

**Addendum to
Interlocal Cooperative Agreement Between the Cities of Grand Coulee
and Electric City and the Towns of Coulee Dam and Elmer City, Washington
Re: Financing and Administration of Closure and Post Closure
Activities at Delano Landfill**

This Addendum to Interlocal Cooperative Agreement (hereinafter "**Addendum**"), made and entered into between the Cities of Grand Coulee and Electric City, and the Towns of Coulee Dam and Elmer City, all municipal corporations of the State of Washington, hereinafter collectively referred to as "**Cities**".

WITNESSETH:

WHEREAS, the Cities entered into an Interlocal Cooperative Agreement dated the 12th day of October, 1989; and

WHEREAS, the Cities entered into a revised and updated Interlocal Cooperative Agreement dated the 13th day of August, 2007; and

WHEREAS, such agreements are authorized by the "Interlocal Cooperative Act" (Chapter 39.34 RCW); and

WHEREAS, the four Cities that are parties hereto comprise the Regional Board of Mayors, (hereinafter "**RBOM**") RBOM members are in three counties, i.e., to wit: Grant County, Douglas County, and Okanogan County. Presently RBOM operates the Delano Landfill. The solid waste activities of the RBOM are primarily funded through disposal fees charged to customers; and

WHEREAS, the Delano Landfill is nearing its useful life and is expected to close in the near future; and

WHEREAS, the parties hereto have a continuing obligation and liability to meet all closure and post closure requirements imposed by the state; and

WHEREAS, the Cities have been accumulating funds therefor in a Closure and Post Closure Account; and

WHEREAS, 15% of revenue from landfill disposal fees are transferred to said account on a monthly basis; and

WHEREAS, said account is not deemed satisfactory to meet the parties' obligations for closure and post closure; and

WHEREAS, the parties have applied for and have been approved for an \$850,000.00 loan from the Public Works Trust Fund Loan Program of the State of Washington to assist with meeting said obligations,

Now, therefore, in consideration of the covenants herein contained,

It is hereby agreed by and between the Cities as follows:

1. Continuation of RBOM. Each of the Cities hereto agrees to continue to participate in the continued operation of the RBOM with each of the four Cities having representation on said RBOM. It is intended that the RBOM shall not constitute a separate entity governed by Chapter 24.03 RCW (Corporations) or Chapter 25.04 RCW (Partnership). In that regard, RBOM shall be advisory only. Governance shall be as set forth in paragraph 6 hereinafter.

2. Statement of Purpose. The Cities shall take all necessary action in cooperation with each other to meet their obligation to fulfill, pursuant to state requirements, all land closure and post closure requirements and to be jointly responsible for funding all costs and expenses thereof, including, but not limited to, the obligation to repay loan proceeds obtained from the Public Works Trust Fund Loan Program of the State of Washington.

3. Effective Date. This Addendum shall be in full force and effect upon execution by all four Cities hereto.

4. Duration. This Addendum shall remain in effect for the term of the loan obtained to fund closure and post closure obligations, or satisfactory completion of closure and post closure obligations, whichever is later.

5. Exclusivity. During the term of this Addendum, the parties hereto shall deliver all solid waste generated within each respective city, and the solid waste of their customers, including the National Park Service, and the Bureau of Reclamation, to the transfer station to be constructed and operated pursuant to the terms of a separate addendum to the underlying Interlocal Agreement of the parties hereto. This requirement shall continue for the entire duration of this Addendum as set forth above. Any and all contracts for collection of solid waste within the four Cities shall include a requirement that all such collected solid waste shall be exclusively delivered to the subject transfer station. Said exclusive utilization is necessary to generate sufficient revenue to meet the terms of repayment of the underlying loans for the construction of

the transfer station, for the continued operation of the transfer station and for closure and post closure activities.

6. Governance. Each of the Cities shall continue to have representation on the RBOM; however, said RBOM shall not constitute a separate entity governed by Chapter 24.03 RCW (Corporations) or Chapter 25.04 RCW (Partnerships). The RBOM shall be advisory only. All fiscal matters and governance and control shall continue to reside with the respective legislative bodies of each party hereto. See paragraph 4 of the underlying interlocal Agreement between the parties dated August 13, 2007. RBOM shall determine the fees necessary for operation of the transfer station and repayment of underlying obligations, including closure and post closure obligations, and shall adopt an annual budget. The annual budget and the proposed fees shall be proposed to each of the respective city councils of the parties hereto for final approval and adoption by resolution. Each party hereto agrees to adopt a fee schedule sufficient to properly operate the transfer station and to repay loans and any and all other debts, costs, expenses, and legal obligations in connection with the operation of the transfer station and the Delano Landfill, including but not limited to closure and post closure activities and obligations. In the event that the parties are unable to unanimously agree on the fees and budget, the matter shall be resolved pursuant to the dispute resolution provisions set forth in Section 9 of the interlocal agreement between the parties dated August 13, 2007.

7. Filing and Recording. Prior to its entry into force, this Addendum shall be filed with each city's respective city clerk and, additionally, shall be filed with the County Auditor of Okanogan, Douglas, and Grant Counties.

8. Applicable Law and Venue. This Addendum shall be governed and construed in accordance with the provisions of paragraphs 10 and 12 of the underlying Interlocal Cooperative Agreement between the parties dated December 4, 2007.

9. Notice. Any notice required to be given to the parties shall be deposited in the United States mail, postage prepaid, and addressed to:

Office of the Mayor
City of Electric City
P. O. Box 130
Electric City, WA 99123

Office of the Mayor
City of Grand Coulee
P. O. Box 180
Grand Coulee, WA 99133

Office of the Mayor
Town of Coulee Dam
300 Lincoln Avenue
Coulee Dam, WA 99116

Office of the Mayor
Town of Elmer City
P. O. Box 179
Elmer City, WA 99124

or at such other address as any party may designate to the others in writing from time to time. All notices required to be given hereunder shall be in writing.

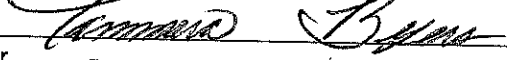
10 Modification. This Addendum may only be amended by written agreement of all participating local governments.

11 Future Conduct. The parties enter into this Addendum as a contract involving both present and future conduct of the parties extending for 20 years into the future. To that extent, each party hereto agrees with the others that it will not adopt any resolutions or ordinances, or enter into any agreements with any other entities, that conflict with the terms and intent of this addendum.

12 Conflicts Between Interlocal Agreements. In the event of a conflict between the specific terms of this Addendum and the underlying interlocal agreements between the parties, this Addendum shall have precedent.

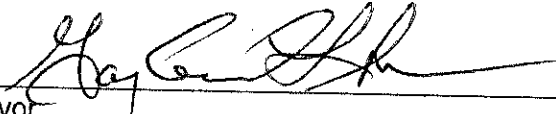
13 Authorization. Each city's mayor has executed this Addendum after having been authorized to do so by that mayor's council acting in open session.

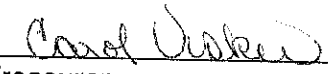
City of Grand Coulee, Washington:

By 
Mayor

Attest: 
Clerk-Treasurer

Town of Coulee Dam, Washington:

By 
Mayor

Attest: 
Clerk-Treasurer

City of Electric City, Washington:

By Raymond R. Galy
Mayor

Attest: Jacqueline M. Permon
Clerk-Treasurer

Town of Elmer City, Washington:

By Mary Jo Carey
Mayor

Attest: Frank Miller
Clerk-Treasurer