

## SECOND AMENDMENT TO DISPOSAL AGREEMENT AND SETTLEMENT AGREEMENT

THIS SECOND AMENDMENT to 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 (“LBLRC” or “Company”) and 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 Buchman Sanitary Service, Inc. (“Affiliates”) is made effective as of the \_\_\_\_\_ of (X Month) 2012.

A. Company is owner and operator of the closed Leichner Landfill (hereinafter the “Site”), a sanitary landfill which served incorporated and unincorporated Clark County

B. 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, the “FARF”) to be possessed and administered by Clark County.

C. 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 with the supervision, monitoring and control of the FARF being the responsibility of 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.

D. Pursuant to the authority set forth in Chapters 35.21 and 36.58 of RCW and in accordance with the Settlement Agreement recorded under Cause Numbers TG-2152, 2153 and 2154 between City, County, WUTC and Company and Affiliates, dated June 21, 1990 (the “Settlement Agreement”), City and County approved the disposal rates to be charged to ratepayers in City and County to fund the FARF. The Settlement Agreement was incorporated into and made a part of administrative orders entered in WUTC Rate Proceeding in Cause Nos. TG 2152, 2153 and 2154. Such rates were based, in part, upon the Revised Closure and Remedial Action Budget (“RCRAB”) included as part of the Settlement Agreement.

E. The Settlement Agreement modifies the terms and conditions set forth in the Disposal Agreement to the extent it sets forth funding obligations of the parties and requires among, other things, that excess monies be used to reduce future tipping fees in County and City.

F. Following the completion of waste disposal at the Site on December 31, 1991, County funded the FARF for a portion of the anticipated operation and maintenance (“O&M”) costs for remedial action activities from surcharges imposed on the disposal of waste disposed of at the Site

G. Company and Ecology did enter into an Interim Order pursuant to which samplings from groundwater were taken from new wells located at points of compliance at the Site to assist Ecology in making the determination that ground water extraction and treatment is now not indicated.

H. Company, with participation of the County and City, negotiated with Ecology, pursuant to the Model Toxics Control Act (“MTCA”), the Consent Decree, a Site clean up action plan (“CAP”) and scope of work (“SOW”).

I. On July 9, 1996, the Company, County, City and the WUTC entered into a certain First Amendment to the Disposal and Settlement Agreement

J. The First Amendment to the Disposal and Settlement Agreement served to clarify financial and administrative aspects of the implementation of the Consent Decree and sale of assets of the affiliated companies to Browning Ferris Industries.

K. On July 17, 1996, Company and Ecology executed a Consent Decree pursuant to WAC 173-340-440(6) which requires the Company to provide assurance acceptable to Ecology of the Company’s ability to meet the financial obligations attendant with the implementation of the Consent Decree, including the payment of the oversight expenses of Ecology.

L. In accordance to WAC 173-304-467(4), the Project Manager completes an annual estimate to determine the future financial obligations associated with implementation of the Consent Decree for estimated remaining life of the project.

M. Company, County and City have agreed to bind an environmental pollution liability policy for the purposes of meeting financial and legal obligations of a future and unforeseen environmental liability resulting from the Site. The limits of the policy are above and beyond the financial assurance requirements of WAC 173-304-467 and the Consent Decree.

N. On May 10, 2011, Company and County executed a Purchase and Sale Agreement (“PSA”) which set forth a series of conditions for transferring ownership of the landfill properties to the County and primary responsibility for implementation of the Consent Decree to the County.

O. Conditions for finalizing the sale of the Site include amending existing agreements, the Consent Decree, and creation of a Management Plan to reflect the transfer responsibility for implementation of the Consent Decree to the County and the respective role of the City in matters related to the Site.

P. Upon execution of this Second Amendment to Disposal and Settlement Agreement, the administrative role of the WUTC regarding the Site and financial assurance reserve funds will be extinguished.

Q. Upon closing of the sale of the properties, the responsibilities of the Company shall be limited to an advisory capacity on the Oversight Committee as defined by this Agreement.

NOW THEREFORE, IN CONSIDERATION OF THE PARTIES' COMMITMENT TO REMEDIATE THE SITE IN COMPLIANCE WITH THE CONSENT DECREE AND MUTUAL COVENANTS AND PREMISES CONTAINED HEREIN, City, County, Company and WUTC AGREE AS FOLLOWS:

1. Recitals True and Correct. The recitals set forth above are true and correct and by this reference made a part of this Amendment.
2. Washington Utilities and Transportation Commission. The execution of this Agreement by the City, County, Company and WUTC acknowledge that all requirements of the WUTC in the Settlement Agreement are either new or fulfilled and terminates the participation of the WUTC and the WUTC shall not take part in any further proceedings arising from the terms of this Agreement.
3. Purpose of FARF Sub-Fund Accounts. The purpose of the County and City maintenance sub-fund accounts is to continue to provide post-closure, long term O&M, and remedial actions at the Site required by Ecology and Clark Public Health ("CPH") including but not limited to actions required under the Consent Decree. The purpose of the County and City insurance sub-fund accounts is to provide funds to satisfy deductibles related to environmental claims covered under the environmental pollution liability policy ("Policy") and environmental remediation not covered by the Policy. Funds may be moved within and between the sub-fund accounts as deemed necessary by the Oversight Committee. The CRC long-term maintenance sub-fund account is not subject to the terms and conditions of this amendment, prior settlements, amendments or agreements. Funds contained within the FARF deemed excess may be released subject to the conditions described in Section 10.
4. Environmental Pollution Liability Policy. Company, County, and City agree to bind and maintain an environmental pollution liability policy ("Policy") for the purpose of meeting financial and legal obligations of a future and unforeseen environmental liability at the Site. The County, City and Company will be named insureds to the Policy. Upon Company request, Craig, Mark and Cheryl Leichner will be substituted for Company as a named insured to the Policy. The initial term of Policy is ten years from June 2011 through June 2021. The Policy limits are \$20,000,000 per occurrence and \$40,000,000 in aggregate with a deductible of \$250,000. The deductible will be paid from FARF for successful claims. The Oversight Committee shall evaluate the need to renew Policy and limits of Policy prior to the end of the initial term and any subsequent term of Policy in accordance with Section 8.5(P).
5. Consent Decree Performance. Upon close of sale of the Site, County shall be responsible for performance of required activities under the Consent Decree. County shall be the lead agency for managing the project as directed by the Oversight Committee. At any time during the performance of the required activities under the Consent Decree, including the implementation of post-closure and environmental remediation of the Site, Ecology and CPH may give notice to County, with copies to City and Company, of County's failure to comply with any requirement, term or provision of such orders.
6. Environmental Services Agreement. The County, City and Company have entered into an Environmental Services Agreement ("ESA") with an environmental engineering firm to serve

as Environmental Compliance Manager (“ECM”) for the Site. The ECM is responsible for managing post-closure and long-term O&M at the Site as described in the Compliance Monitoring Plan and Post-Closure Permit. An annual scope of work (“SOW”) is established by the Oversight Committee as described in Section 8.5(D) Administration of the terms and conditions of the ESA is the responsibility of the County Project Manager. Upon close of sale, Company will no longer be a party to current agreement or future agreements.

7. Payment of Expenditures and Management of FARF. County will pay such expenditures as are delineated in the Revised Environmental Compliance Budget (“RECB”) attached hereto as Exhibit “A” and incorporated herein, and as it may be revised from time to time by the City and County. County will make payments in accordance with the following procedures:

7.1 Environmental Services Agreement. County, City and Company jointly selected a firm to serve as ECM for the Site. The ECM is authorized to obtain disbursements from FARF as delineated in the SOW, RECB and described in Section 7.4.

7.2 Property Management Services. Company provides services related to the on-going management of the landfill properties. Company is authorized to obtain disbursements from FARF as delineated in the RECB and Property Management Services Memorandum of Understanding (“MOU”) attached hereto as Exhibit B. Upon close of sale of the Site, County shall be responsible for all aspects of property management in accordance with the terms and conditions of the PSA and Management Plan.

7.3 County Project Management. County provides personnel to administer and manage project as described in Management Plan and Leichner Landfill County Project Management Memorandum of Understanding (“County MOU”) attached hereto as Exhibit C and incorporated herein, and as it may be revised from time to time by the City and County. County Project Manager is authorized to submit a monthly invoice for disbursement from FARF as delineated in the RECB.

7.4 Invoicing. On a monthly basis Company and ECM shall submit to County Project Manager invoices and supporting documentation (“Invoices”) for all services performed during the preceding invoice period pursuant to the RECB. Company shall provide a monthly invoice and supporting documentation as described in the MOU through close of sale. ECM shall provide an invoice that references the appropriate RECB expense category, a detailed description of services provided, hours expended, name of personnel and title of personnel performing services, and any subcontractors that provided services. Each submittal shall contain a monthly summary of invoices for each RECB category, total expended to date and remaining balance for each RECB category. County shall invoice FARF for services rendered as approved and incorporated into the approved RECB in accordance with County MOU. Invoices from other vendors, agencies or utilities not covered by ESA, County MOU, or Consent Decree shall be approved in advance by the Oversight Committee and shall be consistent with RECB or incorporated into an amended RECB prior to provision of such goods or services.

7.5 Professional Services Fees. Fees for professional services not covered by the ESA, County MOU, Consent Decree and this Agreement shall be approved in advance by the

Oversight Committee and shall be consistent with RECB or incorporated into an amended RECB prior the provision of such services.

7.6 Records. Company, ECM and County shall maintain accurate records verifying all labor, materials, supplies and other items provided, and expenses incurred under this Agreement. Upon request from a party to this Agreement, Company, ECM and or County shall promptly provide any and all records and time details that reasonably relate to the performance and payment of services.

7.7 Revised Environmental Compliance Budget (RECB). City, County and Company acknowledge that the RECB is an estimate of the actual expenses which the parties believe will be necessary to complete the SOW, CAP, Consent Decree, Post Closure Permit, property management, other expenses described in the Management Plan and this Agreement. The City, County and Company acknowledge that variances will occur resulting in the need to amend the RECB. The City, County and Company also acknowledge that it is the intent of this Agreement those providing services hereunder be compensated from FARF on a time and materials basis for expenses that are (1) are reasonably in conformance with the RECB (2) are legal conforming to County procurement policy, the Revised Code of Washington and Washington Administrative Code and (3) costs incurred are in relation to this Agreement and the Consent Decree. Accordingly, County Project Manager, without further process, may approve payment from the contingency category of RECB for monthly invoices that will result in the exceedence of an approved RECB category, provided that the exceedence does not result in an exceedence of the category by more than fifteen percent (15%) or in excess of funds remaining in contingency. The City, County and Company agree the Oversight Committee shall be provided with a quarterly budget update by County. To ensure the RECB is adjusted and made current with actual and revised estimates of expenses, the RECB shall be subject to semi-annual review by Oversight Committee as referenced in Section 8.5(I) below. If as a result of such a review, revisions are made to RECB, the revised RECB shall be replaced as Exhibit "A" attached hereto. Upon close of sale, Company will no longer participate in development of RECB. Company may request a copy of most recent version of RECB for review. County is responsible for providing copy of RECB to Company within 30 days of request.

7.8 Payment. Unless disputed by County or City, County shall disburse from FARF the full amount due under each invoice directly to authorized vendors, utilities, agencies, and County no later than thirty (30) calendar days of the date the invoice was received. If the County or City in good faith dispute whether any expenses set forth in the invoices are reasonably in conformance with the RECB or are supported by documentation, as provided in Section 7.4, County shall, within thirty (30) calendar days give notice to vendor, utility, agency, or County in writing of the reason it believes such expenses are not in conformance with the RECB or this Agreement and County shall pay only the portion of the invoice which is then not in dispute and refer the disputed amount to the Oversight Committee for review. The Oversight Committee is responsible for resolving any disputes regarding payments due from FARF per Section 8.5(K).

8. Oversight Committee.

8.1 Oversight Committee Established. There is hereby established a permanent Oversight Committee (“Committee”) to oversee management of the Site and the FARF and compliance with the Consent Decree. This Committee shall include:

- (A) Director of County Department of Environmental Services or the Director’s designee or successor;
- (B) County Project Manager assigned the day to day responsibility to manage Site and disbursement of funds from FARF;
- (C) Legal Counsel for County;
- (D) County Financial Analyst assigned the responsibility for monthly disbursement of funds from FARF, FARF financial statements and RECB reports;
- (E) Director of City Public Works Department or the Director’s designee or successor;
- (F) Legal Counsel for City; and
- (G) A designated representative of Clark County Public Health (“CCPH”).

Subject to limitation set forth in Section 7.4 of this Agreement and County MOU; Committee members shall not be compensated from FARF for expenses associated with participation on Committee

8.2 Company to Serve as a Limited Advisory Member to Committee. Upon close of sale, Member of Leichner Family, Company Authorized Representative and Company Legal Counsel will no longer be members of Committee. Company shall have the right to designate a representative to the Committee that may attend all or any of the meetings thereof. Designated representative will serve in a limited advisory role to Voting Members. For the purposes of this agreement, a Limited Advisory Role is defined as a non-voting member of the Committee with meeting attendance being at the sole option of the Company. Meeting notices will be provided to a designated representative in order that the designated representative may make determination to attend. Company is responsible for all expenses for designated representative to attend meeting unless specifically authorized by this Agreement.

8.3 Meetings of the Committee. The Committee shall meet on a quarterly basis, or as needed, but not less semi-annually to fulfill its functions as hereinbelow set forth. County Project Manager is responsible for scheduling meetings and establishing an agenda, notwithstanding the foregoing, any member of the Committee may call a meeting on ten (10) days’ notice to address any issue of concern. An individual member calling a meeting shall use all reasonable efforts to schedule the meeting at the convenience of the Committee members. Committee members may remotely participate in any meeting by conference call or other electronic means available.

8.4 Voting Members. County Director of the Department of Environmental Services Department, designee, or successor and City Director of Public Works, designee, or successor

are the only authorized voting members of the Committee. County and City will take into consideration advice of other members when required to vote in order to fulfill its functions as set forth in Section 8.5. County and City must mutually agree on issues that result in the release of funds from FARF except as provided by this Agreement. If County and City cannot reach a mutual agreement on any issues to which it is responsible, the parties shall strive to resolve all disputes through negotiation in good faith. If negotiation is not successful, they may agree to enter into mediation as described in Section 13.2. Mediation shall take place only if the parties agree to it in advance in writing. The parties should make specific provision in writing for the selection of a mediator, acceptable to both sides, along with the compensation, if any, for the mediator, the time period allotted for completion of the mediation and any other reasonable provisions that will enhance the efficient, inexpensive and prompt resolution of the issues. The parties may also agree to Binding Arbitration as described in Section 13.3. Arbitration shall take place only if the parties agree to it in advance in writing. The parties should make specific provisions in writing for the selection of one arbitrator (not a panel), acceptable to both sides, along with the compensation, if any, for the arbitrator, the time period allotted for completion of the arbitration and any other reasonable provisions that will enhance the efficient, inexpensive and prompt resolution of the issues. The City and County may choose any other means to resolve issues presented.

8.5 Functions and Responsibilities of Oversight Committee. The Oversight Committee shall have responsibility for all activity regarding the Site. Functions and responsibilities of Committee include but are not limited to the following:

- (A) Ensure compliance with agreements, permits, Consent Decree and all local, state and federal laws applicable to activities at the Site.
- (B) Review technical compliance issues regarding permits, Consent Decree, and all local, state and federal laws applicable to activities at the Site.
- (C) Review and approval of an annual Revised Environmental Compliance Budget (“RECB”) as described in Section 7.7. Annual RECB shall be memorialized through a MOU executed by Voting Members. The approved RECB will become Exhibit “A” to this Agreement.
- (D) Review and approval of an annual budget for ESA. Committee shall review all tasks assigned to ESA provider. Except in an emergency as defined by this Agreement and State Procurement Law, prior written approval of Voting members is necessary for task order or change in task order activities that fall outside established tasks described in ESA SOW or those tasks consistent with CAP, Consent Decree or Post Closure Permit. ESA budget shall be incorporated in annual RECB, and approved as described in Section 8.5(C).
- (E) Review and approval of an annual budget for County Project Manager salary and benefits. Approval of County Project Manager budget shall be memorialized through County MOU executed by voting members. County MOU shall describe County Project Manager roles and responsibilities for Site. Any changes to County Project Manager roles and responsibilities or annual budget shall be memorialized in an amended County MOU. Approved

annual budget for County Project Manager shall be incorporated in annual RECB, and approved as described in Section 8.5(C).

(F) On an as needed basis, Committee shall review and approve a budget for major infrastructure improvements deemed necessary to ensure compliance with agreements, permits, Consent Decree and all local, state and federal laws applicable to activities at the Site. Infrastructure improvement budget shall be incorporated in annual or an amended RECB, and approved as described in Section 8.5(C).

(G) On a bi-annual basis, County Director, with the assistance of County Financial Analyst and County Project Manager, shall prepare and submit a bi-annual FARF budget (County Fund 6310) for approval through County budget process. County budget submittal shall be based on RECB. However, County may include reasonable contingencies in the bi-annual budget submittal to cover uncertainties associated with the two-year County budget cycle. County may amend bi-annual budget to reflect approved amendments to RECB as deemed necessary.

(H) On a quarterly basis, Committee shall review RECB as described in Section 7.7. County Financial Analyst will prepare and present Committee with quarterly budget summary and FARF financial statements for review.

(I) On a semi-annual basis, or as deemed necessary, Committee shall review budget and determine if a budget amendment is necessary. County Financial Analyst will prepare and present Committee with semi-annual budget summary for review. Budget amendments to RECB shall be memorialized through MOU executed by Voting Members as described in Section 8.5(C).

(J) Approve the selection of vendors to provide materials, goods, and services for Site. Selection of vendors for Site shall be in accordance with County procurement policies and County MOU. Voting Members shall, in writing (which may be done by electronic mail), acknowledge approval of selection and authorize County Project Manager to proceed with procurement. Budget for approved vendors shall be incorporated in RECB, and approved as described in Section 8.5(C).

(K) County Project Manager shall forward to Committee for review any disputes regarding vendor performance, payment for goods and services or other payments from FARF related to activity at the Site. Committee is authorized to resolve vendor disputes as allowed by County procurement policies or may opt to forward dispute to County Procurement Manager and Prosecuting Attorney for review and resolution.

(L) Approve the utilization of County forces not covered by County MOU or other agency forces to provide services at the Site. Approval shall be memorialized through MOU or other form of intergovernmental agreement executed by Voting Members. Agreements with County or other agency may be approved for an on-going basis or a specific term. Term and conditions of agreements shall be reviewed on an annual basis.

(M) On an annual basis in accordance with WAC 173-304-468(2)(c) and Consent Decree Article XXIV(B), County Financial Analyst shall update post-closure cost



estimate for the estimated remaining post-closure phase of the landfill. Committee shall review post-closure cost estimate to determine adequacy of financial assurance provided by FARF. Following review of Committee, County Financial Analyst shall forward post-closure cost estimate to Washington State Department of Ecology for annual review per the terms and conditions of Consent Decree.

(N) On an annual basis, or as deemed necessary, Committee shall review the status of the FARF fund, fund investment activity and current balances of City and County maintenance and insurance sub-funds.

(O) Committee shall review on an annual basis, or deemed as necessary, the amount of funds held in FARF County and City Insurance sub-funds. Committee shall evaluate adequacy of financial assurance as compared to risk associated with condition of Site. Voting members of Committee may establish a minimum amount to be held in the insurance sub-funds to provide adequate financial assurance and meet Policy deductibles.

(P) On an as needed basis or at least one-year prior to end of term of current Policy, Committee shall review the term of Policy, Policy limits and deductible to determine adequacy of financial assurance provided compared to risk associated with condition of Site. If deemed necessary, Committee shall confer with and provide a recommendation to County Risk Manager regarding length of Policy term and Policy limits of future Policy.

(Q) Committee may authorize County to transfer FARF funds between sub-funds in the event of insufficient funds or as directed by Committee as mutually agreed and memorialized through MOU executed by Voting Members.

(R) Committee may authorize the release of remaining FARF funds to County and City solid waste enterprise funds upon Ecology or CCPH determination that the Site is stabilized and no longer requires post-closure care. Committee may also authorize the partial release of FARF funds in accordance with Section 10. Release of funds must be mutually agreed to and memorialized through MOU executed by Voting Members.

9. In Event of Insufficient Funds. Notwithstanding the terms and conditions of the Disposal Agreement, the Settlement Agreement, the First Amendment to Settlement and Disposal Agreement, and this Second Amendment hereto, Company, City and County hereby agree that if moneys available in FARF are insufficient to meet obligations as set forth in the Consent Decree or any other obligations imposed by Ecology or other regulatory authority, the County shall utilize rate authority granted under RCW 36.58 as now in effect or hereinafter amended to establish a rate to fund regulatory obligations through the County contract regarding operations of the County transfer system.

10. Excess Funds. In accordance with Section 8.5(M), County Financial Analyst shall update post-closure cost estimate for the estimated remaining post-closure phase of the landfill on an annual basis. Annual post-closure cost estimate serves as a financial model to determine if FARF fund balances are sufficient to meet obligations as set forth in the Consent Decree or any other obligations imposed by Ecology, or other regulatory authority, through an estimated date of Site stabilization. Section 7.0.6(e) of the First Amendment to this Agreement provides

the Committee authority to authorize partial releases of FARF funds (not sooner than 15 years from the effective date of Consent Decree) with certain provisos restricting uses of released funds to reducing tipping fees at transfer facilities and supporting the implementation of County Comprehensive Solid Waste Management Plan. The Company, City and County hereby agree that it is not practical, nor in the public interest, to release FARF funds to reduce tipping fees at the transfer station while excluding self-haul or certain cities that utilize the regional County system. The Company, City and County further agree that funds may be deemed excess by Committee when total FARF fund balance compared to obligations identified in the annual post closure cost estimate exceed 110% of projected financial obligations. Committee is authorized to release funds in excess of the 110% threshold in accordance with terms and conditions of Section 8.5(R). Committee may only release Excess Funds for the following purposes:

- (A) Fund purchase of Site from LBLRC;
- (B) Fund master planning or redevelopment of the Site for a public use;
- (C) Off-set future capital costs associated with the regional County transfer system; or
- (D) Support the implementation of County Comprehensive Solid Waste Management Plan.

11. Release of Excess Funds for Purchase of Site. The City, County and Company hereby agree that moneys retained in the CRC long-term maintenance sub-fund account are not subject to the terms and conditions of this Amendment, prior settlements, amendments or agreements associated with the Site. The City, County and Company further agree that excess funds are available for release, and fifteen years have passed since the effective date of the Consent Decree. The City, County and Company hereby agree to release a total of \$1,151,000 from CRC long-term maintenance sub-fund account and County Insurance sub-fund account for the purchase of the Site from LBLRC.

12. Proceeds from Future Sale of Property. The City, County and Company to this Agreement hereby agree that a planning process may be implemented to determine potential alternative uses for the Site. The City, County and Company acknowledge the County intent to evaluate the potential to release a portion of the property from Consent Decree and surplus the property. In the event the County surpluses property acquired from Company, the City, County and Company agree that proceeds from sale shall be deposited in County Maintenance sub-fund account, and is subject to the terms and conditions of this amendment, prior settlements, amendments or agreements associated with the Site.

13. Dispute Resolution. These dispute resolution provisions supersede prior provisions and govern this Agreement. For the purposes of Section 13 Dispute Resolution, the term parties or party refers to the City and or County.

13.1 Negotiation. The parties shall strive to resolve any dispute or issue arising from the terms of this Agreement by negotiation in good faith and with due regard for efficiency to the extent feasible.

13.2 Mediation. If the parties are not successful in resolving a dispute or issue arising from the terms of this Agreement by negotiation, they may agree to mediation but only if this is expressed in a document signed by the parties. The document must also include provisions for: (1) selection of a mediator agreed to by the parties; (2) compensation for the mediator; (3) a deadline by which the mediator's written decision is required; and (4) any other provisions the parties deem necessary.

13.3 Arbitration. If the parties are not successful in resolving a dispute or issue arising from the terms of this Agreement by mediation, or they choose to forego mediation, they may agree to arbitration, but only if this is expressed in a document signed by the parties. Arbitration shall then take place in the following manner:

(A) Either party may, by written notice to the other within fourteen days (14) after a dispute or issue has arisen that is subject to this Agreement and not resolved by negotiation or mediation, may propose an arbitrator and seek concurrence from the other party. The arbitrator shall be an attorney duly licensed and in good standing to practice law in the State of Washington. The other party shall, by written notice, within ten (10) days after receipt of such notice by the first party, provide concurrence or offer a substitute. If the parties do not agree to an arbitrator within ten (10) additional days they may continue to seek agreement to an arbitrator for another ten (10) additional days or the option of arbitration is terminated.

(B) On appointment of the arbitrator as provided for above, the parties agree they will each pay one-half of the costs and expenses of the arbitration and such arbitrator shall hold an arbitration hearing in Vancouver, Washington, within thirty (30) days after such appointment. At the hearing, the laws of evidence of the State of Washington shall apply and the arbitrator shall allow each party to present that party's case, evidence and witnesses, if any, in the presence of the other party, and shall render the award, including a provision for payment of costs and expenses of arbitration.

(C) The award of the arbitrator shall be binding on the parties to this Agreement although each party shall retain the right to appeal any questions of law arising at the hearing and judgment may be entered on such award in any court having jurisdiction.

(D) The parties may choose any other means to resolve the issues presented.

CITY OF VANCOUVER, a municipal Corporation of the State of Washington

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

CLARK COUNTY, a municipal subdivision Of the State of Washington

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

LEICHNER BROTHERS LAND RECLAMATION CORP., a Washington Corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Approved as to Form:

\_\_\_\_\_  
Bronson Potter  
Clark County Chief Deputy Prosecutor