

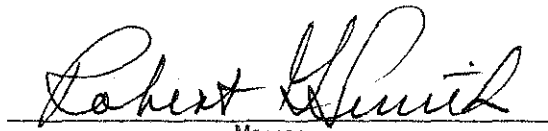
A RESOLUTION AUTHORIZING THE MAYOR
AND RECORDER TO EXECUTE AMENDMENT #1
TO AGREEMENT WITH OMI FOR OPERATION
OF CITY'S WASTEWATER TREATMENT PLANT.

RESOLUTION NO. 1
for 1983

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LEBANON AS FOLLOWS:

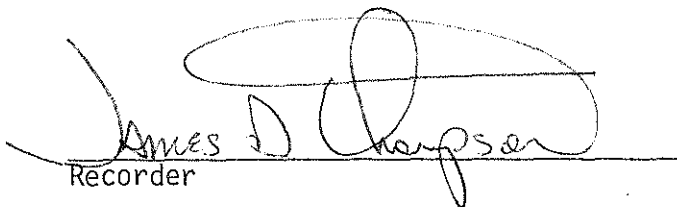
Section 1. That the Mayor and Recorder of the City of Lebanon are hereby authorized and directed to execute Amendment #1 to the Agreement between the City of Lebanon and OMI (Operations Management International) to operate the City's Wastewater Treatment Plant. A copy of said Amendment is attached hereto and made a part hereof.

Passed by the Council by a vote of 6 for and 0 against and approved by the Mayor this 23rd day of February, 1983.



Mayor

ATTEST:



Recorder

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this 15th day of February, 1983, by and between the Owner and OMI. This is Amendment No. 1 to the Agreement dated the 18th day of June, 1982, between the above named parties for the provision by OMI of Operation and Management Services to the Owner for its Treatment Plant.

NOW, THEREFORE, the parties do mutually agree per Article 11 of the Agreement to replace Sections 5.3; 6.1; and 6.3 with the negotiated terms as follows:

5.3 OMI will bear the Cost of Equipment, Vehicle and Facilities Repair during the term of this Agreement, provided the aggregate amount OMI shall be required to pay does not exceed Fourteen Thousand Dollars (\$14,000), during the second year of the Agreement.

Owner will be provided with an accounting of Equipment, Vehicle and Facilities Repair expenditures and will be promptly informed when such expenditures exceed Eleven Thousand Two Hundred Dollars (\$11,200) per year. OMI will provide a detailed invoice of Equipment, Vehicle and Facilities Repair expenditures over the Fourteen Thousand Dollars (\$14,000) limit to Owner for reimbursement. Owner will pay said invoice in accordance with Section 7.3.

Items defined as Capital Expenditures are not included within the Scope of Services of this Agreement and will be

subject to approval and funding by Owner. OMI has the right to make reasonable emergency Capital Expenditures if such expenditures are necessary to continue operation of the Treatment Plant in order to provide for public safety and environmental protection. Notwithstanding the above, OMI will make best efforts to secure permission from Duly Authorized Representative of Owner to make such expenditures. Owner will reimburse OMI for these emergency Capital Expenditures in accordance with Section 7.3.

- 6.1 Owner shall pay to OMI as compensation for services performed in accordance with the provisions of Article 5 herein, except for those additional amounts provided for in Article 5, the Base Fee of Three Hundred Fifty Thousand and Four Dollars (\$350,004) annually for each year during the term of this Agreement, with adjustments as hereinafter specified. The Annual Base Fee shall be paid in twelve (12) equal monthly installments. Owner will pay in accordance with Section 7.1.

- 6.3 Owner will pay as additional compensation to OMI, extraordinary increases in electricity and fuel costs. The additional compensation will be calculated based upon the actual consumption of electricity or fuel and will reflect OMI's actual Costs. Such Costs may be invoiced quarterly. Owner will pay in accordance with Section 7.3. For the second year of this Agreement an extraordinary increase will be any accumulated increase over ten percent (10%) from the rate increase effective October 27, 1982. This percent will be renegotiated annually in accordance with Section 11.

All other terms and conditions remain in effect in accordance with the Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first above written.

OPERATIONS MANAGEMENT
INTERNATIONAL, INC.
DBA OMI, Inc. of Oregon

CITY OF LEBANON, OREGON

By: Michael M. Stark
President

By: Robert G. Smith
Mayor

By: James D. Chapman
Administrator/Recorder

Date: February 15, 1983

Date: February 23, 1983