs of borrowing sums, to fund any amounts paid because of bodily injury or property damage."

5. The definition of "Property Damage" contained in Section 1 of Article VIII is hereby amended by adding to subsection (d) the words "or Yamhill County" between the words "Trustor" and "test for" and, at the end of subsection (d) after the words "pursuant to an order" the definition is hereby amended by adding the following phrase:

", but excluding long-term groundwater monitoring (following well installation and initial testing) at the Whiteson Landfill except as provided in Article IX, Section 7 of this Trust Agreement."

6. Article IX is hereby amended by adding a new Section to read as follows:

"7. For any costs or damages relating to long-term groundwater monitoring (following well installation and initial testing) at the Whiteson Landfill, the County shall have no right to indemnification under this Trust unless the County first exhausts all funds accumulated

from payment of the restricted Host Fee created under the License Agreement approved by Yamhill County Ordinance 578. Upon presenting evidence to the Trustee that no funds are available from the Host Fee and provided that sufficient funds are available in this Trust to indemnify the beneficiaries first for any claims that may be indemnified under Article VIII relating to the Riverbend and Whiteson Landfills, the County shall be entitled to indemnification under this Trust to pay for long-term groundwater monitoring at the Whiteson Landfill. Notwithstanding anything in Article XVII to the contrary, all amounts disbursed to the County from this Trust in accordance with this Section for long-term groundwater monitoring at the Whiteson Landfill shall be repaid by the County and contributed to this Trust as and when funds are received by the County from subsequent payments of the restricted Host Fee created under the License Agreement approved by Yamhill County Ordinance 578."

7. Article XIII shall be deleted in its entirety and amended and restated to read as follows:

"Within thirty (30) days following thirty (30) years after the date of issuance of the last certificate of completion of post-closure by the Oregon State Department of Environmental Quality for the Riverbend Landfill, or sooner upon receipt by Trustee of a written termination of this Trust executed by Trustor and co-signed by the Yamhill County Commissioners, Trustee shall disburse all remaining assets in the Fund to Trustor."

8. The remainder of the Trust Agreement is not amended hereby and shall remain in full force and effect. Trustor and Trustee hereby ratify and confirm the terms and conditions of the Trust Agreement, as amended by this First Supplemental Trust Agreement.

EXECUTED as of the day and year first above written.

TRUSTOR: RIVERBEND LANDFILL CO.

By _____
Its _____

STATE OF OREGON)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____, is the person who appeared before me, and said

person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of RIVERBEND LANDFILL, CO., to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 1994.

NOTARY PUBLIC in and for the State
of Oregon, residing at _____
My appointment expires _____

TRUSTEE:

FIRST INTERSTATE BANK

By _____
Its _____

STATE OF OREGON)
COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that _____, is the person who appeared before me, and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of FIRST INTERSTATE BANK, to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 1994.

NOTARY PUBLIC in and for the State
of OREGON, residing at _____
My appointment expires _____

Approved by:

YAMHILL COUNTY

By _____
Its _____

H:\AJF\RLETRV1.WP

p. 26
Exh "C" to
License Agreement

AGREEMENT
(Payment of Recycling Subsidy)

THIS AGREEMENT is made this 31st day of August, 1994, by and between Yamhill County, a political subdivision of the State of Oregon ("the county"), Riverbend Landfill Company, Inc., an Oregon Corporation ("RLC") and City Sanitary Service, Inc., an Oregon Corporation ("CCS").

RECITALS

A. CCS currently receives from the county a subsidy for recycling services. The subsidy is paid from a surcharge of \$3.30 levied on each ton of waste disposed at Riverbend Landfill. The subsidy is equivalent to \$1.07 per ton of waste generated outside Yamhill County and \$1.20 per ton generated inside Yamhill County excluding waste transferred from the Newberg Transfer and Recycling Center. (No subsidy is paid on Newberg waste because a recycling charge is included in the rate structure at Newberg Transfer and Recycling Center to subsidize recycling at the transfer station.)

B. On June 24, 1994 the county and CCS received notice that effective June 27, 1994 waste that had previously been hauled from Forest Grove in Washington County to Riverbend Landfill would be hauled to a landfill in eastern Oregon. This waste, known as the "Metro waste", amounted to an average of about 6,000 tons per month. In order to prevent an immediate impact on the level of recycling services CCS could offer to Yamhill County citizens, the Board of Commissioners ("the Board") adopted Board Order 94-477 on July 20, 1994. Board Order 94-477 authorized payment to CCS from the county's solid waste fund for the five month period July 1 through November 30, 1994 an amount equal to the subsidy attributable to Metro waste in the same five months in 1993, subject to a maximum payment of \$30,000.

C. RLC and the county desire to enter into a Solid Waste Disposal License Agreement. The License Agreement would replace the existing disposal franchise and allow RLC to set its own rates, subject to limitations on the rate to be charged for waste generated in Yamhill County. Upon the effective date of the License Agreement, the existing \$3.30 per ton surcharge would terminate. In its place RLC would pay the county an annual license fee together with restricted and unrestricted host fees. Because the recycling subsidy paid to CCS is paid from the surcharge, and because the annual license fee is intended to support the administration of the county's solid waste program and not recycling, CCS will no longer collect a recycling subsidy upon the effective date of the License Agreement.

D. The county, RLC, CCS and cities in Yamhill County that have offered testimony in public hearings on the proposed License Agreement agree that most recycling should be paid from collection rates instead of disposal rates. The Yamhill County Solid Waste Advisory Committee has advised the Board that recycling should be funded through collection rates, but that CCS should continue to receive a subsidy until December 31, 1994.

E. CCS desires that its recycling subsidy continue for a reasonable time period in order to accommodate a transition to the funding of recycling from collection rates. CCS believes that such a transition can be made by December 31, 1994.

F. The county and RLC desire that the License Agreement become effective October 1, 1994. To allow CCS sufficient time to seek adjustments in its collection rates in order to replace the existing recycling subsidy paid from the disposal surcharge at Riverbend Landfill, RLC is willing to pay to CCS from RLC's profits certain amounts specified in this agreement as a private recycling

subsidy to benefit the customers of CCS. The payment by RLC is intended to be the approximate difference between the amount CCS received as a recycling subsidy from October 1, 1993 through December 31, 1993 and the amount the county agreed to pay under Board Order 94-477 for the period from October 1, 1994 through November 30, 1994.

AGREEMENT

Based on the mutual covenants set forth below, the county, RLC and CCS agree as follows:

1. RLC shall pay from its profits the following amounts to CCS as a recycling subsidy for the designated months in 1994:

October	\$9,584
November	\$12,209
December	\$16,109

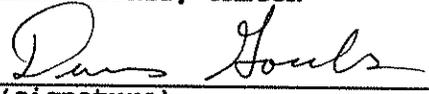
2. Payments shall be made in accordance with a schedule to be negotiated by RLC and CCS. In the absence of agreement, payments shall be made by the 10th day following last day of the designated month.
3. CCS shall use the funds paid by RLC to support recycling activities for the benefit of its customers.
4. This agreement is contingent upon the Board's approval of the proposed License Agreement between RLC and the county to be considered as part of Ordinance 578 on August 31, 1994. If the License Agreement is not approved by the Board with an effective date of October 1, 1994, this agreement shall be null and void.

DATED and McMinnville, Oregon the day and year first written above.

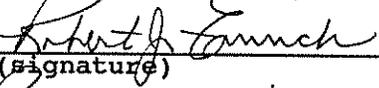
RIVERBEND LANDFILL CO., INC.

By: 
(signature)
SCOTT A. BRADLEY
(printed name)
GENERAL MANAGER
(title)

YAMHILL COUNTY, OREGON

By: 
(signature)
Dennis L. Goecks
(printed name)
Chair - Board of Commissioners
(title)

CITY SANITARY SERVICE, INC.

By: 
(signature)
Robert J. Emrick
(printed name)
VICE PRESIDENT
(title)