

SOLID WASTE FRANCHISE AGREEMENT
BETWEEN LYON COUNTY, NEVADA
AND
WASTE MANAGEMENT OF NEVADA, INC.,
D/B/A FERNLEY DISPOSAL

This Solid Waste Franchise Agreement ("Franchise Agreement" or this "Agreement") is entered into as of the Effective Date, as defined below, by and between Lyon County, Nevada, a political subdivision of the State of Nevada, ("Franchisor" or "County") and Waste Management of Nevada, Inc., a Nevada corporation, d/b/a Fernley Disposal ("Franchisee" or "Contractor"), for the collection, transportation, and disposal of Solid Waste. Franchisor and Franchisee may be referred to herein collectively as the "Parties" or individually as a "Party."

R E C I T A L S

WHEREAS, Franchisor and Franchisee are mindful of the provisions of the laws governing the safe collection, transport, recycling and disposal of Solid Waste;

WHEREAS, NRS 244.187 authorizes Lyon County to provide by franchise for Solid Waste collection and disposal services within the limits of Lyon County and without the limits of the incorporated cities therein; and

WHEREAS, Franchisee has represented and warranted to Franchisor that it has the experience, responsibility, and qualifications to provide residents in the franchise area collection and safe transport to disposal facilities of municipal Solid Waste; and

WHEREAS, Lyon County and Fernley Disposal, Inc. are currently parties to that certain Franchise Agreement dated January 5, 1989, as amended, which Franchise Agreement has been extended and is set to expire on March 31, 2009 (the "Prior Franchise Agreement"); and

WHEREAS, it is the Parties intent and desire that this Agreement take effect upon the expiration of the Prior Franchise Agreement, and shall supersede and replace the Prior Franchise Agreement, upon the terms set forth herein.

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the Parties mutually agree to the following terms and conditions.

1. Definitions.

"**Adjustment Date**" means April 1, 2010 and the date which occurs annually on each anniversary of the Adjustment Date thereafter.

"**Approved Landfill**" means a site holding a valid permit to permanently deposit municipal Solid Waste in accordance with all applicable laws and regulations of the United States, the State of Nevada, the Nevada Environmental Commission and any other agency with lawful jurisdiction.

"**Brush**" means plants or grass clippings, leaves or tree trimmings.

“Bulky Wastes” means stoves, refrigerators which have CFC’s removed by a certified technician, water tanks, washing machines, all other household appliances, furniture, loose brush and other materials that do not exceed 50 lbs., and other Waste materials other than construction debris, dead animals, or stable matter with weights or volumes greater than those allowed for containers.

“Bundle” means tree, shrub and brush trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding four (4) feet in length, or 50 lbs. in weight.

“Cart” means Franchisee-owned wheeled cart that is a plastic container with 64 or 96 gallons of capacity; designed for and used with a hydraulic lifting mechanism; weighing not over 80 pounds per 64 gallon capacity and 180 pounds per 96 gallon capacity when full; fitted with a sturdy handle and a cover; be rodent and insect resistant; and be capable of holding collected liquids without spilling when in an upright position.

“Commercial and Industrial Waste” (“C&I Waste”) means Waste collection from business establishments, public buildings or places, and buildings of a commercial nature containing dwelling units or living accommodations of a temporary or transient nature, including, but not limited to motels, hotels, boarding houses and rooming houses, as well as Waste generated by persons living in an apartment house, mobile home park, recreational vehicle park, or campground, of three (3) or more units, and any Waste generated by not-for-profit associations or corporations.

“Construction and Demolition Waste” (“C& D Waste”) as used in this Agreement shall mean Solid Waste of non-putrescible material, generated from the demolition, construction, or remodel of building structures. Waste containing putrescible material or garbage is not considered to be Construction and Demolition Waste and requires the mixture to be collected as Garbage pursuant to all applicable regulations and provisions of any franchise agreement in force.

“Construction and Demolition Waste Collection” means collection and removal of Construction and Demolition Waste from residential, commercial, institutional and industrial premises at such frequency as shall be reasonably requested by the owner or agent.

“County” means Lyon County, Nevada, a political subdivision of the State of Nevada.

“Effective Date” means April 1, 2009.

“Franchise Area” means the unincorporated areas of the County, including, but not limited to the areas commonly referred to as the communities of Silver City, Moundhouse, Dayton, Eldorado Lakes, Dayton Valley, Mark Twain, Stagecoach, Silver Springs, Wabuska, Mason, Mason Valley, Smith, Wellington, and Smith Valley. “Franchise Area” shall not include the cities of Fernley and Yerington.

“Garbage” means:

A. Putrescible animal and vegetable waste resulting from the handling, storage, preparation, cooking, and sale and serving of food and beverage.

This includes, but is not limited to:

1. Offal, swill, kitchen and table waste, and other organic animal and vegetable waste;
2. Bottles, cans, cups, plates, utensils, containers, and/or covering of any construction or material that has been in intimate contact with food, confection and/or beverage;

3. Any component used in the preparation or manufacture of matter intended for animal or human consumption; and
4. Such matter and/or materials listed in (1) through (3) above that have been discarded without first being sanitized.

B. Infectious Waste.

The mixing, addition or commingling of garbage with rubbish, trash, or other waste matter, renders the entire resulting mixture as garbage and requires the mixture to be handled as garbage.

“Hazardous Waste” shall have the meaning set out in NRS 459.430.

“Gross Collection Receipts” means any and all revenue or compensation actually collected by Franchisee from customers under this Agreement for the exclusive collection, transportation, and disposal of Solid Waste within the Franchise Area, net of Franchise Fees. The term Gross Collection Receipts, for purposes of this Agreement, shall not include any: a) County, or other federal, state, or local taxes or surcharges; b) any customer late fees, NSF charges, interest, or reactivation charges; or c) any revenues generated from the sale of recyclables or any recycling rebates received from the State.

“Putrescible Waste” means Waste that is capable of decaying, rotting or becoming putrid.

“Recyclable Material” has the meaning ascribed to it in NRS 444A.013 and means Solid Waste that can be processed and returned to the economic mainstream in the form of raw materials or products, as determined by regulations adopted by the State Environmental Commission

“Refuse” refers generally to all forms of discarded Solid Waste, including Garbage, Rubbish, and Waste matter.

“Residential Waste” means any Solid Waste or other Waste generated by a person, persons, or a family residing in a single family or duplex residence, but not including any Solid Waste or other Waste generated by a person, persons, or a family residing in a single unit of any apartment building or other residential complex of three (3) or more units.

“Solid Waste” has the meaning ascribed to it in NRS.444.490 which includes all putrescible and non-putrescible refuse in solid or semi-solid form, including, but not limited to, Garbage, rubbish, junk, vehicles, ashes or incinerator residue, street refuse, dead animals, demolition waste, construction waste, solid or semisolid commercial and industrial waste. The term does not include “hazardous” waste as the term is defined by NRS 459.400 to 459.600, inclusive.

“Transfer Station” means a facility and/or building structure for the temporary collection, consolidation and compaction of Solid Waste so that an economical method of transportation of Solid Waste to an Approved Landfill is utilized.

“Waste” means any unwanted or discarded material resulting from any activity, including but not limited to Solid Waste and Recyclable Materials.

2. **Exclusive Right; Exclusion; Enforcement.** The Franchisor does hereby grant to Franchisee the exclusive duty, right, and privilege to collect, transfer and dispose or otherwise handle all Solid Waste and other Waste materials generated, deposited, accumulated, or otherwise coming to exist in the

Franchise Area. All residential premises, multifamily complexes, and commercial and industrial businesses within the Franchise Area shall be required by Franchisor to utilize the Solid Waste collection services of Franchisee provided hereunder. For purposes of clarification, loads of industrial/commercial dry waste (i.e. non-putrescible) material shall be subject to Franchisee's exclusive rights under this Agreement.

2.1 Exclusions.

A. Notwithstanding the above, nothing in this Agreement shall prevent any person or business entity from personally self-handling, self-hauling, or self-transporting Solid Waste generated by or from his/her own residence or business operations for purposes of disposing of the same at an authorized disposal area or transfer station, provided the Solid Waste being transported is contained or covered to prevent spillage onto streets or highways, and waste material generated from yard clean up services, tree trimming, gardening, landscaping, and the like, where the collection and hauling of Refuse is incidental to the labor necessary to provide the service. This exclusion shall not apply to Solid Waste that is transported by persons or businesses, or by their employees or agents, who own, lease, control, operate, or manage vehicles or containers used for the purpose of transporting Solid Waste for collection or disposal, or both, for compensation.

B. It is understood that the right and privilege of collecting, removing, transporting and disposing or otherwise handling Construction and Demolition Waste ("C & D Waste"), generated, deposited and accumulated from residential units and commercial and industrial establishments within the unincorporated County shall be non-exclusive. Others may also enter into non-exclusive franchise agreements with Lyon County to collect, remove, transport and dispose or otherwise handle Construction and Demolition Waste ("C & D Waste"), provided such parties obtain all necessary County permits and licenses, and comply with all applicable laws and regulations. For purposes of clarification, Waste containing any amount of putrescible material or garbage is not considered to be C&D Waste and requires that the mixture be collected as Solid Waste exclusively by Franchisee. Franchisee shall not be responsible for paying any franchise fees on the collection of C&D Waste, unless such franchise fees are also applied to the collection of such C&D Waste by third parties.

2.2 Title To The Solid Waste Stream. The title to all of the Solid Waste stream and other Waste materials (excluding Hazardous Wastes) and the property rights associated therewith for the collection and disposal of Solid Waste and other Waste materials under this Agreement shall be the sole property of Franchisee. For purposes of this Agreement, the transfer of title occurs at the time that Solid Waste and other Waste is deposited by residential customers in containers and left at the curb for collection by Franchisee or is deposited by commercial customers in dumpsters or equivalent containers and left for collection by Franchisee. The title to Recyclable Materials transfers to Franchisee at the time such materials are placed into containers at the Transfer Station.

2.3 Enforcement. To the extent permitted by law, the County and/or Franchisee shall prohibit any person from providing the same or similar service for the collection, hauling and disposing of Solid Waste and other Waste materials within the County that is in violation of the terms of this exclusive Franchise Agreement. The County shall use good faith efforts to protect and enforce the exclusive rights of Franchisee through appropriate ordinances and reasonable enforcement of those ordinances against third party violators. If, at the request of Franchisee, the Franchisor takes administrative, law enforcement, or other legal action against any person who infringes on the Franchisee's exclusive rights, Franchisee must reimburse Franchisor for its reasonable legal costs related to such action. Franchisee may independently enforce the exclusivity provisions of this Agreement against third party violators,

including but not limited to seeking injunctive relief, and the Franchisor shall use good faith efforts to cooperate in such enforcement actions brought by Franchisee.

3. Term of Agreement. The initial term of this Agreement shall be ten (10) years, commencing on the Effective Date and, unless sooner terminated in accordance with the provisions of this Agreement, expiring on the same day ten (10) years later. The Franchisee and the County shall have the right to extend the term of this Agreement for an additional five (5) years, by mutual agreement, by providing written notice of their intent to exercise the extension option not later than the ninth anniversary of the Effective Date. Thereafter, at the mutual option of the Parties, this Agreement shall be renewable for successive periods of five (5) years, by providing notice of renewal not later than eighteen months prior to the expiration of the then existing term.

4. Franchisee Services.

4.1 Collection Services. Franchisee shall furnish all labor, supervision, materials, supplies, equipment, and all other items required to collect and dispose of all Solid Waste and other Waste materials generated or accumulated from residential premises, multifamily complexes, and commercial and industrial businesses within the Franchise Area. The work to be done by Franchisee as set forth in this Agreement shall be accomplished in a professional manner so that the residents within the Franchise Area are provided reliable, courteous, and high-quality collection of Solid Waste. Collection routes shall be established by the Franchisee. Contractor shall provide all services as set forth in this Agreement and/or as included in the Service Rate Schedule attached hereto as Exhibit A.

4.2 Collection Frequency and Method. Franchisee shall collect Solid Waste from residences on a weekly basis. Franchisee shall collect Solid Waste from multifamily, commercial, and industrial accounts on a weekly basis or more frequently as desired by the customer. All residential collections shall be properly set out for collection, on the appropriate day, and by the appropriate time established by Franchisee for collection.

4.3 Collection Hours; Holidays. Franchisee shall perform collection services within residential areas only between 6:00 a.m. and 6:00 p.m., Monday through Friday and between 7:00 a.m. and 6:00 p.m. Saturday except holidays; provided that the Parties may otherwise agree with respect to permitted times on holidays. No collection shall be made on Sundays. In the event Franchisee, at it's sole discretion, elects not to provide service on a holiday, Franchisee shall be responsible for providing make up collection for residential routes on the next business day following the holiday.

4.4 Residential Service. Collection at residential premises served by the Franchisee shall be a minimum of once weekly. The rates for residential collection shall include, at a minimum, a regular rate and a senior rate. The regular residential collection rate shall include the collection of approximately ninety-six (96) gallons of Solid Waste, and an additional approximately one cubic yard of Refuse and Waste matter that may be placed in boxes, bundles, disposal plastic bags, or other suitable containers that meet the limitations specified in the definition of Bulky Waste, which is equivalent to six (6) thirty-two (32) gallon cans, bags, boxes or bundles. Each item shall not exceed fifty (50) pounds in weight or four (4) feet in length. Each residential customer shall be provided the opportunity to receive a 96-gallon cart by Franchisee, or may request a smaller, 64-gallon cart as a substitute. A customer may provide their own containers and Franchisee shall not charge any additional fee for the collection of solid waste from customer owned containers, provided that such containers do not pose a safety hazard to Contractor's collection workers or collection vehicles, and provided further that Contractor shall not be responsible for normal wear and tear or other damage to such customer owned containers unless caused by Contractor's negligence. When the sixty-four (64) gallon service level is requested by a customer other than a senior,

it does not include the additional cubic yard of waste. The senior residential collection rate shall have an eligibility age of 62 years old, or older, and include the collection of sixty-four (64), or more, of Solid Waste in a container(s), and an additional approximately one cubic yard of Refuse and waste matter that may be placed in boxes, bundles, disposal plastic bags, or other suitable containers that meet the limitations specified in the definition of Bulky Waste. Additional carts may be provided for a fee as set forth in the rate schedule in Exhibit A.

Additionally, franchisee shall charge an additional fee as set forth in Exhibit A when optional yard service is provided. Yard service charges are allowed when service to the customer's container requires walk in or drive in service. Where yard service is provided, Franchisee shall not be responsible for damage to private roadways or adjacent property, and Franchisee may require a damage waiver agreement or decline to provide service on such private roads.

4.5 Commercial/Industrial Service. All commercial and industrial customers shall use either Franchisee owned 96-gallon carts for Solid Waste collection service, or collection service will be provided in Franchisee owned steel containers ranging in size from 1-yard to 40-yard containers and 10-yard to 40-yard compactors. Collection and removal of Solid Waste from the premises of commercial, institutional and industrial customers shall be at such frequency as shall be reasonably requested by the owner or agent. Collection service shall be at a frequency to maintain premises free of accumulation of Waste.

4.6 Ownership of Carts and Containers. All Carts and containers provided by Franchisee shall remain the property of Franchisee. Customers shall not overfill Carts or containers, and materials that do not fit neatly within the Cart or containers may be subject to additional fees, as set forth in Exhibit A. Replacement Carts may be subject to a fee as set forth in Exhibit A.

4.7 Vouchers for Free Disposal Service: During the term of this Agreement, each single family residential customer shall be issued a voucher once per year, which shall entitle such customer to dispose of up to four (4) cubic yards of Solid Waste, free of charge, at a Transfer Station owned or operated by Franchisee during that calendar year. The Franchisee shall provide the voucher to each single family residential customer of record in the first quarter of each calendar year. New customers would be provided a voucher in their "Welcome Packages." The customer shall be responsible for the removal of CFC's from any refrigeration type unit prior to disposal at the Transfer Station. The voucher does **not** provide for free CFC removal. The 2009 voucher shall be provided by April 1, 2009.

4.8 Solid Waste Disposal. Franchisee shall dispose of all Solid Waste collected under this Agreement or any Solid Waste residuals remaining after processing, at any permitted and licensed site or facility where such disposal is lawful, as selected by Franchisee in its sole discretion. All disposal of Solid Waste shall be done in accordance with local, state, and federal laws.

4.9 Bulky Waste Pick Up. Franchisee shall provide an optional service for Bulky Item pick up that is separate from the additional 1 cubic yard of waste allowed as part of the weekly Residential collection service set forth in Section 4.4 above. The terms of such optional Bulky Item pick up service are more fully described in the Addendum to Schedule A, attached hereto.

4.10 Transfer Station Operations. Franchisee shall have the exclusive duty, right, and privilege to operate Transfer Stations within the County for the purpose of transferring Solid Waste and other Waste materials so that an economical method of transportation of Solid Waste to an Approved Landfill is utilized. Rates for accepting and transferring Solid Waste and other Waste materials shall be as set forth in the Rate Schedule in Exhibit A. The Contractor may subcontract the operation of its

Transfer Stations to a third party, provided such party is reasonably acceptable to the County and all regulatory requirements are met. Franchisee shall operate transfer stations in the Dayton, Smith Valley and Yerington community areas throughout the duration of this agreement and in the Silver Springs area in conformance with paragraph 27 of this Franchise Agreement.

4.11 Recycling Drop Off Area. The Franchisee shall have the exclusive, duty, right, and privilege of collecting, removing, transporting, and disposing of or otherwise handling all Recyclable Materials generated, deposited, and accumulated at the Transfer Stations, which shall include meeting all applicable regulatory requirements. The collection of Recycling Materials shall at a minimum comply with the requirements set forth in NRS 444A as applicable, or as may become applicable, to Lyon County. The Franchisee agrees that it shall provide and maintain recycling drop off service at Franchisee's Transfer Stations. Franchisee shall be entitled to retain any revenues generated from the sale of the recyclable materials. Recyclable Materials acceptable for drop off shall include cardboard, newspapers, magazines, office paper, plastics 1 through 10, aluminum, tin cans, and glass; provided, however, if Contractor demonstrates to the County's satisfaction that recyclable commodity markets for certain of the above listed materials are not viable, then Contractor shall not be required to accept such materials for drop off and processing. At a minimum, demonstration of the lack of a viable market shall require the Franchisee to show, through accounting and analytical methodologies acceptable to the County, that markets are not available to allow the Franchisee to break even on the Franchisee's overall recycling program as required under this Franchise Agreement. All items but glass shall be collected commingled in one container. Recycling drop off service will be provided to County residents free of charge, and Contractor shall provide the County with an annual report of the number of tons recycled each year. Additionally, Contractor will provide free drop off of up to 3 gallons of antifreeze, 5 gallons of motor oil and up to 5 car or equipment batteries. Exceptions to exclusivity include source separated Recyclable Materials that are donated by the generator to youth, civic, charitable or other nonprofit organizations., Source separated Recyclable Materials generated by commercial customers that are placed in containers, have less than 5% residual or 95% of the source separated material is recyclable, and are collected through a private arrangement with the generator and the generator is compensated at market rates for the recyclables collected. Additionally, property owners may personally self-haul and deposit Recyclable Materials at any licensed/permitted recycling facility.

The Franchisee will be required to submit to the Franchisor an annual report of the number of tons of each material that was recycled for the previous year. The recycling report is due to the Franchisor by February 15th.

4.12 Collection of County Facilities. Franchisee will provide collection and disposal of all Solid Waste, without cost or charge, at all buildings, parks and other facilities owned by Lyon County which are open to the public and operating under normal conditions. This complimentary service provided to Lyon County shall not apply to the disposal of any form of Solid Waste that requires special handling or equipment, Solid Waste resulting from natural disasters, businesses operating for profit on County properties under special licensing or franchise agreements, any special community event operated or sponsored by the County, or any other types of extra-ordinary burdens for the removal of Solid Waste from property owned by the County. The cost of this service shall be considered as a normal cost of operations for determining collection rates.

4.13 Household Hazardous Waste Program. Contractor will work with County and its various fire districts to provide for an annual Household Hazardous Waste Program for customers of the Contractor. Space will be provided for the County to run this program with County trained personnel at Contractor's owned or contracted Transfer Stations. Contractor will arrange for the transportation and disposal of material generated by this program. The Contractor's costs associated with this program will

be limited to \$40,000 per year. If the cost of the program exceeds this amount, the Contractor will have the right to receive an adjustment to its rates under this Agreement or receive another form of payment from the County to pay for the program. By April 1, 2010, the Franchisee, in cooperation with Franchisor and applicable fire districts, shall initiate a program and conduct Household Hazardous Waste Collection at each Transfer Station in the unincorporated area of the County at a minimum of once annually. The collection of Household Hazardous Waste shall at a minimum comply with the requirements set forth in NRS 444A as applicable, or as may become applicable, to Lyon County.

4.14 Disaster Relief. In the event of a natural disaster or other County emergency, Franchisee shall use commercially reasonable efforts to provide assistance to Franchisor in the form of equipment, labor, and disposal services, at rates as identified in Exhibit A. Emergency contingencies may occur where in order to protect the health and safety of the public the County deems it necessary to permit and/or contract with other entities, companies or services to collect, transport or dispose of solid waste resulting from an emergency and/or disaster.

5. Collection Exclusions. Franchisee shall not be obligated to pick up Hazardous Waste, including refrigeration appliances that have not had CFC's removed by a certified technician, tires, automobile/vehicle batteries, petroleum products, paints and other chemicals and solvents identified as hazardous by the U.S. Environmental Protection Agency as a part of a routine collection service. The collection of some types of Hazardous Waste at Transfer Stations may be required in accordance with a household hazardous waste program. In addition, Franchisee shall not be required to collect Carts or containers that are not set out or filled in accordance with, or do not meet Franchisee's collection requirements or that are not accessible to Contractor.

6. Standards for Collection and Operation.

6.1 Compliance with Law. Franchisee shall comply with all laws and regulations applicable to Franchisee's operations, including laws, ordinance, rules, and regulations of the United States, the State of Nevada, and the County, including all necessary and required permits and licenses.

6.2 Equipment. Franchisee shall possess or demonstrate to the Franchisor's reasonable satisfaction that it has available to it adequate equipment and vehicles, including reserve or replacement vehicles and equipment, sufficient to perform the services required of Franchisee herein. Franchisee shall maintain all trucks and equipment used within the Franchise Area in good mechanical condition and the same shall be clean, numbered, and uniformly painted. All truck bodies used by Franchisee shall be constructed of metal and shall be watertight and leak proof. Each vehicle used by Franchisee shall carry at all times a broom and shovel or other item appropriate for use in the prompt removal of any spilled material. All vehicles used by Franchisee shall have adequate coverage at all times to prevent the spillage of Solid Waste. Collection of Solid Waste shall be made using sealed packer-type trucks, and such equipment shall not be allowed to leak nor scatter any waste within the limits of the County nor while in route to the disposal site, where such accumulation shall be dumped. Due to street size variations in the County, the Franchisee will need to provide equipment that will accommodate such public streets and alleys. Special collections shall be made using appropriate equipment. Franchisee shall hand-clean all spillage and power wash all hydraulic oil and vehicle fluid leaks from public and/or private property resulting from its collection activities by end of the next business day after receiving a complaint of such spillage or leak.

6.3 Collection Operations. Franchisee shall conduct its operation so as to minimize as practicable any obstruction and inconvenience to public traffic or disruption of the peace and quiet of the area within which collection occurs. Franchisee shall replace at its cost Franchisee-owned containers

damaged by the negligent acts or willful misconduct of its employees and through wear and tear of use, but shall not be responsible for free replacement of containers which become damaged or unusable as a result of the negligent acts or willful misconduct of other parties. Franchisee shall have the right to bill the parties whose negligence or misconduct causes damage for the replacement costs of the damaged containers.

6.4 Spillage. The Franchisee shall not be responsible for scattered Refuse unless the same has been caused by its acts or those of any of its employees, in which case all scattered refuse shall be picked up immediately by the Franchisee. Franchisee will not be required to clean up or collect loose Refuse or spillage not caused by the acts of its employees, but shall report the location of such conditions to the point of contact of the County so that proper notice can be given to the customer at the premises to properly contain Refuse. Commercial Refuse spillage or excess Refuse shall be picked up by the Franchisee after the customer reloads the container. In the case of commercial customers, Franchisee shall then be entitled to an extra collection charge for each reloading of a commercial container requiring an extra collection. Should such commercial spillage continue to occur, County may require the commercial customer and Franchisee to increase the frequency of collection of the commercial customers Refuse or require the customer to utilize a commercial container with a larger capacity, and the Franchisee shall be compensated for such additional services.

7. Rates; Adjustments; Billing.

7.1 Service Rate Schedule; Payment by Franchisor. Franchisee shall provide the collection and disposal services required under this Agreement for the rates set forth in the Service Rate Schedule attached hereto and incorporated herein as Exhibit A, as the same may be adjusted in accordance with this Section. Franchisee will provide for reduced rates for residential collection customers who qualify under the provisions of NRS 361.800 to 361.877, inclusive, and commonly referred to as the "Senior Citizens' Property Tax Assistance Act," which rates are reflected in Exhibit A.

7.2 Annual Adjustment to Rates. Commencing on April 1, 2010 and on every Adjustment Date thereafter, the rates set forth in Exhibit A- Service Rate Schedule, as adjusted hereunder, shall be subject to an annual adjustment based upon the percentage of change in the Consumer Price Index, All Urban Consumers, U.S. City Average-Item: Garbage and Trash Collection (1983+100)("CPI") as published by the Bureau of Labor Statistics, Washington, D.C., for the most recent twelve month period prior to the Adjustment Date, with the index for December 2008 serving as the initial base period for adjustment purposes. Rates adjusted in accordance with the CPI shall not be greater than a six percent (6%) change regardless of the percentage change in the CPI rates. The annual adjustment of rates pertaining to the collection of waste and recyclables at Transfer Stations shall be subject to rounding down, as mutually agreed upon by the County and Franchisee, to result in total service rates (i.e., the rounded base rate plus franchise fee) calculated to the nearest twentieth (20th) of a dollar.

At least thirty (30) days prior to the Adjustment Date, Franchisee shall notify Franchisor of the CPI adjustment to take effect on the Adjustment Date and shall provide Franchisor with its computations therefore.

7.3 Other Adjustments. The Franchisee's service rates set by this Agreement are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to any other adjustments provided by Sections 7.2, the Franchisee's rates under this Agreement may, upon approval by Franchisor (which shall not be unreasonably withheld), be further adjusted on an interim basis for increased expenses associated with performance of the services hereunder due to any one or more of the following causes:

(a) material changes in Franchisee's costs resulting from a Force Majeure (as defined below) event;

(b) changes in the scope or method of services provided by Franchisee, or other changes or fees required, initiated, or approved by the Franchisor;

(c) any change in law, statute, rule, regulation, ordinance, order or requirement of any federal, state, regional, or local government that is effective after the Effective Date of this Agreement, including but not limited to any increase in surcharges, fees, assessments, or taxes levied by federal, state, or local regulatory authorities or other governmental entities upon the collection or disposal of Solid Waste;

(d) any increase in fees for disposal of Solid Waste;

(e) a material increase in the volume of Solid Waste or other materials collected by Franchisee hereunder, whether caused by customer growth and/or annexation; or

(f) any other extraordinary circumstances or causes or reasons that are not within the reasonable control of Franchisee, including but not limited to extraordinary increases in the cost of fuel or energy (e.g., when fuel or energy costs exceed the CPI).

If Franchisee requests an adjustment due to the extraordinary circumstances set forth above, Franchisee shall prepare a rate adjustment request setting forth its calculation of the increased or decreased costs and accompanying rate adjustment necessary to offset such increased costs. The Franchisor may request any and all documentation and data reasonably necessary to evaluate such request by Franchisee, and shall act within ninety (90) days of receipt of the request from Franchisee to either approve or disapprove the request, provided that approval shall not be unreasonably withheld.

7.4 Customer Billing and Customer Service. The Franchisee shall be responsible for all billing of residents and customers under this Agreement. Franchisor and Franchisee shall work cooperatively to respond to customer service complaints and issues raised by residents and customers, which shall be addressed within twenty-four (24) hours of receipt and shall be promptly resolved. The Franchisee shall be responsible for maintaining a log of complaints, and provide the County upon request, with copies of all complaints indicating the date and hour of the complaint, nature of the complaint, address of complaint, name of customer, and the manner and timing of its resolution. All single-family residential customers shall be billed at least quarterly, and multifamily complex and commercial customers shall be billed monthly. The Contractor may bill to customers a late payment fee, interest, NSF check charges, as well as all costs associated with bad debt collection. Contractor may suspend or terminate service to accounts that become more than sixty days past due, following fifteen days' written notice to the customer, and/or may place a lien upon the customer's property, in accordance with applicable law. If such service is reactivated, Contractor may charge a reactivation fee and/or may require a deposit from the customer. In the event of any delinquent accounts, the County shall render reasonable assistance to Contractor in collecting such delinquent fees.

8. **Franchise Fee**. Franchisee shall pay into the general fund of the County, as a quarterly fee for the exercise of this franchise, the total sum of 4%, or other rate as set by the Lyon County Board of Commissioners from time to time, of the Gross Collection Receipts generated by Franchisee within the Franchise Area during the prior quarter, the sum to be payable to the County on or before the thirtieth (30th) day of the month following the end of each calendar quarter.

The County reserves the right to revise the rate for determining the Franchise Fee at its discretion and such Franchise Fee shall be in addition to the rates determined under 7.1 hereof. Revised rates shall not become effective until the first (1st) day of the next calendar quarter, or other date specified by the County, which reasonably coincides with the Franchisee's billing cycles and allows Franchisee the opportunity to fully recover the costs of such increased Franchise Fees from residents and customers.

9. Recordkeeping; Reporting. Franchisee shall make available to Franchisor for review monthly and annual reports regarding the services provided under this Agreement. The Franchisor shall have the right, during normal business hours and upon reasonable (at least three (3) business days') advance notice given to Franchisee by the Franchisor, to inspect the records of Franchisee to ensure compliance with the services provided under this Agreement. Franchisee shall maintain billing records, customer lists, compliance records, and customer complaints for a period of one (1) year or as required by law, whichever is the greater. Franchisee shall provide the County with a quarterly report of Gross Collection Receipts collected at the time franchise fees are paid. Franchisor shall have the right to audit Franchisee's books and records related to compliance with the terms of this Agreement on an annual basis, during normal business hours, and upon five (5) days notice to Franchisee.

10. Default, Termination.

10.1 Default. In the event of any material failure or refusal of Franchisee to comply with any obligation or duty imposed on Franchisee under this Agreement, the Franchisor and Franchisee shall meet and confer in good faith in an effort to agree on a resolution and cure of the breach. If the Parties are unable to agree on the informal resolution or cure of the breach within ten (10) business days, the Franchisor shall have the right to terminate this Agreement if:

a. following the ten (10)-day meeting period above, the Franchisor shall have given written notice to Franchisee specifying that a particular default or defaults exist which will, unless corrected, constitute a material breach of this Agreement on the part of Franchisee, and

b. Franchisee fails to correct such default or fails to take reasonable steps to commence to correct the same within thirty (30) days from the date of the notice given by Franchisor under this Section 10.1 and Franchisee thereafter fails to diligently continue to take reasonable steps to correct such default.

10.2 Termination. Upon the occurrence of a material breach, failure to cure, and the declaration of termination of this Agreement by the Franchisor as provided above, this Agreement shall be of no further force and effect unless the Franchisor elects to terminate only a portion of the services set forth herein and maintain the remainder of the Agreement.

10.3 Performance Bond. Franchisee shall furnish to Franchisor a performance bond in the amount of \$100,000 and shall provide a certificate from the surety showing that premiums on the performance bond were paid in full by the Franchisee. The surety on the bond shall be a duly authorized corporate surety authorized to do business in the State of Nevada.

11. Emergency Services. In the event that Franchisee, for any reason whatsoever, fails, refuses, or is unable to perform the collection, transportation, and disposal requirements of this Agreement for a period of more than three (3) consecutive business days, and if as a result thereof, Solid Waste accumulates in the Franchise Area to such an extent, in such a manner, or for such a time that Franchisor reasonably finds

that such accumulation endangers or menaces the public health, safety, or welfare, then Franchisor shall have the right, but not the obligation, upon twenty-four (24) hours prior written notice to Franchisee, during the period of such emergency to perform, or cause to be performed, such services itself with its own or other personnel and equipment without liability to Franchisee.

12. Indemnity.

12.1 Franchisee Indemnity. Franchisee shall defend, indemnify, and hold harmless Franchisor and its employees, agents, and appointed and elected officials (collectively, "Indemnitees"), from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments, and costs and expenses incidental thereto, including reasonable attorneys' fees, (collectively, "Damages") which any or all of the Indemnitees may hereafter suffer, incur, be responsible for, or pay out with respect to claims by third parties for personal injury, property damage, or other loss to the extent caused by, or arising from or in connection with the negligent actions or omissions or willful misconduct of Franchisee, its employees, or subcontractors, in the performance of this Agreement. Such indemnity shall be limited to exclude Damages to the extent that they are caused by, arise from, or in connection with any negligent actions or omissions or willful misconduct of Franchisor or its employees, agents, subcontractors, or appointed or elected officials, including in connection with the use of Franchisee's property or equipment during an emergency as provided in Section 11. The extent of Franchisee's liability under this Section shall not exceed the amount of Franchisee's proportionate share of fault.

12.2 Procedure. Franchisee shall have no obligation to indemnify or defend hereunder unless the Indemnitees provide written notice to Franchisee of the occurrence of events giving rise to Franchisee's obligation to indemnify hereunder within thirty (30) days after the Indemnitees know or should have known of such events. The Indemnitees shall cooperate in the defense of suit if requested by Franchisee and shall have the right to approve counsel chosen by Franchisee to litigate such suit, which approval shall not be unreasonably withheld. Franchisee shall have the sole right to contest, defend, litigate, and settle claims tendered by the Indemnitees hereunder provided that a least ten (10) business days prior to any such settlement, written notice of Franchisee's intention to settle is given to the Indemnitees. In the event a dispute exists over whether an Indemnitee is entitled to indemnification, the Indemnitee shall defend itself until the dispute is resolved. Upon resolution of the indemnification dispute, the prevailing party shall be entitled to indemnification for its defense costs incurred prior to resolution.

12.3 Insurance. If any claims indemnified against under this Section have the potential for coverage under any insurance, then the indemnity set forth in this Section shall be limited as provided in this Section 12.3. Before pursuing recovery under this indemnity, the Indemnitees shall exhaust all recovery available for such claim from insurance. Once the Indemnitees have exhausted all recovery under all available insurance, the Franchisee shall pay only the amount of the loss, if any, that exceeds the total amount that all insurance has paid for the loss. Nothing in this Agreement shall constitute a waiver or relinquishment of any claims which the parties may have against insurers, nor shall any provision of this Agreement waive or relinquish any subrogation or contribution rights that the parties or their insurers may have against another insurer or other potentially liable party. Notwithstanding anything in this Agreement to the contrary, the Franchisee shall not be obligated to pay for the defense of any claim or suit that any insurer has a duty to defend. If no insurer defends, however, then the Franchisee shall, to the extent obligated to do so by this Agreement, pay for the defense, but shall be entitled to the insured's rights against all insurers with a potential for coverage of such claim.

13. Insurance.

13.1 Coverage. Franchisee shall procure and maintain for the duration of the franchise Agreement insurance against claims for injuries to persons or damages to property which may arise from or in conjunction with the performance of the work hereunder by the Franchisee, his agents, representatives, employees, or subcontractors. The cost of such insurance shall be borne by the Franchisee and a Certificate of Insurance evidencing that such insurance has been procured and is in force will be forwarded to the County before commencement of services under the franchise Agreement. Said policies shall be for not less than the amounts listed below:

Workers Compensation to statutory limits and employer's liability of at least \$1,000,000 and an aggregate minimum as required by law

- * Commercial General and Automobile Liability of \$3,000,000 combined single limit per occurrence and \$6,000,000 aggregate minimum. Any deductibles and self-insurance retentions must be approved by the County.
- * Public Liability, Bodily Injury and Property Damage Insurance: \$5,000,000 per accident, per occurrence, with aggregate limits of \$6,000,000.
- * Automobile Liability Insurance: \$5,000,000 per accident, per occurrence, with aggregate limits of \$6,000,000

13.2 Additional Insured; Certificate. The liability insurance policies shall name the Franchisor as an additional insured. Franchisee shall provide the Franchisor with a Certificate of Insurance duly executed by Franchisee's insurance carrier which shall serve as evidence of the continued existence of Franchisee's insurance policies required hereunder and which shall contain a provision that the coverage thereunder will not be canceled or materially reduced without thirty (30) days prior written notice given Franchisor.

14. Subcontracting. The Franchisee reserves the right to subcontract the services to be provided under this Agreement for a portion of the Franchise Area, including but not limited to the area in and around Smith and Mason Valley. In the event of a subcontracting, the subcontractor shall comply with the previously established rates and all terms and conditions of this Agreement. Franchisee shall remain responsible to the County for the complete performance of all terms of this Agreement. All subcontracts shall require the prior approval of the County and such approval shall not be unreasonably withheld.

15. Dispute Resolution; Attorneys' Fees. In the event of a dispute arising under this Agreement, the Parties shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner. If the Parties are unable to resolve the dispute, then, in addition to and without waiving any rights and remedies under this Agreement or under civil or common law, the Parties may agree to arbitration pursuant to the terms of this Section. Within fifteen (15) days after agreement to arbitration has been reached, the Parties shall agree upon a single arbitrator selected from a panel of persons qualified by the American Arbitration Association (or other agreed upon local alternative dispute resolution organization) or, in case of a disagreement, each Party shall appoint an arbitrator and the two (2) arbitrators together shall agree on a single arbitrator to arbitrate the dispute. During such time that the arbitrator is being selected or appointed, the Parties shall continue to negotiate in good faith to resolve their dispute in a cooperative manner. The arbitrator shall apply applicable provisions of Nevada law in reaching his or her determination. The determination by the arbitrator shall be final and binding on the Parties, and any judgment upon the award rendered pursuant to such

arbitration may be entered in any court having jurisdiction thereof. Franchisee and Franchisor shall use their best efforts to conclude all arbitration proceedings involving fee and rate adjustment disputes within thirty (30) days following the commencement of such arbitration proceedings. The arbitrator shall have the authority, but shall not be required, to award to the prevailing Party in the arbitration proceedings reasonable attorneys' fees, expert and non-expert witness costs and expenses, and all other reasonable costs and expenses incurred directly or indirectly in connection with the proceedings *provided, however*, that the costs of the arbitrator shall be shared equally by the Parties. In the event of any litigation to interpret or enforce the terms of this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and costs from the non-prevailing Party, at trial and on appeal.

16. Assignment. Franchisee shall not assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person or corporate entity without the prior written consent of the Franchisor, which consent shall not be unreasonably delayed or withheld. Notwithstanding the foregoing, Franchisee shall have the right, without seeking or obtaining approval or authority from the Franchisor, to assign or transfer this Agreement to any affiliate of Franchisee or its parent corporation.

17. Force Majeure. Provided that the requirements of this section are met, Franchisee shall be excused from performance and shall not be liable for failure to perform under this Agreement if Franchisee's performance is prevented or delayed by acts of terrorism, acts of God, landslides, lightning, forest fires, storms, floods, typhoons, hurricanes, severe weather, freezing, earthquakes, volcanic eruptions, other natural disasters or the imminent threat of such natural disasters, pandemics, quarantines, civil disturbances, acts of the public enemy, wars, blockades, public riots, strikes, lockouts, or other labor disturbances, acts of government or governmental restraint, or other causes, whether of the kind enumerated or otherwise, and whether foreseeable or unforeseeable, that are not reasonably within the control of the Franchisee ("Force Majeure"). If as a result of a Force Majeure event, Franchisee is unable wholly or partially to meet its obligations under this Agreement, it shall give the Franchisor promptly written notice of the Force Majeure event, describing it in reasonable detail. The Franchisee's obligations under this Contract shall be suspended, but only with respect to the particular component of obligations affected by the Force Majeure and only for the period during which the Force Majeure exists.

18. Independent Contractor. Franchisee is an independent contractor and shall not be deemed an employee of the Franchisor.

19. Captions. Titles or captions of articles and sections contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision of it.

20. Severability. If any of the provisions of this Agreement are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Agreement and shall not cause the remainder of this Agreement to be invalid or unenforceable, unless this Agreement without the severed provision would frustrate a material purpose of either Party in entering into this Agreement.

21. Waiver. No waiver of any right or obligation of either Party hereto shall be effective unless in writing, specifying such waiver, executed by the Party against whom such waiver is sought to be enforced. A waiver by either Party of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

22. Counterparts. This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute the same instrument.

23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Nevada.

24. **Amendment.** This Agreement may be amended, altered, or modified only by a writing, specifying such amendment, alteration, or modification, executed by authorized representatives of both of the Parties hereto.

25. **Additional Fees.** Provided the franchise fee set forth in Section 8 is paid by Franchisee, no other general business license fees (other than a general Lyon County Business License) shall be imposed upon Franchisee, or any of its affiliated companies, by Franchisor during the term of this Agreement; provided however, that Franchisee shall pay, in the same manner as any other business, real and personal property taxes, building permit fees, and other such fees.

26. **Complete Agreement.** This writing constitutes the full and complete Agreement and understanding between the Franchisee and the Franchisor. All previous agreements are hereby superseded.

27. **Silver Springs Transfer Station.** By April 1, 2011, Contractor will site, develop, construct, provide and place into operation an approved Transfer Station in the area of Silver Springs that meets the current needs of the area, yet provides the opportunity for expansion to meet any future growth. At a minimum, the Silver Springs facility will be open for public use a minimum of 3 days per week. Design specifications for this new facility shall be as mutually agreed upon by the County and Contractor, prior to the commencement of construction of the facility, and shall be based on the remaining contract term hereunder to enable Franchisee a reasonable period of time to amortize the capital costs of the new facility. It is the parties' expectation that the development costs for the Silver Springs facility should be largely consistent with the Dayton Transfer Station.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement is effective as of the Effective Date set forth above.

LYON COUNTY, NEVADA

APPROVED BY LYON COUNTY BOARD OF COUNTY COMMISSIONERS

Phyllis Hunewill
By: Phyllis Hunewill, Chairman
Board of County Commissioners
Lyon County

03/05/09
Date

REVIEWED AS TO FORM ONLY

Robert L. Orr
District Attorney

3/10/09
Date

REVIEWED AS TO INSURANCE REQUIREMENTS

John Fol.
Lyon County Risk Manager

3/5/09
Date

ATTEST:

Sibbi Bryan
Lyon County Clerk

WASTE MANAGEMENT OF NEVADA, INC.

By: Alfredo Cuevas
Its: Area Vice-President

Date: 3-16-09

ATTEST:

EXHIBIT A
SERVICE RATE SCHEDULE

LYON COUNTY
SOLID WASTE FRANCHISE AGREEMENT
SCHEDULE A
April 1, 2009

RESIDENTIAL

	<u>Service Rate</u>				
	<u>Base Rate</u>	<u>4% Franchise</u>			<u>Total Service Rate¹</u>
		<u>Fee</u>	<u>Rate¹</u>		
64 gallon Senior Rate	\$13.64	\$0.55	\$14.19	Per Month Senior rate is 30% discount of the 96 Gallon rate.	
96 gallon w/1 cubic yard loose waste	\$19.47	\$0.78	\$20.25	Per Month	
64 gallon w/ no excess	\$15.58	\$0.62	\$16.20	Per Month	
Yard service fee, walk-in/drive-in service	\$2.60	\$0.10	\$2.70	Per Month	
Yard Service for disable or elderly only	\$0.00	\$0.00	No Charge	Medical certificate and annually sign sworn statement	
Extra Bulky item pick up on service day	\$7.51	\$0.30	\$7.81	Per Yard	
Extra Bulky item pick up on non service day	\$50.08	\$2.00	\$52.08	Addendum attached to Schedule A	
Container replacement fee	\$75.12	N/A	\$75.12	Due to customer damage	
Activation and re-activation fee	\$41.20	N/A	\$41.20		

COMMERCIAL

Bin Size		<u>Service Rate</u>			
		<u>Base Rate</u>	<u>4% Franchise</u>		<u>Total Service Rate¹</u>
			<u>Fee</u>	<u>Rate¹</u>	
1 YD Service Rates	<u>1X Wk</u>	\$118.19	\$4.73	\$122.92	
	<u>2X Wk</u>	\$236.38	\$9.46	\$245.84	
	<u>3X Wk</u>	\$354.57	\$14.18	\$368.75	
	<u>4X Wk</u>	\$472.76	\$18.91	\$491.67	
	<u>5X Wk</u>	\$590.95	\$23.64	\$614.59	
1.5YD Service Rates	<u>1X Wk</u>	\$155.45	\$6.22	\$161.67	
	<u>2X Wk</u>	\$310.90	\$12.44	\$323.34	
	<u>3X Wk</u>	\$466.35	\$18.65	\$485.00	
	<u>4X Wk</u>	\$621.80	\$24.87	\$646.67	
	<u>5X Wk</u>	\$777.25	\$31.09	\$808.34	
2 YD Service Rates	<u>1X Wk</u>	\$167.99	\$6.72	\$174.71	
	<u>2X Wk</u>	\$335.98	\$13.44	\$349.42	
	<u>3X Wk</u>	\$503.97	\$20.16	\$524.13	
	<u>4X Wk</u>	\$671.96	\$26.88	\$698.84	
	<u>5X Wk</u>	\$839.95	\$33.60	\$873.55	
3 YD Service Rates	<u>1X Wk</u>	\$197.46	\$7.90	\$205.36	
	<u>2X Wk</u>	\$394.92	\$15.80	\$410.72	
	<u>3X Wk</u>	\$592.38	\$23.70	\$616.08	
	<u>4X Wk</u>	\$789.84	\$31.59	\$821.43	
	<u>5X Wk</u>	\$987.30	\$39.49	\$1,026.79	
4 YD Service Rates	<u>1X Wk</u>	\$233.33	\$9.33	\$242.66	
	<u>2X Wk</u>	\$466.66	\$18.67	\$485.33	
	<u>3X Wk</u>	\$699.99	\$28.00	\$727.99	
	<u>4X Wk</u>	\$933.32	\$37.33	\$970.65	
	<u>5X Wk</u>	\$1,166.65	\$46.67	\$1,213.32	
6 YD Service Rates	<u>1X Wk</u>	\$339.44	\$13.58	\$353.02	
	<u>2X Wk</u>	\$678.88	\$27.16	\$706.04	
	<u>3X Wk</u>	\$1,018.32	\$40.73	\$1,059.05	
	<u>4X Wk</u>	\$1,357.76	\$54.31	\$1,412.07	
	<u>5X Wk</u>	\$1,697.20	\$67.89	\$1,765.09	
96 gallon commercial rates		\$45.48	\$1.82	\$47.30	
Activation and re-activation fee		\$41.20	N/A	\$41.20	

ROLL OFF

	<u>Service Rate</u>				
	<u>Base Rate</u>	<u>4% Franchise</u>			<u>Total Service Rate¹</u>
		<u>Fee</u>	<u>Rate¹</u>		
Garbage					
10 Cubic Yard					
15 Cubic Yard	\$224.19	\$8.97	\$233.16	Per Pull	
20 Cubic Yard	\$298.92	\$11.96	\$310.88	Per Pull	
25 Cubic Yard					
30 Cubic Yard	\$418.49	\$16.74	\$435.23	Per Pull	
40 Cubic Yard					
Compactors					
10 Yard	\$372.16	\$14.89	\$387.05	Per Pull	
15 Yard	\$452.79	\$18.11	\$470.90	Per Pull	
20 Yard	\$492.69	\$19.71	\$512.40	Per Pull	
24 Yard	\$542.59	\$21.70	\$564.29	Per Pull	
30 Yard	\$694.66	\$27.79	\$722.45	Per Pull	
40 Yard	\$948.85	\$37.95	\$986.80	Per Pull	
Roll off rate per yard	\$15.00	\$0.60	\$15.60	Per Yard	
Activation and re-activation fee	\$41.20	N/A	\$41.20		
Delivery fee	\$75.12	N/A	\$75.12		

LYON COUNTY
SOLID WASTE FRANCHISE AGREEMENT
SCHEDULE A
April 1, 2009

TRANSFER STATION

	<u>Service Rate</u>		
	<u>Base Rate</u>	<u>4%</u>	<u>Total</u>
		<u>Franchise</u>	<u>Service</u>
		<u>Fee</u>	<u>Rate¹</u>
MSW ² -loose per yard	\$8.94	\$0.36	\$9.30
MSW ² -compacted per yard	\$13.99	\$0.56	\$14.55
Construction & Demolition (C&D) per yard	\$15.00	\$0.60	\$15.60
Freon recovery	\$50.00	\$2.00	\$52.00
White metals-per item	\$25.00	\$1.00	\$26.00
Recyclables drop off-paper, cardboard, glass, newspaper, plastics, magazines, aluminum and tin	No Charge	\$0.00	No Charge
Anti freeze (3 gallon max)	No Charge	\$0.00	No Charge
Batteries	No Charge	\$0.00	No Charge
Waste Oil (5 gallon max)	No Charge	\$0.00	No Charge
Tires-Up to 20"	\$10.00	\$0.40	\$10.40
Tires-Over 20"	\$12.02	\$0.48	\$12.50
Tire-Equipment	\$35.05	\$1.40	\$36.45

EMERGENCY MANAGEMENT

Operated truck (roll off truck with container)	\$130.21 per hour	Disposal	Current gate rate
Construction equipment	See attachment		

Notes:

1. Total Service Rate is the amount charged to the customer
2. MSW means Municipal Solid Waste

Resource Typing

Item	Cost/Hour
Equipment Operator with Benefits	\$ 43.82
Volvo A35D Quarry Truck w/ Fuel	\$ 112.50
Volvo 460 Excavator w/ Fuel	\$ 92.50
CAT 950 Wheel Loader w/Fuel	\$ 75.00
Water Truck w/ Fuel	\$ 30.50
Bobcat Loader w/ Fuel	\$ 25.50
CAT 426 Backhoe w/Fuel	\$ 32.50

Rates will be subject to CPI adjustment in franchise agreement

***** ADDENDUM TO EXHIBIT A**

Residential Bulky Items Collection

Contractor shall provide scheduled on-call Bulky Pick-Up service to its paying Residential Customers in the Franchise Area at rates provided in Exhibit A. The Bulky Pick-Up service is a special collection service for large amounts of brush/bulky wastes and/or bundles available to all Residential Customers on request and for an additional fee. This Bulky Pick-Up service is separate from the additional 1 cubic yard of waste allowed as part of the weekly Residential Collection service.

a. General Requirements: Each customer shall place all Bulky Items to be collected by Contractor in conformance with the collection requirements, including but not limited to any additional fees for Rural service set forth in Section 4.4 of the Franchise Agreement, and each customer shall be limited to the pick up of no more than four cubic yards of materials per service plus one major appliance. Contractor may accept a larger quantity from the customer if more capacity is available. Contractor will schedule a Bulky Pick-Up service for a given customer on a scheduled, call in basis. Contractor reserves the right to try and schedule multiple customers in a given area all at one time. However, such scheduling efforts shall not delay pick-up by more than three (3) days.

b. Accepted Materials. During each Bulky Pick-Up service, Contractor shall accept the following materials from single-family residential customers:

1. Bulky Items - Up to four cubic yards of bulky items where bulky items mean large discarded items including, but not limited to, furniture, tires, carpets, mattresses, loose brush and other oversize materials that do not exceed 50 lbs and whose large size precludes or complicates their handling by normal collection, processing, or disposal methods, and other Waste Materials other than construction debris, dead animals or stable matter with weight or volumes greater than those allowed for containers. Bulky Items do not include abandoned automobiles, large auto parts, or trees.

2. Major Appliances - One major appliance where major appliances are defined as a discarded Residential device, including, but not limited to, washing machines, clothes dryer, hot water heaters, dehumidifiers, conventional ovens, microwave ovens, stoves, refrigerators, freezers, air-conditioners, trash compactors, and residential furnaces discarded by residential generators. Note that each washer and dryer shall be considered one major appliance. It is the responsibility of the customer to have CFC's properly removed from refrigeration units before they are placed out for collection.

c. Unacceptable Materials. Contractor may reject the following items: electronic devices (including but not limited to television sets, computer monitors, central processing units (CPUs), laptop computers, external computer hard drives, computer keyboards, computer mice, computer printers, DVDs, and VCRs), liquids or sludges, materials which exceed five feet in length; painted or stained wood; Construction and Demolition Debris; Hazardous Waste; or Infectious Waste. Contractor may reject a single item that weighs more than 50 pounds (excluding Major Appliances defined

above) unless Customer has paid an additional fee for service, and Contractor may reject non-containerized discarded materials except for loose brush.