

**Exhibit B
Memorandum of Understanding Regarding Use of
Financial Assurance Fund ("FARF") Pursuant to Landfill Agreements for
Company Property Management Services**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") regarding the use of funds in FARF is entered into in accordance with terms set forth in that certain Disposal Agreement dated December 27, 1988, between the City of Vancouver, a municipal corporation of the State of Washington ("City"), Clark County, a municipal subdivision of the State of Washington ("County") and Leichner Brothers Land Reclamation Corp., a Washington corporation ("LBLR" or "Company"); that certain Settlement Agreement dated June 21, 1990, between City, County, and the Washington Utilities and Transportation Commission ("WUTC"), Company and its (former) affiliates, The Disposal Group, Inc. d/b/a Twin City Sanitary and Vancouver Sanitary, and Buchmann Sanitary Service, Inc ("Affiliates"); and that certain First Amendment to Disposal and Settlement Agreement dated July 9, 1996 between the City, County and Company. This MOU is effective as of the 10th of January 2012.

BACKGROUND:

- A. Company is owner and operator of the closed Leichner Landfill (hereinafter the "Site"), a sanitary landfill which served incorporated and unincorporated Clark County. The Site was closed on December 31, 1991. Beginning in 1987, The Washington State Department of Ecology ("Ecology") issued a series of consent orders requiring investigation and remediation of contaminated groundwater beneath the Site. In 1996, Ecology and Company entered into a Consent Decree ("Consent Decree") to provide for remedial action at the Site.
- C. On March 29, 1988, the City and County entered into a Solid Waste Reduction and Disposal Agreement to direct the flow of solid waste, provide funding for landfill closure, and to establish and fund a landfill reserve fund now called the Financial Assurance Reserve Fund ("FARF") held and administered by the County.
- D. The FARF Fund 6310 provides the financial resources to carry out closure, post closure and remedial actions at the Site required by Ecology and the Clark County Health Department ("CCHD"), formerly known as the Southwest Washington Health District.
- E. The City, County and Company entered into a certain Disposal Agreement on December 27, 1988 (the "Disposal Agreement"). The Disposal Agreement provided for the continuation and funding of the FARF under the supervision, monitoring and control of the County. The FARF was established with separate accounts, intended to fully fund the anticipated costs of mandated closure, post-closure and environmental compliance as well as self-insurance for environmental liability for the Site.
- F. On July 9, 1996, the City, County and Company agreed to enter into the First Amendment to Disposal and Settlement Agreement. The First

- Amendment modifies the terms and conditions set forth in the Disposal Agreement and Settlement Agreement to the extent it establishes procedures for payment of expenditures related to compliance with the Consent Decree and requires among other things, the establishment of an Oversight Committee responsible for management of the Site and the administration of the FARF related to overall compliance with the Consent Decree.
- G. The Oversight Committee consists of various representatives from City, County, and Company and provides the opportunity for CCHD, WUTC and Ecology to designate a representative.
- H. The Oversight Committee reviews budget estimates for compliance with the Consent Decree on an annual basis, and approves the two-year Revised Environmental Compliance Budget ("RECB").
- I. The agreements recognize that the RECB is an estimate of the actual expenses necessary to comply with post-closure care. It is the intent of the agreements that those providing services are compensated from the FARF on a time and material basis for costs and expenses that are reasonably in conformance with the RECB, are legal, and are incurred in performance of the agreements.
- J. On September 23, 1997, the City and County accepted a Company proposal to reimburse Company for site maintenance personnel. An hourly billing rate was established. The rate is adjusted for on annual basis based on changes to the Portland/Vancouver Metro Area consumer price index.
- K. Company is also responsible for maintaining financial records and issuing payment to various vendors and utilities associated with the on-going management of the site. These activities require the Company to engage the services of a part-time book keeper.
- L. In accordance with the agreements, Company submits an invoice to County for reimbursement by FARF on a monthly basis. The monthly reimbursement request packet includes copies of time sheets for maintenance personnel, invoices paid to vendors and utilities and taxes or fees paid to local and state governments.
- M. County and City legal counsel have determined that maintenance activities performed by Company employees qualify as prevailing wage work pursuant to RCW 39.12 (landscape construction).
- N. The parties acknowledge that the landfill properties require on-going management and the Company provides these services. The parties further acknowledge that there is an administrative cost associated with providing these services.
- O. On December 14, 2010, the parties entered into a Memorandum of Understanding regarding the use of FARF funds for Company Property Management services for the budget year 2011.

NOW THEREFORE, IN CONSIDERATION OF THE PARTIES COMMITMENT TO REMEDIATE THE SITE IN COMPLIANCE WITH THE CONSENT DECREE AND MUTUAL COVENANTS AND PROMISES OF THE COLLECTIVE AGREEMENTS, THE PARTIES AGREE AS FOLLOWS:

1. Upon execution of this agreement, Company shall receive a monthly lump sum disbursement from FARF for providing Property Management Services for the site. Property management services include, but are not limited to, minor site maintenance to roads and fences, grounds maintenance, record keeping, accounting services, fuel, communication costs and Company administration of services.
2. Monthly lump sum payments are subject to annual review and approval by the Oversight Committee. Upon Oversight Committee approval, monthly lump sum payments are adjusted on an annual basis based on the Bureau of Labor Statistics (BLS) Consumer Price Index for Urban Wage Earners and Clerical Workers in the Portland/Vancouver Metro Area.
3. The approved monthly lump sum payments are required as a budget line item in the annual approved RECB. The RECB budget line item is referred to as LBLRC Property Management Services.
4. On an annual basis, the Company will provide year-end actual expenses for Property Management Services, vendors, utilities, taxes and fees for Oversight Committee review. Company shall submit for Oversight Committee review a budget estimate for the following year based on actual year-end expenditures from prior year. The budget estimate shall include estimated changes to on-going expenditures, proposed expenditures not previously approved and proposed adjustments to lump sum payments. Budget estimates and eligibility of expenses for inclusion in RECB are subject to Oversight Committee approval. Upon Oversight Committee approval, the Company budget is included in the RECB under the header LBRRC Services and Operating Expenses. LBRRC Services and Expenses shall include the following line items: LBLRC Property Management Services, Legal Services, utilities, operating expenses, general liability insurance, taxes and fees. Fees are specified in the following subcomponents: access agreement, Department of Ecology, permits and miscellaneous.
5. On a monthly basis, the Company shall submit an invoice to County for reimbursement by FARF detailing payments made to vendors, utilities and any fees or taxes. Company shall provide copies of invoices from vendors, utilities and local and state governments. Unless otherwise specifically authorized, only those expenses included in approved RECB are eligible for reimbursement. Company may request reimbursement for expenditures not included in approved RECB or subject to existing agreements. Oversight Committee will review request and determine if the expenditure is eligible within the existing RECB or requires an amendment to RECB. With the exception of a documented emergency situation, expenditures that were not anticipated require approval in advance by the Oversight Committee, and be incorporated into an amended RECB prior to the provision of such services.
6. Company may request reimbursement for expenditures not included in approved RECB or subject to existing agreements. Oversight Committee will review request and determine if the expenditure is eligible within the existing RECB or requires an amendment to RECB. With the exception of a documented emergency situation, expenditures that were not anticipated require approval in advance by the Oversight Committee, and be incorporated into an amended RECB prior to the provision of such services.

- 10. If the Company chooses to perform maintenance as owner/operator, the Company is required to notify the County and City in writing that the owner/operator is exercising this option.
- 11. If the Company chooses to employ staff or provide for maintenance through contract, the maintenance activities are subject to prevailing wage, and Company is responsible for all aspects of compliance with RCW 39.12.
- 12. For the purposes of tracking prevailing wage activities, the Company is required to provide the County with a copy of intent to pay prevailing wage and affidavits of prevailing wage as required under 39.12 for contracted maintenance or annually for prevailing wages paid to employees.
- 13. In accordance with the terms and conditions of this agreement, the Oversight Committee has reviewed actual year to date expenses and Bureau of Labor Statistics (BLS) Consumer Price Index ("CPI") for Urban Wage Earners and Clerical Workers in the Portland/Vancouver Metro Area for the prior year.
- 14. County has requested that expenses related to fuel for site maintenance and communication are internalized by Company and reimbursed through monthly

- (1) Sole owners and their spouses.
- (2) Any partner who owns at least thirty percent of a partnership.
- (3) The president, vice-president and treasurer of a corporation if each one owns at least thirty percent of the corporation.
- (4) Workers regularly employed on monthly or per diem salary by the state or any political subdivision created by its laws.

WAC 296-127-026 Exemptions for sole owners and their spouses, partnerships, corporations, and employees of public agencies. The prevailing wage requirements of chapter 39.12 RCW do not apply to:

- 7. Property tax reimbursement is subject to prior agreements that allow reimbursement for only the portion of a parcel that lies within the Option Area from FARF.
- 8. Company Legal Services eligible for reimbursement are subject to annual review and approval by Oversight Committee. Legal Services are included as a line item in RECB as described above. Those legal services not contemplated by existing agreement or included in an approved RECB require Oversight review and approval. Legal expenses approved for reimbursement that were not anticipated require a memorandum of agreement and included, as necessary, in an amended RECB.
- 9. If the Company employs an individual to perform maintenance who is covered by the exemptions set forth in WAC 296-127-026, then the prevailing wage requirement shall not apply to those activities.

- jump sum payment as indicated above. County has determined these expenses are no longer eligible for direct reimbursement by FARF. The County has determined the automotive liability policy associated with Company owned vehicle is no longer be eligible for reimbursement when current policy expires in August of 2012. This vehicle is personal property subject to disposition under the terms and conditions of Purchase and Sale Agreement.
15. The Committee hereby approves an annual CPI adjustment of 1.57% to the Company monthly jump sum disbursement. Monthly jump sum disbursement will increase from \$5,964.64 to \$6,054.51.
 16. The approved 2012 Budget for LBRC Services and Operating Expenses to incorporated into the 2011 RECB is \$183,339. The approved budget is attached to this agreement.

DATED this 16th day of January, 2012

Leichner Brothers Land
Reclamation Corporation
By: *[Signature]*
Craig Leichner, President

Clark County Representative
[Signature]
Pete Capell
Public Works Director

Agreed:
City of Vancouver Representative
[Signature]
Brian Carlson

Approved as to Form:

Lawrence Walters
Deputy Prosecuting Attorney

