

TAB ONE

SECTION FROM TDS MASTER CONTRACT

DATED MAY 12, 2000

days of initiation of the arbitration process, the arbitrator shall be selected by the Travis County Dispute Resolution Center (DRC) or a similar agency. The parties agree to schedule and participate in an arbitration hearing in good faith within 30 calendar days from the initiation of the arbitration process. City and TDS will share the costs of arbitration equally.

29. Insurance.

Insurance shall be provided as specified in Exhibit B incorporated herein. A certificate of insurance shall be provided to City no later than five days after execution of the Contract.

30. Jurisdiction and Venue.

The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of City to seek and secure injunctive relief from any competent authority as contemplated herein.

31. Invalidity.

The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

32. Negotiations.

- A. It is the intent of TDS and City to negotiate upon mutual consent an agreement and to work together in good faith to locate, design, build, operate and jointly access a North Austin Transfer Station for processing and transferring solid waste, yard waste and recyclables, and/or a recyclables materials processing and recovery facility, to reduce the overall collection, processing and disposal costs for City solid waste, yard waste and recyclables, as contemplated in the City's Solicitation and in TDS's Offer. **In addition to the above, TDS and City reserve the option to amend this Contract upon mutual consent to (i) allow TDS and/or its**

affiliated companies to operate a glass pulverizing facility; and (ii) allow TDS to provide composting services.

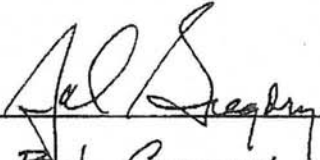
- B. TDS and/or its affiliated companies, Texas Disposal Systems, Inc. and Texas Landfill Management, L.L.C., shall also have the option to ship the same recyclable materials collected by the companies to a City owned materials recovery facility that are regularly processed by that facility. In such event, TDS and its affiliated companies shall reimburse City for its actual direct cost to process their recyclables plus a seven percent (7%) processing fee. City shall pay to TDS and its affiliated companies the net value received (revenue received less any shipping charge) from the sale of materials delivered to City.

IN WITNESS WHEREOF, City and TDS have executed this Contract in multiple originals as of the date first written above.

TEXAS DISPOSAL SYSTEMS  
LANDFILL, INC.

CITY OF AUSTIN:

Signature:



Name:

Bob Gregory

Title:

CEO/Chairman

Date:

May 12, 2000

Signature:



Name:

EDDIE CLARK

Title:

DEPUTY PURCHASING OFFICER

Date:

MAY 12, 2000