

SW 99-32 B

FOURTH AMENDMENT TO CONTRACT REGARDING
SOLID WASTE RECYCLING, TRANSFER,
TRANSPORT AND OUT-OF-COUNTY DISPOSAL

THIS FOURTH AMENDMENT to the Contract Regarding Solid Waste Recycling, Transfer, Transport and Out-of-County Disposal is entered into this ~~30th~~ day of March, 1999, between Clark County, a political subdivision of the State of Washington ("Clark County"), and Columbia Resource Company, L.P., a Washington Limited Partnership ("CRC").

RECITALS

WHEREAS, Clark County and Tidewater Barge Lines, Inc. ("Tidewater") entered into a contract regarding solid waste recycling, transfer, transport and out-of-county disposal on the 11th day of April, 1990 ("Contract"); and

WHEREAS, Tidewater assigned its interest under the Contract to CRC by assignment dated January 1, 1991, which assignment was acknowledged by Clark County on December 9, 1991 and which assignment did not relieve or release Tidewater from any rights or responsibilities under the Contract; and

WHEREAS, on the 9th day of December, 1992, the 23rd day of December, 1996, and the 29th day of September, 1998, Clark County, Tidewater and CRC amended the Contract in several respects; and

WHEREAS, Clark County has entered into a Novation releasing Tidewater from future obligations under the Contract; and

WHEREAS, Clark County, simultaneously with entering into this Fourth Amendment to the Contract, is consenting to the transfer of the controlling interest in the beneficial ownership of CRC to Waste Connections, Inc. ("WCNX"); and

WHEREAS, Clark County and CRC again wish to amend the Contract in several respects; now, therefore,

CLARK COUNTY AND CRC agree as follows:

1. Article 2.8, Contractor's Records; Access; Inspection, is modified to include the following additional language:

2.8 Contractor's Records; Access; Inspection. The Contractor shall at all times maintain an accounting system using generally accepted accounting principles for all services rendered and materials supplied, including additional and deleted work, in connection with the Contract. The Contractor shall maintain the accounting system in

a manner which clearly separates its revenues and expenses related to the provision of services under the Contract from any revenues or expenses related to any affiliated company. The Contractor's accounts including but not limited to all records, invoices and payments under the Contract, as adjusted for additional and deleted work shall, together with the Facilities themselves, at all reasonable times during the term of the Contract and for two years thereafter, be open for inspection for any reasonable purpose by the County, the Director and officers or employees of the states of Washington and Oregon. The County shall have the right to inspect and copy all records and documents, to interview any person, and to review any evidence in Contractor's possession or control that may assist the County in determining whether and by what amount:

- (a) The Contractor is entitled to reimbursement or increased Tipping Fees under the Contract;
- (b) The County is entitled to a reduction in Tipping Fees under the Contract; or
- (c) The Contractor is in Compliance with the Contract.

The Contractor may designate certain documents or records as confidential business records and the County may examine and copy those documents or records in accordance with Section 2.4.

2. Article 8.1, General, of the Contract, is modified to add at the end:

During the Term of the Contract, the Contractor shall Transport all Waste referred to in subsection (a), using barge or rail transportation methods. If, for any reason, barge transportation becomes unavailable or the disparity in price between barge or rail transportation (whichever is less expensive) exceeds 15% of the prevailing cost of over-the-road truck transportation, the Contractor may request Director approval to transport Waste by truck. The Director shall either approve the use of truck transport or a Tipping Fee increase sufficient to reduce the difference in price between truck transport and the next lowest transportation mode of barge or rail to a level below the 15% disparity. Disputes relating to the disparity in price shall be resolved by arbitration as provided in Article 25.1.

3. Article 8.12, Other Obligations, of the Contract is modified to read:

8.12—~~Other Obligations.~~ Corporate Structure and Accounting Systems. The Contractor shall carry out all of its other obligations under the Contract. The Contractor shall operate the companies providing service under this Contract as entities separate from any collection company affiliated with the Contractor and operating in the County. The Contractor shall employ a different individual as the

controller between companies providing service under this Contract and any collection operations in the County. The County, however, does not object to a General Manager or clerical positions with combined responsibilities for the separate entities.

The Contractor shall at all times maintain an accounting system, separate from collection Company operations, using generally accepted accounting principles to account for all services rendered and materials supplied by Contractor, including additional and deleted work, in connection with the Contract. Collection operations in existence by the Contractor under this Contract prior to April 1999 are specifically excluded from this provision.

4. Article 8 of the Contract is amended as follows to add:

8.13 Destination of Waste. Contractor agrees that any and all Waste (expressly excluding commercial recyclable materials as defined in Article 1) collected by it or an affiliate within Clark County will be delivered only to Facilities during the term of this agreement as specified in Article 29 herein or any extension thereto.

8.14 Other Obligations. The Contractor shall carry out all of its other obligations under the Contract.

5. Article 10.2, Tipping Fees, of the Contract, is modified as follows:

10.2 Basic Tipping Fees; CPI Adjustment. The Tipping Fees for Acceptable Waste delivered to the Transfer Stations and method to adjust those Tipping Fees for changes in the CPI are set forth below.

Basic Tipping Fees. ~~Effective January 1, 1999~~ Effective July 1, 1999, the Basic Tipping Fees for Acceptable Waste delivered to the Transfer Stations shall be as follows:

	<u>Until</u> <u>July 1, 1999</u>	<u>After</u> <u>July 1, 1999</u>
Non-drop Box Waste	\$66.85 per Ton	<u>\$65.10 per Ton</u>
Commercial Drop Box Waste	\$59.40 per Ton	<u>\$57.65 per Ton</u>

In addition to the Basic Tipping Fee above, each load of Acceptable Waste delivered to the transfer stations will be assessed a \$10.00 transaction fee.

The Tipping Fee for Acceptable Waste set out above represents compensation to the Contractor for all services the Contractor proposed to provide to the County in

Contractor's June 22, 1988 response to the County's RFQ/P, including the following additional Facilities and services:

- A. 12 Additional operating hours per week, as specified in Section 2.5 of the Specifications,
- B. Drop box storage, as specified in Section 2.3.22 of the Specifications,
- C. Truck wash facilities, as specified in Section 2.3.14 of the Specifications, and
- D. Construction and operation of Household Hazardous Waste dropoff facilities, including land, improvements, utilities, engineering and permitting, as specified in Section 2.7 of the Specifications.

Beginning with an adjustment on January 1, 2001, the Basic Tipping Fees, ~~under (a)(2), above,~~ may be increased or decreased on January 1 of each year up to the rate of 82% of the percentage point increase or decrease in the Consumer Price Index that occurred during the first six months of the previous year and the last six months of the year preceding that year at the sole option of the Contractor. Should Contractor elect to not increase Basic Tipping Fees on January 1, up to the full amount allowed, the CPI adjustment shall be cumulative to the next January 1. The allowable adjustment on January 1, 2001, shall be an amount equal to one-half of the a year 2000 adjustment and the year 2001 adjustment on a base amount of ~~\$66.00~~ \$65.10 for non-drop box waste and ~~\$58.64~~ \$57.65 for commercial drop box waste.

6. Article 10.5 (c), Reduced Tipping Fees for "Most Favored Customer", of the Contract is modified to include the following additional language:

For purposes of this section only, effective January 1, 1999, the Contractor and the County agree the current disposal component of the Tipping Fee is Twenty Dollars (\$20.00) per Ton.

7. Article 10.11 of the Contract is modified to read:

10.11 Administrative/Regulatory Fee. Contractor shall pay to the County an Administrative Fee of \$100,000 per month so long as this Contract is in effect. ~~The first Administrative Fee monthly payment shall be due and paid sixty-five (65) days after the effective date of this Third Amendment to the Contract.~~ The Administrative Fee shall be adjusted on the same date and by the same percentage as the CPI adjustment to the Basic Tipping Fees in accordance with Article 10.2(b). Any increase in the Administrative Fee shall be in addition to the Basic

Tipping Fees increase. In addition to the monthly County Administrative Fee, the contractor shall pay the County an additional fee of \$3.50 per ton for all tons of Acceptable Waste delivered to the transfer stations in excess of the total tons listed below. For all tons delivered to the Transfer Stations in excess of the tons listed below, plus an additional increment of 25,000 tons per year, the Contractor shall pay the County an additional \$10.00 per ton, offset by any and all other jurisdictions' administrative/regulatory fees legally assessed against the Contractor and ratified by a final reviewing court, if any, but in no event shall Contractor pay less than \$3.50 per ton total upon reaching the threshold annual tonnage level plus the 25,000 tons per year increment. Acceptable Waste, for purposes of determining the Administrative Fee, does not include separated recyclables, wood, yard debris or clean co-mingled recyclables. The fee will be paid to the County sixty (60) days following the last day of the year for all tons received in excess of the total tons for the year.

<u>Year</u>	<u>Total</u>	<u>Total</u>
1998	246,000	271,000
1999	257,000	282,000
2000	260,007	285,007
2001	267,327	292,327
2002	274,867	299,867
2003	282,633	307,633
2004	290,632	315,632
2005	298,871	323,871
2006	307,357	332,357
2007	316,098	341,098
2008	325,101	350,101
2009	334,374	359,374
2010	343,925	368,925
2011	353,763	378,763

8. Article 16.1, General, is modified to include at the end:

Contractor shall cooperate with County and use its best efforts to site and construct an additional transfer station in east Clark County. It is the intent of the parties that this transfer station be a smaller, limited purpose transfer station, and that the requirements of Section 2.3 of the Technical Specifications be used as guidance only as to the construction, nature and purpose of said transfer station. The Director shall have joint review and approval of design of said transfer station. At least 120 days prior to beginning operations at any additional transfer station, Contractor shall prepare and submit for approval by the Director, an operating plan for that transfer station. Said plan shall detail all operating hours, customer access, security and other procedures for that transfer station. Upon approval by the Director, the operating plan requirements shall supersede any

transfer station requirements detailed in the Contract for that transfer station.

9. Article 19.1, Additional Work., of the Contract is modified to read:

All requests for payment for work under the Contract in addition to those described in the Contract Documents shall be made only under the conditions and procedures of this Article and Sections 10.3 (c) and 10.4. For purposes of this Article, the term "additional work" means work that is in addition to the Project but reasonably related to the scope of the Project, or other work required to be performed under the Contract documents or any amendments thereof, including but not limited to the delivery of Source-Separated commercial/industrial Waste under Section 6.3, the construction and operation of a third Transfer Station to be located in east Clark County (except for proposal and construction costs, including all land acquisition, permitting, design and construction and material costs, up to \$750,000) and, in accordance with Section 10.3, work required to comply with a change in law, statute, rule, regulation, ordinance, permit, permit condition or regulatory provision. Nothing in this Article is intended to change any other precondition to or procedure for payment or reimbursement required in the Contract.

10. Section 1.2 of the Technical Specifications of the Contract is modified to read:

1.2 Contractor's General Obligations. The Contractor shall accept, Transfer, Transport and Dispose of all Waste Delivered to the Transfer Stations, including but not limited to the handling and sale of Waste directed by the County to the Recycling Processing Center as a part of the Recycling program. The Contractor shall not use the Transfer Stations or Recycling Processing Center to process or handle waste originating outside the County without Director approval if the total amount of waste received at the Transfer Stations is more than the amount listed in the table below and is comprised of more that 20% out-of-County waste. The contractor shall use all reasonable measures to prevent Unacceptable Waste from being delivered to the Disposal Site. The Contractor shall use reasonable measures to determine the origin of all Acceptable Waste delivered to the Transfer Stations by Commercial Vehicles.

<u>Year</u>	<u>Total</u>	<u>Total</u>
1998	280,000	305,000
1999	288,400	313,400
2000	297,052	322,052
2001	305,964	330,964
2002	315,142	340,142
2003	324,597	349,597
2004	334,335	359,335

2005	344,365	369,365
2006	354,696	379,696
2007	365,336	390,336
2008	379,297	404,297
2009	387,585	412,585
2010	399,213	424,213
2011	411,189	436,189

11. Article 2.1.3 of the Technical Specifications of the Contract shall be amended to include the following language:

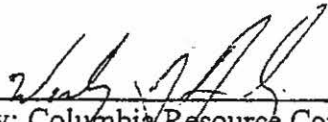
~~2.1.3 Study Regarding Additional Transfer Station. On or after January 1, 1993, the County shall, at its sole expense, begin a study to be completed before January 1, 1994, that analyzes the need for an additional Transfer Station to be located east of Interstate Highway 205, Transfer Station capacity, convenience to the Cities of Camas and Washougal, east County residents and commercial and industrial entities, population and employment growth, effect on costs of solid Waste system, locations and other factors.~~

2.1.3 Proposal for Additional Transfer Station. On or before July 1, 2000, the Contractor, at its sole expense, shall prepare and present to the County a proposal for the design, construction, operation and maintenance of an additional Transfer Station to be located east of Interstate Highway 205. The proposal shall provide for the design, construction, operation and maintenance of the additional Transfer Station and a proposed timeline therefor within the then existing tipping fees and without compensation for Additional Work, subject to the provisions of Article 19.1 of the Contract.

12. Article 2.1.4, Construction of Third Transfer Station, shall be amended to include the following additional language:

2.1.4 Construction of Third Additional Transfer Station. If, based on the study proposal described above, or a subsequent update to that study, the County determines an additional third Transfer Station is needed, the Contractor shall propose a specific location, design, obtain permits, construct and operate that station in accordance with the Contract. The Contractor shall be compensated for its additional Cost in developing, constructing and operating that Transfer Station as additional work under Section 19.3(a) of the Contract.

DATED this 30th day of March, 1999.


By: Columbia Resource Company, L.P.
Its: *Gen. Mgr.*

ATTEST:

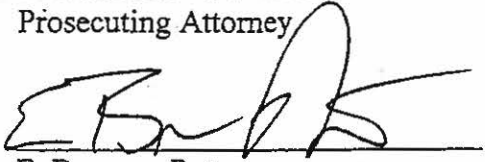
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