

**FIRST AMENDMENT TO
SOLID WASTE COLLECTION SERVICE AGREEMENT**

THIS FIRST AMENDMENT TO SOLID WASTE COLLECTION SERVICE AGREEMENT ("Amendment") is made and entered into this 17 day of November, 2015, by and between the CITY OF CONNELL, WASHINGTON, a Washington municipal corporation (the "City"), and BASIN DISPOSAL, INC., a Washington corporation (the "Contractor").

RECITALS

A. The City and the Contractor entered into that certain Solid Waste Collection Service Agreement, dated November 13, 1995 (the "Agreement"), pursuant to which the City granted to Contractor the right to collect and dispose of all solid waste, refuse, garbage, rubbish and ashes from the City of Connell.

B. WHEREAS, Basin Disposal, Inc (BDI) a Solid Waste Collection company desires to provide Billing Services to the City. The Billing Services includes billing and bill collection services on behalf of the City by electronic or paper means;

C. WHEREAS, the City desires to retain Basin Disposal, Inc to provide billing and bill collections services for all of the City's Solid Waste Collections customers, whereby BDI will on behalf of the City bill the City customers via electronic and paper means; and

D. WHEREAS, Billing Services means to send a Bill to all Solid Waste Collection customers of the City bi-monthly, which includes printing the Billing Statement, providing any required envelopes, postage, handling and processing of the Billing Statements.

AMENDMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and agreements contained herein, the parties hereby mutually agree as follows:

1. Definition

All capitalized terms contained herein and not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. Amendment of the Agreement

Commencing on January 1, 2016, the Agreement is amended as follows:

- (a) The City hereby delegates to the Contractor the right and the obligation to bill and collect payments from all customers in the city of Connell provided solid waste collection services governed by the Agreement. The language in both Section

5(d) and Section 13 of the Agreement are to be superseded and replaced with the following language in b:

- (b) “Contractor shall invoice, and shall be responsible for collecting, to and from each and every Customer within the City Service Area for the Solid Waste Services. Contractor shall cause each bill to include the following information: (i) Customer name; (ii) Customer account information; (iii) service address; (iv) service commencement and termination dates, as applicable; (v) billing period, (vi) date of the bill; (vii) Customer’s service plan; (viii) date payment is due; (ix) date payment is delinquent; (x) charges for the Customer service plan; (xi) applicable taxes; and (xii) additional charges, if any. Contractor shall pay all applicable taxes collected that are due to the City. Contractor shall bear the risk of collection. It is the intent of the parties that all issues relating to service and rates under this Agreement should be the responsibility of the Customer, Contractor and the City, and no third party shall have standing to request, speak or represent issues of service in the City Service Area except for the direct Customer, Contractor or the City.”

“Notwithstanding the foregoing, the City reserves the right as provided in Connell City Code Chapter 7.04 to assume the obligation of billing Customers within the City Service Area for Solid Waste services provided by Contractor hereunder. If the City elects to provide such service, the City shall give Contractor six (6) months prior written notice. The parties shall negotiate in good faith the terms and conditions of the transfer of such service to the City, including without limitation, the City assuming the risk of collecting payments.”

- (c) The Contractor will have the responsibility to notify the customers about the billing and payments transition from the City to the Contractor effective January 1, 2016.
- (d) The Contractor shall provide the City with the rate schedule (Exhibit A) that shall be attached and be an integral component of this Amendment and Agreement. In addition, the Contractor shall provide the City with an updated Exhibit A when there are any changes to the Solid Waste Collection rates.
- (e) The Contractor shall bill residential customers every other calendar month, which billing period shall include the month of the date of the bill and the subsequent month; and the Contractor will bill commercial and industrial customer every month. The Contractor shall include a statement of the billing period in each bill. The Contractor shall invoice services for solid waste collection service without proration for partial months, and the minimum proration for each billing period shall be one month.
- (f) The bills provided by the Contractor shall be due and payable in accordance with guidelines established by the Contractor and this section. If a bill remains unpaid after forty-five (45) calendar days from the date of the bill, the Contractor shall

mail a late notice to the customer. Upon issuance of the late notice, the Contractor may assess a penalty on such accounts that are not in good standing in the amount of (i) up to 1.5% multiplied by the amount due, or (ii) \$1.00, whichever is greater, and such penalty shall be described in the late notice. If the bill remains unpaid as of the next regular billing of sixty (60) days, the Contractor shall include in such bill a statement of the amount due for current and past due service, together with late penalties. If the amount due remains unpaid ninety (90) days after the date of the initial bill, the Contractor shall send a service cancellation notice with a ten (10) day grace period to the customer. If full payment of the amount due, including penalties, has not been received by the expiration of such ten day period, the Contractor may terminate service to that customer.

Contractor shall have any and all remedies provided under the City's Municipal Code and, as applicable, Washington law and regulations, with respect to delinquent accounts and other defaults by Customers, including without limitation, refusing or terminating Solid Waste service, but excluding those remedies in the City's code expressly reserved to the City. The City shall assume no responsibility for the collection of any amount due by a Customer, provided however, that the City shall cooperate in good faith with Contractor in the enforcement of Contractor's rights and remedies to collect any delinquent accounts or cure defaults as may be provided under the City's Municipal Code. The Contractor shall provide the City on a monthly basis a report of all service terminations during the previous month.

- (g) The SERVICES PROVIDED to the City will be broken into two components. The components are as follows: (1) BILLING SERVICE, which means the Contractor will send to all Solid Waste Customers invoices that include (i) Customer name; (ii) Customer account information; (iii) service address; (iv) service commencement and termination dates, as applicable; (v) billing period, (vi) date of the bill; (vii) Customer's service plan; (viii) date payment is due; (ix) date payment is delinquent; (x) charges for the Customer service plan; (xi) applicable taxes; and (xii) additional charges by the means of physical or electronic mail; and (2) SOLID WASTE SERVICES as defined in the original Agreement Dated November 13, 1995.

The charges associated with the Billing Service shall be a pass through expense. It is the intention that all direct and measureable expenses associated with the act of billing, printing, mailing and postage expenses will be compensated via the Billing Service charge without markup by the Contractor.

The Solid Waste Services pricing shall be adjusted as per Section 2(j) of this Amendment.

- (h) The Contractor may impose a fee of \$25.00, plus applicable taxes, if any, to re-establish the account for a customer whose service has been terminated because of non-payment of bills.

- (i) The Contractor may impose a fee of \$25.00, plus applicable taxes, if any, if a customer's check is returned by a financial institution because of insufficient funds.
- (j) The language in Section 29 of the Agreement is to be superseded and replaced with the following language: Beginning January 1, 2016, and each January 1 thereafter for the term of this Agreement, the rates as stated herein shall automatically be increased by a percentage of eighty percent (80%) of the annual percentage increase in the Consumer Price Index – All Urban Consumers; West Region, Size B/C, standard reference base period 1982-84 = 100, June Index, hereinafter referred to as the "Adjustment Index," as determined in this section. Adjustments to Contractor's service charges shall be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) shall not be considered when making adjustments. Rate Adjustment shall show the calculations of new service rates for the following year, including a calculation of the percentage change in the Adjustment Index for the most recent twelve (12) month period ending the June prior to the Adjustment Date. Contractor's calculations shall be provided to the City annually no later than October 1st.
- (k) The Contractor may also increase the service rates for all classes of service provided under the Agreement to establish a reserve fund against which the Contractor may debit the amount of the unpaid bills (service fees and late penalties) for customers whose service has been terminated as provided in Section 2(d). The initial amount of the reserve fund shall be \$4,000.00, and the Contractor shall provide a separate accounting of the funding of and debits against such reserve fund. On an annual basis when Service rates are adjusted pursuant to the Agreement and this Amendment, the Contractor and the City shall review the historical amount of bad accounts payable, and adjust the amount of the reserve fund and the service rates accordingly to provide the Contractor with a reasonable and adequate reserve fund.

2. Whole Agreement

The Agreement as amended by this Amendment represents the entire agreement between the City and the Contractor with respect to the services provided under the Agreement. No prior written or oral statement or proposal shall alter any term or provision of the Agreement. The City and Contractor acknowledge that the Agreement, as amended by this Amendment, remains in full force and effect. In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall prevail. The Agreement may be modified or amended only by a written agreement duly executed by authorized representatives of the City and the Contractor.

DATED the date and year first above written.

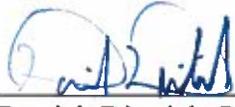
THE CITY:

THE CITY OF CONNELL, WASHINGTON,
a Washington municipal corporation I, L.P.

By: 
Name: BRUCE BLACKWELL
Its: MAYOR

THE CONTRACTOR:

BASIN DISPOSAL, INC.,
a Washington corporation

By: 
Darrick Dietrich, President

ATTEST:

By: 
Name: JED CROWTHER
Its: City Administrator

APPROVED AS TO FORM:



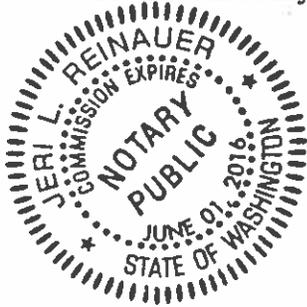
STATE OF WASHINGTON

) ss.

COUNTY OF FRANKLIN

On this day personally appeared before me Bruce Blackwell, to me known to be the Mayor of The City of Connell, Washington, the Washington municipal corporation, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

GIVEN under my hand and official seal this 17 day of Nov., 2015.



Jeri L. Reinauer
Notary Public in and for the State of Washington
residing at Connell, Franklin County
My commission expires: 6/01/16

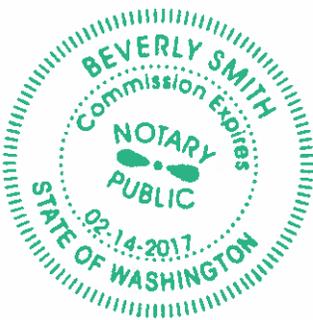
STATE OF WASHINGTON

) ss.

COUNTY OF FRANKLIN

On this day personally appeared before me Darrick Dietrich, to me known to be the President of Basin Disposal, Inc., the Washington corporation, that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the same instrument.

GIVEN under my hand and official seal this 19 day of Nov, 2015.



Beverly Smith
Beverly Smith
(print notary's name)
Notary Public in and for the State of Washington,
residing at Franklin County
My commission expires: 2-14-17

Exhibit A

CITY OF CONNELL RATES EFFECTIVE 1/01/16 - 12/31/16

RESIDENTIAL FEES	2015	COMMERCIAL FEES	2015	PER P/U
DEPOSIT		DEPOSIT		
RESIDENTIAL 96	\$17.26	COMMERCIAL 96-EACH	\$13.86	
ADDT'L 96'S-EACH	\$2.48	COMMERCIAL 300 - EACH	\$62.70	\$14.48
		EXTRA YARDS	\$9.23	
MULTI-FAMILY				
96 GALLON	\$17.26			

TEMP SMALL CONTAINERS	2015	PERM SMALL CONTAINERS	2015	PER P/U
DELIVERY FEE	\$36.72	DELIVERY FEE	\$36.72	
DAILY RENT	\$5.97			
1.5YD / 300 GAL	\$14.11	1.5YD / 300 GAL(3 X 3 X 5)	\$62.70	\$14.48
2YD (3 X 3 1/2 X 5)	\$17.25	2YD (3 X 3 1/2 X 5)	\$76.29	\$17.62
3YDS (4 X 4 1/2 X 5)	\$20.57	3YDS (4 X 4 1/2 X 5)	\$90.66	\$20.94
4YDS (4 X 6 X 5)	\$30.12	4YDS (4 X 6 X 5)	\$132.01	\$30.49
6YDS (6 X 6 X 5)	\$37.58	6YDS (6 X 6 X 5)	\$164.29	\$37.94
8YDS (6 X 6 X 7)	\$47.54	8YDS (6 X 6 X 7)	\$207.44	\$47.91

DROP BOXES	TE	2015	MISC ADDITIONAL CHARGES	2015
DELIVERY FEE		\$36.72	CAR TIRES	\$4.97
DAILY RENT		\$5.97	TRUCK TIRES	\$14.87
			TRACTOR TIRES	\$37.18
PER TON		\$56.20	PREP CONT FOR LOCK	
TAXES			STEAM CLEAN (+ DEL FEE)	\$61.67
11YD (8 X 16 X 2 1/2)		\$208.41	HOURLY RATE	\$72.66
20 YD (8 X 16 X 4)		\$208.41	REFRIGERATOR	\$46.14
20 YD COMP		\$208.41	APPLIANCES	\$18.34
25 YD COMP		\$208.41		
30 YD (8 X 16 X 6)		\$208.41	BILLING FEE	\$0.63
30 YD COMP		\$208.41	(Applies to Base rates of Residential and Commercial Recurring Services Only)	
35 YD		\$208.41		
35 YD COMP		\$208.41		
40 YD (8 X 16 X 7)		\$208.41		

COPY

SOLID WASTE COLLECTION AGREEMENT
(Proposal A)

THIS AGREEMENT is made and entered into on the 13th day of November, 1995, between the CITY OF CONNELL, WASHINGTON, hereinafter referred to as "City", and BASIN DISPOSAL INC., a Washington corporation, hereinafter referred to as "Contractor";

W I T N E S S E T H:

WHEREAS, City and Contractor have previously entered into Agreements for solid waste collection services for the City of Connell, and Contractor has provided solid waste collection services to Connell for over twenty-five years; and

WHEREAS, City has found it desirable to continue its contractual relationship with Contractor for solid waste collection services; and

WHEREAS, Contractor hereby warrants and represents to City that it is fully able and qualified to enter into this Agreement to provide the required quality and level of solid waste collection service to City; NOW, THEREFORE,

FOR AND IN CONSIDERATION OF the promises and covenants contained herein and the benefits to be derived therefrom, the parties hereto do hereby mutually agree as follows:

1. Contract for Services. City does hereby grant to Contractor the license and exclusive right to collect, remove and dispose of solid waste, garbage and other refuse within the city limits of the City of Connell, Washington, as the solid waste collector for City according to the terms stated herein.

Contractor shall furnish and maintain all tools, materials, labor and equipment necessary to perform collection, transportation and disposal, and such collection, transportation and disposal of solid waste for City shall be accomplished prior to any other contract work to be performed by Contractor. Collection service shall be made by Contractor by regular route pickups according to a fixed route and schedule, which route and schedule shall be subject to the concurrence of the Mayor, or his designee, at each location at the rate and under the terms and conditions set forth in this Agreement.

2. Term. This Agreement shall become effective on the 13th day of November, 1995, and shall be for an initial period of five years, ending on the 31st day of DECEMBER, 2000. This Agreement shall then continue in effect for additional five-year periods; provided, however, that at any time during any five-year period either party gives notice to the other of its intent to terminate this Agreement, upon such notice, this Agreement shall continue in effect for five additional years from the date of notice of termination. It is the intention of this paragraph of this Agreement to provide for a "rolling" contract to the effect that this Agreement continues in effect until notice of termination is given, at which time, this Agreement would remain in effect for an additional five years from the date of notice of termination.

3. Residential Basic Rates.

a. For each occupied residence the charge shall be \$11.05 per month for weekly total collection. Total collection

service shall include provision and collection of a 105 gallon capacity (or 60 gallon capacity as provided below) automated container, as well as collection of material in excess of the capacity of the automated container, provided that the automated container is filled to its capacity. Such material in excess of the capacity of the automated container shall be bagged, bundled or otherwise contained. Limbs and branches shall be tied in bundles not to exceed two feet in girth and four feet in length. Each separate bundle or bag shall not be in excess of 80 pounds in weight. Appliances and discarded furniture will be collected with no additional charges, except for refrigerated appliances. In addition, there will be an additional charge for disposal of tires.

b. Contractor shall provide a 60 gallon capacity automated container in place of the standard 105 gallon automated container upon written request by City. Contractor shall be responsible for repair and/or replacement of any contractor-supplied automated container within five working days of notification by the customer.

c. Each single family residential structure or each single family residence of a duplex, triplex or apartment shall be provided a 105 gallon capacity (or 60 gallon capacity) automated container. A triplex or apartment shall may elect to have commercial service by dumpster or roll-off containers supplied by Contractor, provided that such dumpster or roll-off container shall be of adequate size to handle the waste generated by the triplex or apartment . The container, whether it be an automated

container, a dumpster or roll-off container, shall be collected by Contractor weekly. Contractor shall determine what is an adequate size for a container.

d. The customer shall be responsible for cleanliness of the 105 gallon or 60 gallon container

e. The single-family residential customer may rent a second automated container at the rate of \$1.75 per month.

4. Commercial Service Rates.

a. The charge to each commercial establishment shall be \$8.55 per pick up for weekly collection of one 105 gallon automated container supplied by Contractor.

b. The charge to each commercial establishment shall be \$9.85 per pickup for weekly collection of one 300 gallon automated container supplied by Contractor.

c. The charge for weekly collection and disposal of solid waste contained in dumpsters shall be as set forth below:

	<u>Uncompacted</u>	<u>Compacted</u>
Eight (8) cubic yards	\$33.15	\$82.88
Six (6) cubic yards	\$26.20	\$65.50
Four (4) cubic yards	\$21.00	\$52.50
Three (3) cubic yards	\$14.35	\$35.88
Two (2) cubic yards	\$12.05	\$30.13
One and one-half (1-1/2) cubic yards	\$ 9.85	\$24.63

5. Roll-off Container Rates.

a. Collection and disposal of solid waste contained in a roll-off container shall be charged at the rate set forth below; provided, however, no container shall be loaded in excess of 15,000 pounds of material.

<u>Container</u>	<u>Charge per Pickup</u>
Thirty (30) cubic yards	\$150.00 plus dumping fee
Twenty (20) cubic yards	\$150.00 plus dumping fee
Eleven (11) cubic yards	\$150.00 plus dumping fee

b. There shall be a minimum of two collections per month, or, in the alternative, the customer shall pay at two times the applicable rate set forth above; provided, however, collection shall be at least weekly for putrescible solid waste.

c. Contractor shall assess a delivery charge of \$25.00 for all containers sized from 300 gallons to eight cubic yards.

d. Contractor shall directly bill and collect from those customers using roll-off containers; provided, however, Contractor shall remit to City all taxes collected in accordance with City ordinances.

6. Miscellaneous Rates for Special Services. Miscellaneous rates for services not included in the foregoing sections shall be as follows:

a. Special Collection. \$50.65 per hour for a truck and a one-man crew for each special collection requested by a customer, which shall be approved by the City when such collection is not to be handled on a regular collection route.

b. Short-Term Container Rental. For temporary containers that are ordered for a short term (less than thirty days), the rent for the container shall be \$4.15 per day, plus a delivery charge of \$25.60.

c. Tires. For collection and disposal of tires, fees as follows shall be charged where applicable:

Automobile and pickup tires	\$ 3.50 per tire
Truck Tires	\$10.50 per tire
Tractor Tires and Other Tires of Comparable Size	\$26.25 per tire

d. Refrigerants. Contractor shall provide pickup and disposal of refrigerated appliances at no charge to the customer; provided that the refrigerated appliance has been purged of freon or other substances by an appropriately licensed entity. The customer shall provide written documentation from such appropriately licensed entity showing proof that the refrigerated appliance has been purged of freon or any other substance which must be purged prior to disposal. If the customer does not provide written proof that the freon or other substance has been purged by an appropriately licensed entity, the customer shall be charged a fee for such service. The fee shall be the fee Contractor is charged to purge the refrigerated appliance of freon or other substances; that fee is currently \$35.00, but is subject to change. Contractor shall notify City of the charge for this service, and the customer will be billed by City for the service. Payment of the bill shall be customer's responsibility.

7. Points of Collection. Points of collection for industrial and commercial areas shall be at the service entrance of such establishment. City or Contractor may enter into a special agreement for collection of solid waste at other points. Residential area solid waste shall be placed at the street curb or in

an alley for pickup as designated by City or Contractor. Contractor furnished containers to facilitate residential automated services will be placed as follows:

a. Street Pickup: At edge of street curb or, in case of noncurb street, at edge of roadway shoulder.

b. Alley Pickup: At edge of alley.

8. Cleaning of Commercial Containers. Contractor, upon written notice from City, shall clean any commercial container needing such service. Contractor shall be compensated by the customer at the rate of \$20.00 per container cleaned by Contractor.

9. Alternate Dumping Sites. Contractor agrees to consider alternate dumping sites that may become feasible in terms of cost and exposure to liability, if requested to do so by City. In the event such dumping sites are cost effective and will reduce the overall cost to Contractor, Contractor shall use such sites, provided that selection of any dump site shall be the sole responsibility of Contractor. If a new dump site is selected in accordance with this section, it is agreed that residential and commercial rates, as set forth herein, shall be reduced accordingly.

10. Service To City.

a. Contractor shall provide all collection and disposal of normal garbage originating from city hall, police department, city maintenance shop, community center, museum, library, parks, fire station, and other city facilities, without charge, provided that the garbage is placed in automated containers conveniently located for collection.

b. Contractor shall provide two thirty cubic yard roll-off container hauls, including dumping fees, each month at no charge to City. Roll-off container hauls in excess of two per month shall be charged at roll-off container rates as per paragraph 5 of this Agreement.

11. Indemnification. Contractor agrees to indemnify City against any and all claims for loss, liability, death or damage arising out of or in connection with solid waste service, and in connection with or arising out of the acts or omissions of Contractor, its officers, agents or employees, however caused. Contractor shall appear and defend any action or suit instituted against City arising in any manner out of the acts or omissions defined hereinabove. Contractor's duty to indemnify hereunder shall include all costs or expenses arising out of all claims specified herein, including all court and/or arbitration costs, filing fees, attorney fees and costs of settlement.

12. Insurance. Contractor shall procure and maintain continuously in effect during the term of this Agreement, general liability, property damage and automobile liability insurance (owned, hired, non-owned) with a combined single limit of \$1,000,000 or its equivalent, to protect City against claims arising out of Contractor's solid waste service. General liability insurance shall extend to provide Blanket Contractual Liability, Owner's and Contractor's Protective Liability and Completed Operations.

The policy of insurance shall name City as an additional insured and shall not be canceled without first giving City thirty days prior written notice.

It is further understood and agreed that any liability insurance carried by City shall be considered in excess of that provided by Contractor's policy, notwithstanding the provisions of any other insurance clause to the contrary.

All insurance required under this Agreement shall be subject to approval of City for adequacy of protection. A certified copy of all insurance policies shall be filed with the City Clerk of the City of Connell upon execution of this Agreement.

13. Billing and Collection. City shall prepare and mail all residential and regular commercial customer billings, and shall collect all payments for services rendered hereunder. City shall remit payment to Contractor no later than the 30th day of the month following the month for which service is provided.

14. Ownership and Maintenance of Equipment. All vehicles, facilities, equipment and property used in performance of the work under this Agreement shall be wholly-owned and maintained by Contractor; provided, however, that Contractor may lease or rent such equipment. Vehicles used for collection and removal of solid waste shall be enclosed refuse equipment. All vehicles shall be kept clean and well painted with the name of Contractor clearly lettered on the side of each vehicle. All vehicles shall be kept in good repair and working order. Contractor must maintain proper registration on all vehicles used in performance of the Agreement with the State Department of Licensing.

15. Contractor's Employees. Employees of Contractor shall be neat in appearance at all times when on duty. Contractor shall require its employees to be courteous at all times, to not use loud or obscene language, and to do their work as quietly as possible. In the event an employee is confronted by a person regarding service, or notices conditions that the employee believes to be in violation of City codes, the employee shall report the problem or condition to the Public Works Director for resolution of the situation. No employee of Contractor is authorized to interpret City code and laws.

If a person employed by Contractor is incompetent, negligent or otherwise unsatisfactory, said employee shall be removed from the performance of work on this Agreement. If City notifies Contractor in writing that any person employed by Contractor is, in City's opinion, incompetent, disobedient, disorderly, discourteous or otherwise unsatisfactory, such employee shall be removed and shall not again be employed to perform the work encompassed in this Agreement, except with the prior consent of City. This paragraph shall be interpreted and enforced in such a manner as will respect and give effect to agreements on such subjects between Contractor and any union representing all or any of Contractor's employees and all state and federal laws, rules and regulations relating to the employment and discharge of workers.

16. Reports. In addition to the reports required by law, Contractor shall keep adequate, complete and current records showing the number and size of loads collected within the limits of the City and the approximate tonnage of solid waste hauled by

Contractor to the disposal site. Such information shall be available to City at the request of the Mayor and/or City Administrator.

17. Credit to City. Upon execution of this Agreement Contractor shall credit City for an amount equal to one-half of one month's average billing, but in any event, not to exceed \$5,000.00. This is a one time credit and shall not reoccur without specified additional agreement of City and Contractor.

18. Non-Discrimination. Contractor shall not discriminate against any person with respect to the terms and conditions of employment, including, but not limited to, hiring or discharging because of such person's age, sex, race, creed, color, or national origin.

19. Compliance with Laws. Throughout the term of this Agreement, Contractor, at its expense, will promptly comply with all present and future laws and regulations of the Federal, State, and City, including Chapter 7 of the Connell Municipal Code, as well as the Americans with Disabilities Act of 1990. Contractor shall also comply with the lawful orders of all courts, departments, commissions, boards, officer(s), governments or agencies, or any other body exercising similar functions, with respect to the collection, transportation and disposal of solid waste.

20. Annexation and Consolidation. In the event that territories adjacent to the current corporate limits of City are annexed to, or otherwise consolidated with City during the life of this Agreement, said territories may be exempt from solid

waste collection service under this Agreement, as provided for in RCW 35A.14.900, as amended, including any agreements between City and Contractor.

21. Recycling. Contractor agrees to enter negotiations with City at City's discretion concerning any type of recycling or resource recovery program City wishes to establish at any time City considers implementation of such a program, or if such is mandated by the State of Washington or Federal legislation and/or regulation.

22. Assignment. This Agreement shall not be assigned, transferred or services subcontracted, in whole or in part, either directly or indirectly, nor shall ownership of Contractor be assigned or transferred without prior written consent of City.

23. Default. If Contractor defaults in the performance of any covenant contained herein and such default is not so cured within fifteen calendar days after receiving written notice thereof from City, or if the default is of such a nature that it cannot be cured, then, in either event, City may forthwith terminate this Agreement.

This Agreement shall automatically terminate if Contractor is adjudicated bankrupt; makes a general assignment for the benefit of creditors; takes the benefit of any insolvency act; or if a permanent receiver or trustee in bankruptcy is appointed for Contractor's property.

24. Attorney Fees. In the event of any legal action between City and Contractor to enforce any obligation under this

Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and costs of suit.

25. Arbitration. Any dispute involving a customer complaint shall be directed to the Mayor for resolution. All unresolved disputes with respect to the handling of complaints under this Agreement shall be submitted to the Connell City Council for final resolution.

26. Service Hours. Service shall not be provided in any residential area prior to 6:30 a.m. unless otherwise authorized by the Mayor or his designee.

27. Notices. Any notice, demand or communication to be given by either party to this Agreement to the other shall be in writing and transmitted to the other party by certified mail, return receipt requested. Notice to City shall be addressed to the City of Connell, P.O. Drawer 1200, Connell, Washington 99326-1200. Notice to Contractor shall be addressed to Basin Disposal, Inc., P.O. Box 650, Pasco, Washington 99310. If either party changes their address, notice to the other party shall be given as herein provided. The mailing and certifying of any notice, demand or communication, as herein provided, shall be sufficient service thereof. Service in any other manner, other than by personal service, shall be sufficient only if receipt thereof is acknowledged in writing by the party served.

28. Increased Dumping Fees to Contractor. The residential and commercial rates set forth herein shall not be increased for the first twelve months under this Agreement unless Contractor is required to pay higher dumping fee rates than those presently

being assessed. In such event, the residential and commercial rates shall be increased solely to reflect the actual increase in the dumping fee rate.

29. Rate Adjustments. Beginning July 1, 1996, and each July 1 thereafter for the term of this Agreement, the rates as stated herein shall automatically be increased by a percentage equal to ninety percent (90%) of the increase (if any) in the then most current Consumer Price Index - All Urban Consumers - West Region, Size C standard reference base period 1982 - 1984 - 100, as published by the United States Department of Labor, Bureau of Labor Statistics.

30. Modification of Agreement. Both parties recognize that the long term nature of this Agreement is necessary to provide economic stability to Contractor and assurances of a high level of continued service to the citizens of the City of Connell, and that it is in the best interest of City and Contractor, as well as in the best interest of the public, to maintain harmony and a good working relationship between City and Contractor. Further, both parties recognize that City provides only a portion of Contractor's business activities, and that technological advances, as well as federal and state laws and regulations may change, which would necessitate changed levels of services to the citizens, and necessitate modification or revision of this Agreement. If either party desires a change in any provisions of this Agreement, that party shall notify the other party in writing of any proposed modification or revision of this Agreement and the reasons for such modification or revision. Within thirty days after

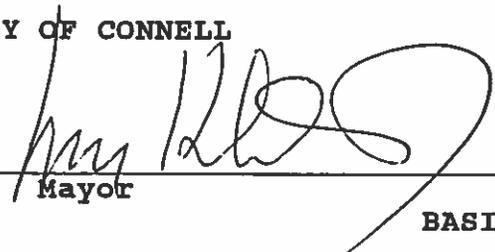
notice is given, a conference shall take place for the purpose of considering such modification or revision. Upon failure to reach a mutual agreement on any proposed modification or revision to this Agreement, the proposed modification or revision shall be subject to arbitration, and the Agreement shall than be modified or revised to conform with the decision of the arbitrator.

IN WITNESS WHEREOF, the parties hereto have signed in duplicate the day and year first above written.

CITY OF CONNELL

By: _____

Mayor



BASIN DISPOSAL, INC.


Leonard Dietrich, President

ATTEST:



Carolyn M. Miller, City Clerk

STATE OF WASHINGTON)

:ss

County of Franklin)

On this 13th day of November, 1995, before me personally appeared JIM KLINDWORTH and CAROLYN M. MILLER, to me known to be the Mayor and City Clerk, respectively, of the City of Connell, that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the City of Connell, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

