

ORDINANCE #65610
Board Bill No. 168

An ordinance relating to solid waste; recommended by the Board of Estimate and Apportionment and the Board of Public Service; authorizing and directing the Director of Streets and Comptroller to execute an agreement for solid waste disposal services among Waste Management of Missouri, Inc., Waste Management of Illinois, Inc., and the City of St. Louis, Missouri ("City") for an initial term of ten years commencing July 1, 2002 and providing for two five-year renewal terms thereof, unless the City elects against such renewals, in a form substantially the same as that set forth and approved herein; authorizing and directing the Comptroller and the Director of Streets to lease a portion of the South Refuse Station Facility at 4120 South First Street in the City of St. Louis, Missouri, from the City to Waste Management of Missouri, Inc. for a ten-year term commencing July 1, 2002, with provisions for two five-year extensions of the lease, in a form substantially the same as that set forth and approved herein; with an emergency clause.

WHEREAS, the City provides solid waste collection services for its residents through the Refuse Division; and

WHEREAS, the City contracts for the disposal of solid waste which it collects; and

WHEREAS, the current contract for solid waste disposal service will expire June 30, 2002; and

WHEREAS, the City has conducted a Request for Proposals process for solid waste disposal service, under which process a selection committee has requested, received and evaluated proposals; and

WHEREAS, the selection committee has recommended that the City contract with Waste Management for solid waste disposal service based on Waste Management's proposal dated April 15, 2002; and

WHEREAS, this ordinance has been recommended by the Board of Estimate and Apportionment and the Board of Public Service; and

WHEREAS, the Board of Aldermen finds that the contract and lease authorized by this ordinance are in the best interests of the residents of the City, and of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS, AS FOLLOWS:

SECTION ONE. The Director of Streets and Comptroller are hereby authorized and directed to execute an agreement for solid waste disposal services among the City of St. Louis, Missouri ("City"), Waste Management of Missouri, Inc. and Waste Management of Illinois, Inc. with an initial ten-year term commencing on July 1, 2002 and providing for two five-year renewal terms thereof, unless the City elects against such renewals, in a form substantially the same as the form as set forth in Exhibit A hereto immediately upon approval of said agreement as to form by the City Counselor.

SECTION TWO. The Comptroller and Director of Streets are hereby authorized and directed to enter into and to execute a lease of a portion of the premises of the South Refuse Station Facility at 4120 South First Street in the City of St. Louis, Missouri, to Waste Management of Missouri, Inc., for an initial ten-year term commencing on July 1, 2002 with provisions for two five-year extensions of said lease, in a form substantially the same as that set forth in Exhibit B hereto, immediately upon approval of the lease as to form by the City Counselor.

SECTION THREE. This being an ordinance for the preservation of the public health and safety, it is hereby declared to be an emergency measure within the meaning of Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and shall become effective immediately upon its passage and approval by the Mayor.

CONTRACT FOR WASTE DISPOSAL SERVICES
AMONG
THE CITY OF ST. LOUIS, MISSOURI,
WASTE MANAGEMENT OF MISSOURI, INC.,
AND
WASTE MANAGEMENT OF ILLINOIS, INC.
DATED
_____, 2002

CONTRACT FOR WASTE DISPOSAL SERVICES

This CONTRACT, made and entered into as of July 1, 2002, (the "Date of this Contract") by and among the City of St. Louis, Missouri, a municipal corporation ("the City"), Waste Management of Missouri, Inc., and Waste Management of Illinois, Inc., a Delaware corporation (collectively, "Contractor").

WITNESSETH:

WHEREAS, the City is charged with certain responsibilities related to the solid waste management within the geographic boundaries of the City; and

WHEREAS, the City and Contractor are desirous of entering into an agreement for the provision of solid waste disposal services, including the operation and maintenance of waste transfer facilities to receive, process, transport and dispose of solid waste; and

WHEREAS, Contractor is qualified to provide solid waste disposal services to the City and has agreed to provide certain services necessary for the City's solid waste management upon the terms and conditions hereinafter set forth; and

WHEREAS, execution and delivery of this contract by the City has been authorized by Ordinance No. _____ (BB _____, as amended);

NOW, THEREFORE, in consideration of the premises hereof, the mutual agreements, and covenants hereinafter expressed, City, for itself, its successors and assigns, and Contractor, for itself, its successors and assigns, intending to be legally bound, hereby agree as follows:

1. Definitions. The following terms, as used herein, shall have the following meanings:

1.01 "City" shall mean the City of St. Louis, a municipal corporation, and any of its divisions and departments, including, but not limited to, the Department of Streets and its Refuse Division.

1.02 "City Vehicles" shall mean vehicles owned and/or operated by the City and/or its agents and designees and used to deliver Solid Wastes to the Transfer Facilities or to Milam.

1.03 "Contract" or "Agreement" shall mean this Contract.

1.04 "Contractor" shall mean collectively Waste Management of Missouri, Inc., a Delaware corporation, and Waste Management of Illinois, Inc. a Delaware corporation, both wholly owned indirect subsidiaries of Waste Management, Inc., a Delaware corporation which guarantees all contractual obligations hereunder of Waste Management of Missouri, Inc. and Waste Management of Illinois, Inc.

1.05 "Hazardous Waste" shall mean any waste or combination of wastes which:

(a) is defined as such by federal law, or applicable state or local laws, or the rules and regulations promulgated thereunder; or

(b) because of its quantity, concentration, or physical, chemical, or infectious characteristics has been determined by the Hazardous Waste Management Commission of the State of Missouri to be such as may cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise improperly managed; or

(c) is identified or listed as a hazardous waste by the administrator, U.S. Environmental Protection Agency (hereinafter called "EPA"), pursuant to the Federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6901 et seq.; or

(d) is required to be accompanied by a written manifest or shipping document describing the waste as "hazardous waste" pursuant to any applicable state or federal law, including, but not limited to, the Federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6901

et seq. and the applicable state and federal rules and regulations promulgated thereunder; or

(e) contains polychlorinated biphenyls or any other substance, the storage, treatment or disposal of which is subject to regulation under the Federal Toxic Substances Control Act as amended, 15 U.S.C. § 2601 et seq., and the applicable state and federal rules and regulations promulgated thereunder; or

(f) contains a "reportable quantity" of one or more "hazardous substances", as defined in the federal Comprehensive Response, Compensation and Liability Act as amended, 42 U.S.C. § 9601 et seq., and the applicable state and federal regulations promulgated thereunder or as defined under any other applicable federal or state law and the rules and regulations promulgated thereunder; or

(g) contains a radioactive material the storage or disposal of which is subject to federal law, or applicable state or local laws, or the rules and regulations promulgated thereunder.

1.06 "Lease" shall mean the Lease between the City and Waste Management of Missouri, Inc. for a portion of the South Refuse Station Facility, the effective date of which is July 1, 2002.

1.07 "Milam" shall mean the permitted solid waste landfill owned by Waste Management of Illinois, Inc., and located in the City of Fairmont City, Illinois.

1.08 "North Facility" shall mean a North Transfer Facility operated and maintained by Waste Management of Missouri, Inc. at 201 Humbolt Street, St. Louis, Missouri 63147.

1.09 "Proposal" shall mean the proposal for Solid Waste Management and Recycling Services, dated April 15, 2002, which was submitted by Waste Management of Missouri, Inc. to the City's Board of Public Service.

1.10 "Recyclable Waste" shall mean waste such as glass containers, aluminum containers and cans, plastic bags and containers, newspapers, lead acid batteries, waste oil, tires and major appliances, including clothes washers and dryers, water heaters, trash compactors, dishwashers, microwave ovens, conventional ovens, ranges, stoves, woodstoves, air conditioners, refrigerators and freezers, which can be separated from the waste stream and delivered for reuse by recycling to recycling facilities.

1.11 "Solid Waste" or "Solid Wastes" shall mean all putrescible and non-putrescible, combustible and non-combustible materials discarded by private residents and occupants of municipal buildings located within the geographical boundaries of the City and collected by City Vehicles, including, but not limited to, garbage, refuse, and other discarded materials including batteries, oil, appliances, tires, yard waste, household furniture, and household hazardous wastes, excluding, however, Hazardous Waste and Toxic Waste, and including, also, street sweepings collected by the City.

1.12 "South Facility" shall mean the Waste Transfer Facility operated and maintained by Waste Management of Missouri, Inc. on the City's property located at 4120 South First Street and leased by Waste Management of Missouri, Inc. pursuant to the Lease.

1.13 "Special Waste" shall mean any waste which is:

(a) defined as such by federal law, or the applicable state and local laws, or rules and regulations promulgated thereunder; or

(b) medical waste, including infectious waste as such term is defined by § 260.360(13) R.S.Mo., or pathological waste from laboratories, research facilities, and health and veterinary facilities; or

(c) dead animals and/or slaughterhouse waste; or

(d) sludge waste, including water supply treatment plant sludges and stabilized and/or unstabilized sludges from municipal or industrial wastewater treatment plants; or

(e) any waste material that is determined to be or contain "free liquid" by the paint filter test (EPA Method 9095);
or

- (f) waste from an industrial process; or
- (g) waste from a pollution control process; or
- (h) waste transported in a bulk tanker; or
- (i) friable and/or nonfriable asbestos waste; or
- (j) empty containers other than household containers which have been used for pesticides, herbicides, fungicides, or rodenticides; or
- (k) containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in this definition; or
- (l) residue or debris from the cleanup of a spill or release of chemical substances, commercial products or other wastes listed in this definition; or
- (m) soil, water, residue, debris or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in this definition, including soil contaminated from underground storage tanks used or formerly used for the storage of petroleum products; or
- (n) residential wastes which under applicable federal or state statutes, or regulations promulgated thereunder, may not be disposed of at a sanitary landfill.

1.14 "Toxic Waste" refers to any waste which is defined or determined to constitute toxic waste under the provisions of any federal law, or applicable state or local law, or rules and regulations promulgated thereunder.

1.15 "Transfer Facilities" shall mean both the North Transfer Facility and the South Transfer Facility.

1.16 "Yard Waste" shall mean leaves, grass clippings, yard and garden vegetation and Christmas trees. The term does not include stumps, roots or shrubs with intact root balls.

2. Services To Be Provided.

2.01 General Statement. Pursuant to and as provided by this Contract, the City and/or its agents and designees shall deliver all of the Solid Waste it collects for disposal from residential premises to which the City provides refuse collection service and municipal buildings located within the geographic boundaries of the City to the Transfer Facilities or to Milam, except for any Recyclable Waste or Yard Waste which has been separated or diverted from the waste stream. Contractor shall receive such Solid Waste, maintain and operate the Transfer Facilities and Milam, keep an accounting of Solid Waste received from the City, and provide for the proper disposal of such Solid Waste from the Transfer Facilities as herein provided or, with respect to any matter not specifically provided for herein which is addressed in the Proposal, as provided in the Proposal. The Proposal shall be kept on file in the Register's Office. Contractor shall be compensated for these services in accordance with this Contract.

2.02 Contractor's Acknowledgment of City's Waste Reduction and Recycling Responsibilities. The City is subject to the applicable laws of the State of Missouri concerning solid waste management, including §§ 260.200 - 260.345 R.S.Mo. 2000, as amended ("Solid Waste Management Districts") and is part of the Jefferson - St. Louis Solid Waste Management District, as authorized by § 260.305 R.S.Mo. 2000, as amended, and is a party to such Jefferson-St. Louis Solid Waste Management District's Solid Waste Management Plan dated August, 1995, as amended. The Contractor acknowledges the goals and responsibilities of the City for the management of solid waste within its geographical boundaries, consistent with its participation in the Jefferson - St. Louis Solid Waste District, to promote waste reduction and recycling within the City to maximize the amount of waste diverted from disposal in landfills.

3. **Term.** The term of this Contract shall commence on July 1, 2002, and shall terminate on June 30, 2012, unless terminated earlier in accordance with this Agreement. This Contract shall be renewed for successive five year terms commencing, respectively, on July 1, 2012 and July 1, 2017, and terminating, respectively, on June 30, 2017 and June 30, 2022, unless not less than one hundred eighty days prior to the end of the initial or a renewal term the City, acting through its Board of Estimate and Apportionment, shall determine not to renew this Contract and notify Contractor of that determination.

4. Delivery of Solid Wastes to Transfer Facilities.

4.01 City Deliveries. Except as provided for in Section 6 hereof, the City and/or its agents or designees shall deliver all Solid Wastes they collect for disposal under this contract to the Transfer Facilities, with the exception of any Recyclable Waste or Yard Waste diverted from the waste stream for composting or recycling as may be determined by the City in its sole discretion, whether or not such composting or recycling involves the Contractor. The City shall not be responsible for the delivery of any guaranteed minimum or maximum tonnage of Solid Waste to the Transfer Facilities or to Milam.

4.02 City's Collection Vehicles. The City shall deliver Solid Wastes in City Vehicles.

4.03 City Resident Deliveries. Individuals residing within the geographical boundaries of the City may deliver Solid Wastes to the Transfer Facilities. The Contractor shall provide a separate processing area for these deliveries at each Transfer Facility. These deliveries shall be limited to only Solid Wastes of private citizens residing in the City and shall not include deliveries by or on behalf of businesses or any form of commercial or industrial wastes. Such loads may not be larger than a load which could be carried in a ½ ton pick-up truck. Employees of the City shall be assigned to the Transfer Facilities to inspect these loads to insure that only Solid Wastes are being delivered and to verify residency and eligibility requirements of individuals making the deliveries. The City shall be permitted to post signs directing residents of the City who are delivering Solid Wastes at the Transfer Facilities, such signage, however, being subject to the prior approval of Contractor which shall not be unreasonably withheld. Both the City and Contractor have the right to reject deliveries by residents of the City. The City shall be billed for these deliveries in the same manner and in accordance with the same prices as apply to all other deliveries of Solid Wastes by the City to the Transfer Facilities.

4.04 Title. Title to the Solid Waste shall transfer to Contractor upon delivery to a Transfer Facility. For purposes of this Section, "delivery" means the Solid Waste has been weighed and ticketed at the Transfer Facility receiving scale and has been loaded onto transfer vehicles by the Contractor.

5. Receipt of Solid Waste by Contractor at Transfer Facilities. Contractor shall establish an environmentally proper system to handle, haul and dispose of all Solid Waste received at the Transfer Facilities. The services and obligations as required under the terms and provisions of the Contract shall be provided on an uninterrupted basis commencing on July 1, 2002 and during the entire term of the Contract.

5.01 Hours of Operation. Contractor shall accept deliveries of Solid Waste at the Transfer Facilities between the hours of 5:30 a.m. and 6:00 p.m., Monday through Friday. Contractor shall not be required to accept deliveries on the following holidays, except when there is a City event or festival: New Year's Day; Martin Luther King Day; President's Day; Memorial Day; Independence Day; Labor Day; Veteran's Day; Thanksgiving; Christmas; and any other holidays officially designated as such by the City. The City reserves the right to make modifications to the schedule to accommodate special City clean-up projects and City festivals. The City will give Contractor reasonable notice of such modifications. Such modifications may require Contractor to accept Solid Waste delivered by the City or City residents to the Transfer Facilities on weekends or holidays.

5.02 Truck-Turn-Around-Time. Contractor shall provide City Vehicles with a target truck-turn-around-time at the Transfer Facilities equal to ten (10) minutes per City Vehicle with a fifteen (15) minute maximum time limit. Penalties per truck may be assessed by the City, acting through its Director of Streets, for each five (5) minute delay above the maximum fifteen (15) minute truck-turn-around-time, as follows: in the initial term of this Contract, \$20; in the first renewal term of this Contract, \$25, and in the second renewal term of this Contract, \$30. Such penalties shall not be imposed in the event of delays caused by circumstances or conditions demonstrably beyond the control of and not attributable to Contractor, for example, fires or power failures caused by lighting.

5.03 Monitoring of Wastes. Contractor shall be responsible for monitoring all waste delivered to the Transfer Facilities to insure that no Hazardous Waste, Special Waste or Toxic Wastes, or other prohibited wastes are processed. Collection and packaging of such wastes for off-site processing are permitted on designated household hazardous waste days. The Contractor shall establish safe procedures for handling such wastes until properly disposed or transferred for proper disposal. The Contractor shall provide a copy of the Contractor's procedure for eliminating such wastes from entering the solid waste stream upon the commencement date of this Contract. Upon notice to the City that Hazardous Waste, Special Waste or Toxic Waste has been delivered to a Transfer Facility in a City Vehicle, given as hereinafter provided, the City will remove or cause the removal of such Hazardous Waste, Special Waste or Toxic Waste; provided, if Contractor is able to remove and dispose of such Hazardous Waste, Special Waste or Toxic Waste, Contractor agrees to propose a fair and equitable charge for such service and to provide such service at the City's request. Notice under the foregoing sentence shall be given by Contractor as soon as it believes that Hazardous Waste, Special Waste or Toxic Waste have been delivered and in no event more than 24 hours after the asserted delivery. If the driver of

the City Vehicle in which the Hazardous Waste, Special Waste or Toxic Waste is asserted to have been delivered is still at the Transfer Facility the driver and one of the City's on-site employees shall both be notified verbally as soon as possible and the on-site employee shall be notified in writing. The City shall have the right to inspections and to take photographs in connection with such asserted delivery and to dispute any facts relating thereto.

5.04 Recycling of Certain Solid Wastes. The City may, at its option, during the term of this Contract request that Contractor set aside a section of property located at the North Facility to be designated and used as a "Recycling Collection Point." The Recycling Collection Point shall be used only by residents of the City and City Vehicles to drop off Recyclable Waste as determined by the City in its sole discretion. The City further reserves the right from time to time to establish recycling programs not involving a Recycling Collection Point under this section and composting programs in all or part of the City which may or may not involve collection of Yard Waste or Recyclable Waste by the City.

6. Delivery of Solid Wastes to Milam.

6.01 City Deliveries. The City and/or its agents or designees may also deliver Solid Wastes they collect for disposal under this Contract to Milam during the entire initial term of this Contract, and in the first renewal term so long as there is capacity at Milam during such first renewal term.

6.02 City's Collection Vehicles. The City and/or its agents or designees shall deliver Solid Wastes to Milam in City Vehicles.

6.03 Title. Title to the Solid Waste shall transfer to Contractor upon delivery to Milam. For purposes of this Section, "delivery" means the Solid Waste has been weighed and ticketed at the Milam receiving scale.

7. Receipt of Solid Waste by Contractor at Milam. Contractor shall establish an environmentally proper system to handle and dispose of all Solid Waste received at Milam. Contractor represents and agrees that Milam will have capacity for as much solid wastes as City may choose to deliver there throughout the initial term hereof. The services and obligations as required under the terms and provisions of this Contract shall be provided at Milam on an uninterrupted basis commencing on July 1, 2002 and continuing through the entire initial term of this Contract, and through the first renewal term so long as there is capacity at Milam during such first renewal term.

7.01 Hours of Operation. Contractor shall accept deliveries of Solid Waste at Milam between the hours of 6:00 a.m. and 4:30 p.m., Monday through Friday. Contractor shall not be required to accept deliveries at Milam on the following holidays: New Year's Day; Martin Luther King Day; President's Day; Memorial Day; Independence Day; Labor Day; Veteran's Day; Thanksgiving; Christmas; and any other holidays officially designated as such by the City.

7.02 Truck-Turn-Around Time. Contractor and the City agree to work together in good faith to minimize the truck-turn-around time at Milam by, among other things, communicating with one another with respect to anticipated deliveries to Milam. Contractor will also independently take reasonable steps to minimize the truck-turn-around time at Milam.

7.03 Monitoring of Wastes. Contractor shall be responsible for monitoring all waste delivered to Milam to insure that no Hazardous Waste, Special Waste or Toxic Wastes, or other prohibited wastes are disposed of at Milam. Upon notice to the City that Hazardous Waste, Special Waste or Toxic Waste has been delivered to Milam in a City Vehicle, given as hereinafter provided, the City will remove or cause the removal of such Hazardous Waste, Special Waste or Toxic Waste; provided, if Contractor is able to remove and dispose of such Hazardous Waste, Special Waste or Toxic Waste, Contractor agrees to propose a fair and equitable charge for such service and to provide such service at the City's request. Notice under the foregoing sentence shall be given by Contractor as soon as it believes that Hazardous Waste, Special Waste or Toxic Waste have been delivered and in no event more than 24 hours after the asserted delivery. If the driver of the City Vehicle in which the Hazardous Waste, Special Waste or Toxic Waste is asserted to have been delivered is still at Milam, the driver shall be notified verbally and one of the City's on-site employees at the Transfer Facilities shall be notified verbally as soon as possible and thereafter in writing. The City shall have the right to inspect and to take photographs in connection with such asserted delivery and to dispute any facts relating thereto.

8. Maintenance and Operation of Milam.

8.01 Contractor Staffing. Contractor shall provide staff at Milam sufficient to operate in accordance with OSHA requirements and the generally accepted practices of the industry, which shall include the spotting and weighing of trucks, clean up, operation and maintenance of all equipment, machinery, and buildings, on-site litter control and reasonable security.

8.02 Maintenance. Maintenance of all equipment and facilities at Milam shall be performed by the Contractor at Contractor's expense. The Contractor shall be responsible for adequate and proper control of fire, noise, dust, odor, insects, rodents, litter, air and water pollution and general appearance of Milam.

8.03 Traffic Flow. Contractor shall provide and maintain signs which adequately identify Milam and shall establish traffic patterns at Milam to promote ease of operations.

8.04 Inspections. The City reserves the right to inspect Milam upon reasonable notice provided such inspections do not unreasonably interfere with the operations of Milam.

8.05 City Office. If the City so requests, Contractor shall provide an office for City employee use at Milam comparable to those at the Transfer Facilities.

9. Maintenance and Operation of Transfer Facilities.

9.01 Contractor Staffing. Contractor shall maintain an office at each Transfer Facility. Each office shall be equipped with a telephone and shall have a responsible person on duty during the hours of operation prescribed in Section 5.01. In addition, Contractor shall provide staff for the Transfer Facilities sufficient to operate them in accordance with OSHA requirements and the generally accepted practices of the industry, which shall include the spotting and weighing of trucks, clean up, operation and maintenance of all equipment, machinery, and buildings, on-site litter control, and reasonable security.

9.02 City Offices at Transfer Facility. Contractor shall provide an office at each Transfer Facility for use by two employees of the City. The offices shall each be at least 150 square feet in area and shall be constructed as part of the scale houses and located in such a way as to provide adequate visibility of the weighing and transferring operations. Such offices shall have adequate heating, ventilation, air conditioning, and indoor toilet and drinking water facilities, and shall be furnished with a suitable desk, swivel chair, and standard two drawer file cabinet and telephone service. Monthly phone service shall be paid by the City. The City shall be permitted to install radio communications in these offices.

9.03 Maintenance. Maintenance of all equipment and facilities shall be performed by the Contractor at Contractor's expense. The Contractor shall be responsible for adequate and proper control of fire, noise, dust, odor, insects, rodents, litter, air and water pollution and general appearance of the Transfer Facilities.

9.04 Traffic Flow. Contractor shall provide and maintain signs which adequately identify the Transfer Facilities and shall establish traffic patterns to promote ease of operations.

9.05 Leaks and Spills. Prior to initiation of operations, the Contractor will prepare a plan for actions to be taken in the event of spills or leaks of wastes, waste residue, and water contaminated with waste residues.

9.06 Inspections. The City reserves the right to inspect the Transfer Facilities upon reasonable notice and provided such inspections do not unreasonably interfere with the operations of the Transfer Facilities.

10. Accounting.

10.01 City Deliveries. Contractor shall use a computerized truck scale system at each Transfer Facility and at Milam capable of recalling empty vehicle truck tare weight for all City Vehicles used routinely by the City for the delivery of Solid Waste to the Transfer Facilities and to Milam. The tare weight for each City Vehicle may be verified not more often than quarterly. Contractor shall provide to the City on a daily basis records for each Transfer Facility and Milam showing the date, time, vehicle number, driver's signature, route numbers and tonnage of waste or other applicable measurement of the amount of Solid Waste as provided under Section 10.03 hereof for each City Vehicle delivering Solid Waste. Contractor shall provide printed truck load tickets to each driver of a City Vehicle, and a composite record of the daily weigh-ins or other applicable measurement to the City's office provided by Contractor and located at each Transfer Facility.

10.02 City Resident Deliveries. Contractor shall provide a separate accounting to the City of all Solid Wastes delivered to the Transfer Facilities by residents of the City pursuant to Section 4.03. This accounting shall consist of the tonnage, or other applicable measurement of Solid Waste as provided herein, delivered per day per container.

10.03 Scale Malfunctions. In the event that there is a breakdown or malfunction of the scales used at the Transfer

Facilities or at Milam, the tonnage delivered by the City shall be computed using the tonnage delivered per load by City vehicles during the same day(s) of the preceding week or, if that method is prohibited by applicable law or regulation, or is inapplicable, by any other lawful method acceptable to both the City and Contractor.

11. Transportation of the Solid Waste From the Transfer Facilities.

11.01 Sequence. Contractor shall make all reasonable efforts to insure that the Solid Waste is transferred from the Transfer Facilities to the landfill on a "first-in/first-out" basis.

11.02 Transfer Vehicles. Contractor shall employ only contained and/or enclosed units when transferring the Solid Wastes from the Transfer Facilities to the disposal sites. Contractor shall take reasonable precautions to avoid spills and blowing litter. Such vehicles shall conform to all applicable local, state, and federal laws, standards, and rules and regulations pertaining to the type and operation of vehicles transferring Solid Waste. Contractor shall not perform any maintenance on transfer vehicles at a City-owned Transfer Facility, other than minor maintenance of an emergency nature which can be performed without interference with the operation of such Transfer Facility, such as changing a flat tire.

11.03 Routes. While within the geographic boundaries of the City, Contractor will route its transfer vehicles on major thoroughfares or highways. Travel through residential districts in the City shall not be permitted unless absolutely necessary.

12. Disposal of Solid Waste. Contractor shall determine the methods of Solid Waste disposal which may be at a permitted municipal solid waste disposal site. The State of Missouri prohibits the disposal of batteries, oil, appliances, tires (BOAT wastes), and yard wastes in landfills. The Contractor shall accept and manage such wastes, including antifreeze, delivered by private residents, and City Vehicles, and coordinate with the City to recycle these wastes. Contractor shall propose a method of managing batteries, oil, appliances, tires, and yardwaste, and other items which are prohibited from landfills. At all times during the initial and any renewal term of this Contract, Contractor shall designate a primary landfill and a secondary landfill and shall ensure that both landfills have capacity and proper licensing and permits to accept the City's Solid Wastes. Further, Contractor shall ensure that Contractor shall be allowed to dispose of Solid Waste at each such landfill and shall provide the City with a copy of an executed contract or with a letter from the owner or operator of each such approved sanitary landfill within or outside the State indicating that Contractor shall be allowed to dispose of Solid Waste at such owner's or operator's landfill. The Contractor has designated the Cottonwood Hills Recycling and Disposal Facility located in Marissa, Illinois ("Cottonwood Hills") as the initial primary landfill and Milam as the initial secondary landfill for waste transferred through the South Facility and the North Facility and shall ensure that both landfills have capacity and proper licensing and permits to accept the City's Solid Waste. Contractor shall give the City not less than thirty (30) days prior written notice of any change in the designation of a primary or a secondary landfill, which notice shall include documentation of all necessary licensing and permits for the landfill being designated. Disposal of recyclables which are readily identifiable and segregable from other Solid Waste, and for which there is an existing market, in a landfill or incinerator is prohibited without the City's prior knowledge and permission.

13. Fees and Payment.

13.01 Fee Schedule. A. The City shall pay Contractor during the initial term and the renewal terms of this Contract for services provided in accordance with and pursuant to this Agreement on the basis of the fee of \$28.95 per ton of Solid Waste, including Yard Waste delivered by City Vehicles and residents of the City to the Transfer Facilities; and on the basis of \$22.00 per ton of Solid Waste, including Yard Waste delivered by City vehicles to Milam; provided, however, that the following fee schedule shall apply to the respective specific types of Solid Waste: waste oil - \$3.75 per gallon; antifreeze - \$7.30 per gallon; tires - \$4.00 per tire; car batteries - \$4.65 per pound; and appliances - \$53.50 per ton.

B. The fees set forth in Section 13.01 A. above, shall be increased annually on the anniversary of the Date of the Contract by a factor equal to the lesser of 5% or the percentage change for the preceding calendar year in the *Consumer Price Index - All Urban Consumers for the Midwest Region* as published by the U.S. Bureau of Labor Statistics, or its successor agency.

C. If new taxes or fees are imposed by governmental or regulatory agencies on Contractor, or if the rate of existing taxes or fees are increased, which new or existing taxes or fees are directly attributable to the services provided by Contractor to the City at the Transfer Facilities or by Contractor's disposing of solid waste at landfills pursuant to this Agreement, Contractor shall pay such increases up to \$2 per ton, and the City shall pay such increases above \$2 per ton up to \$4 per ton. The parties shall each pay one-half of such increases above \$4 per ton; provided, that in the event of such increases above \$4 per ton which increases become effective after the fifth anniversary of the Effective Date, either party may terminate this contract on 180 days written notice to the other party.

The Contractor shall notify the City of anticipated tax or fee increases required as a result of a change in law in advance of making such expenditures, including a general description of such change in law and the estimated costs. The purpose of this notice is to provide the City with early warning of potential City obligations for such tax or fee increases and to provide the City an opportunity to evaluate and comment at the earliest practicable time, on the reasonableness of such increases.

Contractor shall submit to the City the following documentation to explain the applicable tax or fee increase:

- 1) identification of the change in law causing the increase;
- 2) narrative description of reasons for incurring the increase as a result of the change in law;
- 3) invoices for all asserted applicable taxes and/or fees.

The Contractor and the City shall cooperate, in good faith, in protecting against arbitrary or unreasonable changes in any law affecting the cost of Contractor's or the City performance under this Contract. The Contractor will notify the City in writing of any proposal for such a change in law as soon as reasonably practicable after the Contractor becomes aware of such proposal.

D. Contractor agrees that if it charges any third party fees for disposal or processing of Solid Waste at the South Transfer Station, or if it charges any municipality fees for disposal of Waste at Milam, which are lower than the fees payable by the City pursuant to this Section for processing or disposal of City Solid Waste, Contractor will notify the City in writing as soon as practicable of the effective date of such lower fees, and the City will be charged the lower fees from the effective date of such fees to the third party.

13.02 Payment Upon Invoice. Contractor shall submit invoices to the City each month which shall include the specific amounts by unit of the respective types of Solid Waste delivered to the Transfer Facilities and to Milam, respectively, (or otherwise accepted by Contractor) by City Vehicles or residents of the City in the previous calendar month. The City will pay the invoice within 30 days of receipt thereof.

13.03 Credits for Non-City Solid Waste. A. The City agrees to allow Waste Management of Missouri, Inc. to use the South Transfer Facility for the disposal by Waste Management of Missouri, Inc. of other, non-City, solid waste in its business operations in an amount that, during any period of daily operating hours at the South Transfer Facility, does not exceed 25% of the average daily tonnage of the City's Solid Waste disposed at the South Transfer Facility during the preceding month; provided, however, that any such delivery of solid waste by Waste Management of Missouri, Inc. shall not interfere with or interrupt any of the Solid Waste disposal services provided to the City pursuant to this Contract, or relieve Contractor from any requirement of this Contract. Any such disposal of Solid Waste by Waste Management of Missouri, Inc. shall be during the hours of 5:30 a.m. and 6:00 p.m., Monday through Friday. The delivery of any Hazardous Waste, Toxic Waste, or Special Waste by Waste Management of Missouri, Inc. to the South Transfer Facility is prohibited.

B. Contractor shall the credit the City for i) One Thousand Dollars (\$1,000.00) per month and ii) Fifty cents (\$0.50) per ton of non-City solid waste delivered by Waste Management of Missouri, Inc. to the South transfer station.

C. Waste Management of Missouri, Inc. shall maintain records of all non-City solid waste delivered and shall furnish such records to the City monthly.

D. All non-City solid waste shall be subject to the restrictions of this contract.

E. In the event Waste Management of Missouri, Inc. wishes to allow delivery of solid waste to the South Transfer Station by third parties, Waste Management of Missouri, Inc. shall give the City thirty (30) days prior written notice and shall credit the City for i) Ten Thousand Dollars per month and ii) One Dollar Fifty Cents per ton of non-City solid waste delivered to the South transfer station by third parties.

F. All deliveries by Waste Management of Missouri, Inc. or third parties of non-City solid waste to the South Transfer Station shall be subject to all provisions of this Contract and the Lease applicable to Contractor's operation of the South Transfer Station and processing of City solid waste.

G. The amounts of the credits per month and per ton under this section shall be increased annually on the anniversary

of the Date of the Contract by a percentage equal to the percentage increase for the preceding calendar year in the *Consumer Price Index - All Urban Consumers for the Midwest Region* as published by the U.S. Bureau of Labor Statistics, or its successor agency.

14. Termination. The City reserves the right to cancel the Contract and will agree to pay all substantiated costs incurred to that time, but shall not be liable for lost profits to the Contractor or to any subsupplier or subcontractor. The City shall give the Contractor 360 days notice prior to such cancellation of the Contract. The City reserves the right to terminate the Contract with 30 days notice for reason of malfeasance or non-performance on the part of the Contractor.

14.01 Appropriations. Payments by the City under this Contract are subject to annual appropriations by ordinance. The City also reserves the right to terminate the Contract upon failure to appropriate funds, which failure shall cause no liability to the City.

14.02 Obligations upon Termination. Termination of this Agreement pursuant to this Section 11 shall not relieve either party of its obligations pursuant to this Contract and the Lease through the effective date of the termination.

15. Miscellaneous Obligations.

15.01 Compliance with All Laws. Contractor shall be responsible for compliance with all applicable codes and regulations of the City, the State, any other applicable state, and Federal agencies for operation and maintenance of the Transfer Facilities. Contractor shall, at its own expense, obtain and maintain all permits, licenses and approvals required to provide services and to fulfill any other obligations of Contractor under the Contract.

15.02 Employees, Suppliers and Contractors. All personnel employed by Contractor shall comply with acceptable standards of behavior and shall be subject to appropriate disciplinary action. The City reserves the right to approve Contractor's sub-suppliers or sub-contractors under the terms of the Contract, such approval not to be unreasonably withheld.

15.03 OSHA Training. Contractor shall provide its employees with OSHA training specific to the duties each performs and shall provide documentation of training upon request of the City during the term of the Contract.

15.04 Accident Prevention and Notification. Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the services and obligations required under the Contract. Precaution shall be exercised at all times for the protection of persons and property. The safety provisions of all applicable laws, regulations and building codes shall be observed, including safeguards on machinery and equipment, the elimination of hazards, and worker safety training. In the event of accidents of any kind which involve the general public and/or private or public property in the City, Contractor shall immediately notify the City.

15.05 Prevailing Wage and Fringe Benefits. Contractor hereby represents to the City as follows:

1. The Minimum Prevailing Wage to be paid by Contractor to its Service Employees, as such terms are defined in City Ordinance 62124, is equal or greater than the prevailing wage as set by statute.

2. The Minimum Prevailing Fringe Benefits to its Service Employees, as such terms are defined in City Ordinance 62124, are consistent with that ordinance.

3. Contractor will abide by the terms of City Ordinance 62124 and pay and provide to all Service Employees at least the Minimum Prevailing Wage and Minimum Prevailing Fringe Benefits as noted in this Section.

4. Contractor contemplates entering into subcontracts to furnish services and hereby warrants and represents that any service subcontract shall contain the following: a) provisions specifying the Minimum Prevailing Wage and Minimum Prevailing Fringe Benefits to be paid to the subcontractor's service employees; and b) a representation by the subcontractor to abide by the terms of City Ordinance 62124 and to pay and provide to all service employees the Minimum Prevailing Wage and the Minimum Prevailing Fringe Benefits as noted in the service subcontract.

5. Prior to the effective date hereof Contractor will provide and file a bond with the City Register pursuant to and in compliance with Section 12 hereof and the provisions of City Ordinance 62124.

15.06 Non-Discrimination Clause. Contractor agrees that in performing under this Contract neither it nor anyone under

its employ or control will permit any acts of discrimination against any employee, agent, contractor, or applicant for employment because of race, creed, color, religion, sex, age, national origin or ancestry or due to any other reason which violates the law.

15.07 Women and Minority Business Enterprise Participation. Contractor shall comply in all respects with the Mayor's Executive Order No. 28 and all subsequent City orders or ordinances pertaining to MBE/WBE utilization. Contractor shall comply with its MBE/WBE Utilization Statement and Plan as submitted in its Proposal in all aspects of providing services under the Contract.

15.08 Prohibited Interest Certification. Contractor certifies that no conflicts of interest exist at any time during the term of the Contract. Contractor shall update the Prohibited Interest Certification form from time to time at the request of the City in its sole discretion.

15.09 Interruption of Operations. If one of the Transfer Facilities is not operational during the term of this Contract for any reason other than the fault of the City and/or its agents and designees, Solid Wastes shall continue to be delivered by the City Vehicles to that Transfer Facility as herein provided. If one of the Transfer Facilities is not operational as a result of the fault of the City and/or its agents and designees, the City and/or its agents and designees shall deliver all of its Solid Waste to the other Transfer Facility. If both Transfer Facilities are not operational as a result of the fault of a party, the party at fault shall be responsible for reimbursing the other party for any increases in its costs resulting from the non-availability of the Transfer Facilities, including necessary repairs, provided such increases in costs are reasonable and the non-faulting party has used its best efforts to minimize the increase. Should one or both of the Transfer Facilities become non-operational for any reason, Contractor shall use its best efforts to insure that the non-operating Transfer Facility or Transfer Facilities will become operational as quickly as possible. For purposes of this Section 15.09, work stoppages shall not be deemed to render the Transfer Facilities non-operational. If neither Facility is operational as a result of circumstances beyond the parties' control, including, without limitation, acts of God, severe weather, flood, fire, earthquake, riot, and the like, each party shall be responsible for its own costs or losses. If during the term hereof Contractor becomes unable to or fails to perform its obligations hereunder with respect to operation of either or both of the Transfer Facilities or Milam or the provision of service to the City as herein provided, for any reason whatever, including but not limited to bankruptcy or cessation of business, then, in addition to all remedies available to it in law or equity, the City may, but need not, enter into and operate either or both of the Transfer Facilities or Milam to the extent necessary and appropriate, as determined by the City, to provide the City the services agreed to be provided by Contractor herein.

15.10 Reporting. Contractor shall submit provide information to the City and submit reports to the City as requested by the City, including but not limited to a monthly statement of services provided by Contractor under the Contract.

15.11 Contractor shall provide i) service for festivals and special events, ii) dead animal collection service and iii) services relating to household hazardous wastes, as specified in Exhibit 1 hereto, incorporated herein by this reference.

16. Performance Bond. Contractor agrees to furnish a bond or other instrument of security approved by the City in its sole discretion to the City in the principal amount of \$5,000,000 within thirty (30) days of the date of this Agreement. Such bond will guarantee the performance of Contractor's obligations as provided herein. The bond will be in a form agreeable to the City, shall be executed by a surety company approved by the City Comptroller's office, and will be kept in full force and effect during the term of this Agreement.

17. Indemnity and Insurance. Contractor shall indemnify and save harmless the City from all suits or actions brought against the City for or on account of, any injuries or damages received, sustained, or occasioned by or on account of negligent acts or omissions of Contractor, its servants, or agents incurred in performance of this Agreement. Contractor shall save harmless the City from payment of any and all claims or demands arising out of any infringement, alleged infringement, or use of any patent or patented device, article, system, arrangement, material, or process used by Contractor in the performance of this Agreement. Waste Management agrees to indemnify, defend and hold harmless the City from all liability (including attorneys fees) for removal or remedial actions under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended or comparable state law incurred as the result of the providing services under the Contract. Contractor shall carry, at its own expense, at least the following coverage:

- a) *Worker's Compensation* - Worker's Compensation Insurance as required by law;
- b) *Employer's Liability* - Employer's Liability Insurance with a minimum limit of \$1,000,000 each accident;
- c) *General Liability* - Comprehensive or Commercial General Liability Insurance written on an occurrence or claims made form, using an ISO form policy, including premises, operations, products/completed operations,

blanket contractual and personal injury liability, with limits of \$5,000,000 each occurrence, combined bodily injury and property damage;

- d) *Automobile* - Comprehensive (Business) Liability Insurance covering any owned, non-owned, and hired vehicles with limits of liability of \$5,000,000 each occurrence, combined bodily injury and property damage;
- e) *Environmental* - Environmental Impairment Liability Insurance with limits of \$5,000,000 covering sudden and gradual pollution at the Transfer Facilities and with limits of \$20,000,000 covering sudden and gradual pollution at the disposal facilities; and
- f) *Umbrella Liability* - Commercial Umbrella Liability Insurance (not “excess only” Umbrella Liability Insurance) with limits of \$10,000,000 each occurrence.

The City shall be named as an additional insured on all policies required by this Section. These minimum amounts of required insurance coverage shall not be construed to be the limit of liability.

18. Assignments. No assignment of this Agreement in whole or in part may be made without the express written consent of the City, and any assignment hereof made without such express written consent shall be void and of no effect whatever.

19. Notices. Except during the continuance of a known interruption of mail delivery service (in which event personal delivery or another means of delivery reasonably calculated to result in verifiable delivery shall be used) all notices, requests, demands and other communications required hereunder shall be deemed to have been duly given if the same shall be in writing and shall be delivered personally or sent by registered or certified mail, postage prepaid, and addressed as set forth below:

If to City:

Director of Streets
City of St. Louis
1900 Hampton Avenue
St. Louis, MO 63103

with a copy to:

City Comptroller
Room 212, City Hall
St. Louis, MO 63103; and

City Counselor
Room 314, City Hall
St. Louis, MO 63103.

If to Contractor:

Waste Management of Missouri, Inc.
7320 Hall St.
St. Louis, MO 63147

and

Midwest Area General Counsel
Waste Management Inc
720 E. Butterfield Road
Lombard, IL 60148

and

Waste Management of Illinois, Inc.
601 Madison Road

East St Louiis IL 62201

Any party hereto may change the address to which notices are to be addressed by giving the other party notice in the manner herein set forth.

20. Entire Agreement. This Agreement (a) comprises the entire understanding between the parties, (b) supersedes all prior agreements, (c) shall be governed by the laws of the State of Missouri, and (d) may not be amended except by agreement in writing.

21. Headings. The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

22. Severability. If any provision of this Agreement or any portion of such provision or the application thereof to any person or circumstance shall be held to be invalid or unenforceable or shall become a violation of a local, state or federal law, then the same as so applied shall no longer be a part of this Agreement, but the remainder of the Agreement and the application of the affected provisions to other persons and circumstances shall not be affected thereby and this Agreement as so modified shall continue in full force and effect unless the elimination of such provision materially adversely affects the consideration either party is to receive under this Agreement, and/or the ability of either party to perform its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

THE CITY OF ST. LOUIS

ATTEST: _____
City Register

James W. Suelmann
Director of Streets

Darlene Green
Comptroller

APPROVED AS TO FORM:

City Counselor

WASTE MANAGEMENT OF MISSOURI, INC.

By: _____

Name: _____

Title: _____

WASTE MANAGEMENT OF ILLINOIS, INC.

By: _____

Name: _____

Title: _____

ATTEST: _____

Name: _____

Title: _____

WASTE MANAGEMENT, INC. (As Guarantor of the Contractual Obligations of Waste Management of Missouri, Inc., and of Waste Management of Illinois, Inc. hereunder)

By: _____

Exhibit 1

See Exhibit 1 on file in the Register's Office.

LEASE AGREEMENT
BETWEEN
THE CITY OF ST. LOUIS, MISSOURI
AND
WASTE MANAGEMENT OF MISSOURI, INC. DATED
_____, 2002

This LEASE AGREEMENT ("Lease"), made and entered into this ____ day of _____, 2002, by and between the City of St. Louis, Missouri, a municipal corporation ("City") and Waste Management of Missouri, Inc., a Delaware corporation ("Lessee") WITNESSETH:

WHEREAS, the City has simultaneously with the execution of this Lease entered into an Agreement (the "Contract") with Lessee and Waste Management of Illinois, Inc. (collectively, "Contractor") for the provision of waste management services for an initial ten-year term commencing July 1, 2002 ("Contract") and providing for two five year renewal terms thereof, unless the City elects against such renewals; and

WHEREAS, it is necessary for the City to have two Transfer Facilities to provide for the City's waste management services, with one located north of Interstate 44 (North Transfer Facility) and the other located south of Interstate 44 (South Transfer Facility); and

WHEREAS, the City owns the South Refuse Station Facility Site, more particularly described below, which has been used as a transfer facility for solid wastes collected from the southern portion of the City; and

WHEREAS, the City and Lessee desire to enter into a lease for a portion of the South Refuse Station Facility Site for use as the South Transfer Facility to which the City may deliver solid wastes collected from its southern portions, and from which Contractor may manage or dispose of such waste in accordance with the Contract and any renewal terms thereof.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter expressed, the City, for itself, its successors, and assigns, and Lessee, for itself, its successors and assigns, agree as follows:

1. Lease of South Refuse Station Facility Site. The City hereby leases to Lessee the leased premises depicted on the drawing attached hereto as Exhibit A and made a part hereof by this reference (the "Leased Premises") on which is located the building known as the "South Transfer Station." The Leased Premises are at 4120 South First Street in the City of St. Louis, Missouri.

Lessee agrees to accept the Leased Premises in the condition in which it now exists, and the City shall have no obligation to perform any grading, reclamation or other work of any type at the Leased Premises. Lessee agrees to expend its own funds for any needed design and construction of modification or renovation of the South Transfer Station including the scale and scale house, and for any other necessary modification and renovation. The plans and specifications for all modifications and renovations of the Leased Premises made during the initial and renewal terms of this Lease must be approved by the City's Board of Public Service.

2. Maintenance and Utilities. Lessee, throughout the initial term and any renewal terms of the Lease, shall be responsible for all security, maintenance and utilities pertaining to the Leased Premises and shall keep the Leased Premises secure, clean, and in good repair.

3. Term of Lease. The initial term of this Lease shall be for one hundred twenty (120) months commencing July 1, 2002 and ending June 30, 2012. Unless the initial term of the Lease or any renewal term shall be cancelled or terminated pursuant to Section 9 of this Lease, the term of this Lease shall be automatically renewed and continued for two five-year consecutive renewal terms, unless the City notifies Lessee not less than 180 days prior to the expiration of the initial term or any renewal term that this Lease

shall not be renewed.

4. Rent. Lessee shall pay the City a rent of \$1.00 per year for the use of the Leased Premises, payable on July 1 of each year during the term or extended term of the Lease.

5. Uses of Leased Premises. Lessee shall use and operate the Leased Premises for operation of the South Transfer Facility for the transfer of Solid Wastes and solely for the purposes indicated in the Contract, in compliance with the terms and conditions of the Contract, and in accordance with all applicable laws and regulations of the United States, the State of Missouri, and the City. The delivery of any Hazardous Waste, Toxic Waste, or Special Waste by Waste Management to the South Transfer Facility is prohibited. The City warrants and represents that the zoning of the Leased Premises currently permits the use contemplated herein and that it is not aware of any pending changes or amendments to such zoning which will affect the use of the Leased Premises.

6. Indemnity and Insurance. Lessee hereby agrees to hold the City harmless and indemnify the City from all and any claims, demands, actions, causes of action or judgments against the City for personal injuries or damages to property occasioned by or on account of negligent acts or omissions of Lessee, its servants, or agents, arising out of or resulting from Lessee's use of the Leased Premises or from any condition of the Leased Premises resulting from Lessee's operations thereon, including reimbursement of all costs expended by the City in the defense of any such claims, demands, actions, causes of actions, or judgments. Lessee agrees to indemnify, defend and hold harmless the City from all liability (including attorneys fees) for removal or remedial actions under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended or comparable state law incurred as the result of the providing services under the Contract. Lessee hereby agrees to file with the Comptroller evidence of insurance naming the City as a party insured as required by the Contract.

7. Non-Discrimination Clause. Lessee agrees that in performing its obligations and conducting its operations under this Lease neither it nor anyone under its employ or control will permit any acts of discrimination against any employee, agent, contractor, or applicant for employment because of race, creed, color, religion, sex, age, national origin, ancestry or due to any other reason not sanctioned by law.

8. Assignment and Sublease. This Lease shall not be assignable by Lessee, nor shall Lessee have the right to sublease the whole or any part of the Leased Premises, unless the City shall grant its written consent prior to the assignment or sublease.

9. Termination. The City reserves the right to cancel the Lease and shall give the Lessee 360 days notice prior to cancellation of the Lease; provided, however, that the Lease shall automatically terminate upon termination or cancellation of the Contract. The City reserves the right to terminate the Lease with 30 days notice for reason of any default or failure to observe, keep or perform any terms of this Lease by Lessee. In the event that the City cancels or terminates, Waste Lessee shall surrender the possession of the Leased Premises within thirty (30) days of the cancellation or termination date of the Lease. Upon cancellation or termination of the Lease, the ownership of the scale and scale house and other equipment and facilities of the Leased Premises shall remain with the City.

10. No Constructive Waiver. No waiver of any forfeiture, by acceptance of rent or otherwise, shall waive any subsequent cause of forfeiture, or breach of condition of this Lease; nor shall any consent by the City to any assignment or subletting of the Leased Premises, or any part thereof, be held to waive or release any assignee or sublessee from any of the foregoing conditions or covenants as against it; but every such assignee and sublessee shall be expressly subject thereto.

11. Notices. Except during the continuance of a known interruption of service in the method of delivery used, any notices or communications required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the following address or such other address of which notice has been given:

If to City:

Director of Streets
City of St. Louis
1900 Hampton Avenue
St. Louis, MO 63103

with a copy to:

City Comptroller
Room 212, City Hall
St. Louis, MO 63103;

and

City Counselor
Room 314, City Hall
St. Louis, MO 63103

If to Contractor:

Waste Management of Missouri, Inc
201 Humboldt St.
St. Louis, MO 63147

and

Midwest Area General Counsel
Waste Management, Inc.
720 E. Butterfield Road
Lombard, IL 60148

Notice shall be deemed given when mailed or otherwise delivered in accordance with the terms of this paragraph.

Changes in the respective addresses to which such notices may be directed may be made from time to time by any party by written notice to the other party.

12. Entirety Clause. This Lease and the Contract both executed the day and year first above written, constitute the entire agreement between the parties and all other agreements or understanding, oral or written, are of no force or effect. Any amendments to this Lease must be in writing and signed by both parties.

13. Governing Law. This Lease and any questions concerning its validity, construction, or performance shall be governed by the laws of the State of Missouri.

14. Headings. Captions and headings in this Lease are for ease of reference only and do not constitute a part of this Lease.

15. Definitions. Unless otherwise specifically stated, the terms defined in Section 1 of the Contract shall have the same meaning when used herein.

16. Taxes. The City represents and warrants that the Leased Premises is not now assessed nor subject to property taxes or taxes determined by real property assessment.

17. Title to Site and Quiet Enjoyment. The title to the Leased Premises from the date hereof until the termination of this Lease shall be owned in fee simple title by the City. Subject to the provisions of this Lease, the City covenants that Lessee, upon performing its covenants and other obligations hereunder, shall have quiet and peaceful possession of the Leased Premises.

18. Prevailing Wages and Fringe Benefits. Lessee is leasing the Leased Premises to permit Contractor to perform services to the City under the Contract of even date herewith. For purposes of Section Three of Ordinance 62124, reference is made to such Contract. Lessee Management hereby warrants and represents that it will not enter into any service contract with any third party that has been debarred in accordance with the provisions of Ordinance 62124 or managed, controlled or more than 50% owned by a person or entity so owned.

IN WITNESS WHEREOF, the parties have executed this Lease at St. Louis, Missouri on the day and year first above written.

THE CITY OF ST. LOUIS

WASTE MANAGEMENT OF MISSOURI, INC.

Darlene Green,
Comptroller

By: _____

James W. Suelmann,
Director of Streets

Waste Management, Inc., a Delaware Corporation (As Guarantor of the Contractual Obligations of Waste Management of Missouri, Inc., hereunder)

APPROVED AS TO FORM:

By: _____

Patricia A. Hageman
City Counselor

ATTEST: _____
Parrie L. May
City Register

Approved: August 5, 2002