

COPY

PAYMENT BOND

Date bond executed: April 4, 2012
Effective Date: April 10, 2012
Principal: Waste Management of Washington, Inc.
10015 S. W. Barney White Road
Bremerton, Washington 98312
Type of Organization: Corporation
State of Incorporation: Delaware
Surety(ies): Western Surety Company
P.O. Box 5077
Sioux Falls, SD 57117-5077

RECEIVED
APR 13 2012
DEPARTMENT OF ECOLOGY

Facility Name and address:

Olympic View Sanitary Landfill
10015 S. W. Barney White Road
Bremerton, Washington 98312

Total penal sum of post-closure guarantee: \$11,262,563.00

Total penal sum of bond: \$11,262,563.00

Surety's bond number: 58691325

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto are firmly bound to Kitsap Public Health District, in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, said Principal is required to have a permit in order to own or operate the solid waste management facility identified above.

Whereas, said Principal is required to perform post-closure care as a condition of the permit.

Whereas, said Principal is required to provide the Obligee with proof of financial responsibility ensuring that the post-closure requirements will be complied with by the Principle and any successor in interest.

Whereas, this bond is written to provide proof of financial responsibility, to ensure compliance with the post-closure requirements, and shall insure to the benefit of the Obligee.

Whereas said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

Now, therefore, if the Principal shall provide alternate financial assurance and obtain the Kitsap Public Health District director's written approval of such assurance, within 90 days after the date notice of cancellation is received by both the Principal and the Kitsap Public Health District executive director from the Surety(ies), then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principle has failed to fulfill the conditions described above.

Upon notification by the Kitsap Public Health District Director or their designee that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall either perform in accordance with the post-closure plan or place the post-closure amount guaranteed for the facility(ies) into the standby trust fund as directed by the Kitsap Public Health District director or their designee.

Upon notification by the Kitsap Public Health District Director or their designee that the Principle has failed to provide alternate financial assurance and obtain written approval of such assurance from the Kitsap Public Health District Director or their designee during the 90 days following receipt by both the Principle and Kitsap Public Health District of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund as directed by the Kitsap Public Health District Director or their designee.

The Surety(ies) hereby waive(s) notification of amendments to post-closure plans, permits, applicable laws, statues, rules and regulations and agrees that no such amendment shall in any way alleviate its(their) obligation to this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the Kitsap Public Health District Director or their designee, provided however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the Kitsap Public Health District Director or their designee, as evidenced by return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Kitsap Public Health District Director or their designee.

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new post-closure amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the Kitsap Public Health District director or their designee.

In Witness Whereof, the Principal and Surety(ies) have executed this Payment Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal: Waste Management of Washington, Inc.

(Signature(s)) Donna L. Meals

(Name(s)) Donna L. Meals, Authorized Representative

(Title(s)) Donna L. Meals, Authorized Representative

(Corporate seal)

Corporate Surety(ies): Western Surety Company

State of Incorporation: South Dakota

Liability limit: \$11,262,563.00

Jennifer Copeland

Jennifer Copeland, Attorney-in-Fact

(Corporate Seal)

(For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.)

Bond premium: \$78,838.00

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Lupe Tyler, Lisa Ward, Wendy W Stuckey, Michael J Herrod, Margaret Buboltz, U Theresa Gardner, Roger Smiddy, Nancy A Thomas, Jennifer Copeland, Donna Williams, Individually

of Houston, TX, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 7th day of March, 2012.



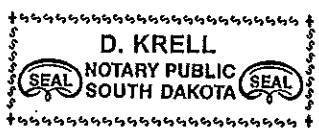
WESTERN SURETY COMPANY

Paul T. Bruflat
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 7th day of March, 2012, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
November 30, 2012



D. Krell
D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 4th day of April, 2012.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

STANDBY TRUST AGREEMENT

Trust Agreement, the "Agreement," entered into as of April 10, 2012 by and between Waste Management of Washington, Inc. , a Delaware corporation, the "Grantor, and "JPMorgan Chase Bank, National Association, a national bank, the "Trustee."

Whereas, Kitsap Public Health District, (hereinafter called LJHD), has established certain regulations applicable to the Grantor, requiring that an owner or operator of a solid waste management facility shall provide assurance that funds will be available when needed for post-closure care of the facility,

Whereas, the Grantor has elected to establish a standby trust into which the proceeds from a bond may be deposited to assure all or part of such financial responsibility for post-closure care of the facility identified herein.

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee,

Now, therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.

(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facilities and Cost Estimates. This Agreement pertains to the facilities and cost estimates identified on attached Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund, the "Fund," for the benefit of LJHD .The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the payments from [name the insurance policy] deposited into the fund. Such payments and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by LJHD.

Section 4. Payment for Closure and Post-Closure Care. The Trustee shall make payments from the Fund as the LJHD Director or their designee shall direct, in writing, to provide for the payment of the costs of closure and/or post-closure care of the facilities covered by this Agreement. The Trustee shall

reimburse the Grantor or other persons as specified by the LJHD Director or their designee from the Fund for closure and post-closure expenditures in such amounts as the LJHD Director or designee shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the LJHD Director or their designee specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. *Payments Comprising the Fund.* Payments made to the Trustee for the Fund shall consist of payments from the bond claimed by the Trustee in accordance with the requirements of Kitsap County Board of Health Ordinance 2010-1, RCW 70.95.215, and WAC 173-304.

Section 6. *Trustee Management.* The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; *except that:*

(i) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. *Commingling and Investment.* The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. *Express Powers of Trustee.* Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the LJHD Director or their designee a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the LJHD Director or their designee shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the LJHD Director or their designee, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the LJHD to the Trustee shall be in writing, signed by the LJHD Director or their designee in which state the facilities are located, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or LJHD hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or LJHD, except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the LJHD Director or their designee, or by the Trustee and the LJHD Director or their designee if the Grantor ceases to exist.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the LJHD Director or their designee or by the Trustee and the LJHD, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

The LJHD Director or their designee will agree to termination of the Trust when the owner or operator substitutes alternative financial assurance acceptable to the LJHD.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the LJHD Director or their designee issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 18. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Washington.

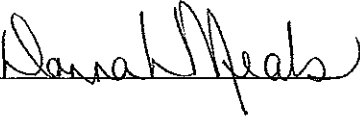
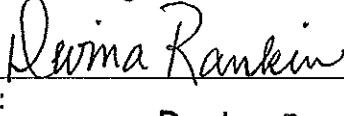
Section 19. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written:

Attest:

GRANTOR:

Waste Management of Washington, Inc.


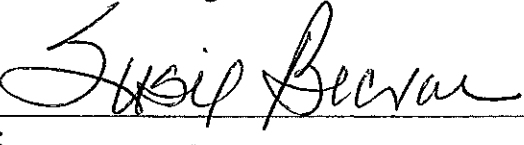
By:

Devina Rankin
Assistant Treasurer

Seal:

Attest:

TRUSTEE: JPMorgan Chase Bank, National Association

By:

SUSIE BECVAR
ASSISTANT VICE PRESIDENT & TRUST OFFICER

Seal

CERTIFICATE OF ACKNOWLEDGMENT

State of Texas

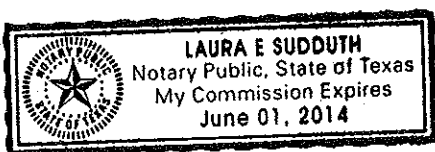
SS:

County of Harris

Before me, the undersigned authority, on this personally appeared Devina Rankin known to me to be the person whose name is subscribed to the foregoing instrument as Assistant Treasurer of Waste Management of Washington, Inc., and acknowledge to me that she executed the same for purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of this 5th day of April 2012.

Seal



Laura E. Sudduth

Notary Public in and for
The State of Texas

My Commission expires: June 1, 2014

**Trust Agreement Between
Waste Management of Washington, Inc. as Grantor
And JPMorgan Chase Bank, National Association, as Trustee**

SCHEDULE A

Facility: Olympic View Sanitary Landfill
10015 S.W. Barney White Road
Bremerton, Washington, 98312

Post-Closure: \$11,262,563.00

Total Bond: \$11,262,563.00

SCHEDULE B

This Agreement is intended to serve as a Standby Trust Agreement and as such does not consist of any cash or securities at this time.

Facility: Olympic View Sanitary Landfill
 10015 S.W. Barney White Road
 Bremerton, WA, 98312

Surety Bond No.: 58691325

Issued By: Western Surety Company
 P.O. Box 5077
 Sioux Falls, SD 57117-5077

EXHIBIT A

Authorized signers of Waste Management of Washington, Inc., trust fund at JPMorgan Chase Bank.

Authorized Person

Position

Cherie C. Rice

Vice President and Treasurer

Devina Rankin

Assistant Treasurer

Donna L. Meals

Authorized Representative