

FRANCHISE AGREEMENT

BOARD OF SUPERVISORS OF
CARROLL COUNTY, VIRGINIA

THIS FRANCHISE AGREEMENT, made and entered on this 8th day of February, 2016 by and between the BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA, hereinafter referred to as the BOARD; and WASTE INDUSTRIES, LLC, hereinafter referred to as the CONTRACTOR.

WITNESSETH

WHEREAS, THE BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA, has enacted an Ordinance providing for the storage, collection and disposal of refuse and garbage; and the CONTRACTOR desires to provide such services for the citizens of Carroll County, Virginia;

WHEREAS, The Board, pursuant to aforesaid Ordinance, has the authority to issue franchise agreements providing for the right or privilege to collect, transport and dispose of garbage and refuse within the County of Carroll , and did, by advertisement, accept bids for the same on May 6, 2004; and,

WHEREAS, the CONTRACTOR submitted the bid acceptable to the BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA:

NOW, THEREFORE, in consideration of the foregoing, and of the mutual promises and covenants herein contained, the parties hereto do hereby covenant and agree as follows:

GRANT OF NON-EXCLUSIVE RIGHT

1. The BOARD does hereby grant unto the CONTRACTOR the non-exclusive right to collect and transport rubbish, trash, garbage and other waste materials for compensation within the confines of the County of Carroll, Virginia, as the borders thereof exist, except within the corporate limits of the Town of Hillsville, as the exist or may be modified by subsequent annexation, for the term beginning February 8, 2016 and ending February 8, 2018, and any renewal term as provided herein. The grant of this nonexclusive right shall be conditioned upon CONTRACTOR providing reasonable and satisfactory service in substantial compliance with the Carroll County ordinance, this Franchise Agreement, and all applicable laws and regulations; provided, however, that any bona fide resident of Carroll County, Virginia, shall have the right to bring his own refuse, garbage or trash to the Carroll-Grayson-Galax Regional Landfill for disposal. Similarly, any institution or business establishment shall have the right to bring its own refuse, garbage or trash to said landfill in its own vehicle, if operated by the owner or regular employee of the business establishment or institution.

The parties may renew this Franchise Agreement, with each renewal term not exceeding two years.

The CONTRACTOR shall have the option of relinquishing its franchise and the rights hereunder by providing the BOARD and all its customers with sixty (60) days advance, written notice.

AREA TO BE SERVED

2. The area to be served by the CONTRACTOR shall include the businesses and residences located on numbered, all weather roads in Carroll County, Virginia, that are accessible by the CONTRACTOR's vehicles.

PLACES TO BE SERVED

3. The CONTRACTOR shall collect all refuse, trash and garbage as provided in Paragraph 5 below, with the exemptions hereafter noted, acceptable for collection and disposal from single family dwellings and multifamily apartment buildings, institutions, commercial establishments and industrial establishments.

4. The CONTRACTOR shall have the privilege of refusing service to any individual, institution or business establishment that does not make the deposit required by the CONTRACTOR for services to be rendered, or which shall be rendered, or whose accounts are determined to be in arrears or delinquent.

REFUSE, TRASH, AND GARBAGE ACCEPTABLE FOR COLLECTION BY THE CONTRACTOR

5. The CONTRACTOR shall accept for collection the refuse acceptable for disposal at the Regional Landfill in the form and quantity provided for hereunder.

REFUSE, TRASH, AND GARBAGE NOT ACCEPTABLE FOR COLLECTION BY THE CONTRACTOR

6. The CONTRACTOR may refuse the collection of any refuse that is not acceptable at the Regional Landfill or the disposal of which would violate any applicable law or regulation.

SPECIFICATIONS FOR REFUSE, GARBAGE, AND TRASH STORAGE AND PREPARATION BY RESIDENTS, INSTITUTIONS AND BUSINESSES

7. Reference is hereby made to the aforementioned Ordinance for specifications.

FREQUENCY OF COLLECTION

8. (a) All household refuse, trash, and garbage shall be collected by the CONTRACTOR at least once per week on a scheduled day. The occupants of such household shall be notified by the CONTRACTOR of their particular day of pick-up.

(b) All instructions, business and commercial refuse, trash, and garbage shall be collected at such times as the CONTRACTOR and said institutions and businesses agree, and at a rate not to exceed that specified in Attachment #1 and commensurate with the services performed.

(c) Collections shall not be made on Sundays, or national holidays.

(d) In case of extreme weather conditions, such as snow or ice, or in the event of any other act of God or national emergency, the CONTRACTOR reserves the right to change the day and time of the scheduled pick-up. Every reasonable effort will be made by the CONTRACTOR to serve the entire area

described herein in a courteous and expeditious manner so as to render reasonable service to the area herein mentioned.

(e) Any household not receiving 52 trash collection pick-ups per year and who maintains this service shall be entitled to a credit or refund for pick-ups missed, and provided that the household has properly complied with all applicable requirements and ordinances, and also that the Contractor be notified by the household of missed pick-up within one week.

REFUSE, TRASH, AND GARBAGE DISPOSAL

9. (a) The refuse, trash, and garbage collection shall be disposed of at the Carroll-Grayson-Galax Regional Sanitary Landfill unless alternative disposal is authorized by the Board.

(b) All solid waste collected by the CONTRACTOR shall be collected and hauled in enclosed, tight, non-leaking packer trucks meeting all applicable legal requirements, with refuse exposed only for the time needed to dump the bulk containers into the truck and to unload the truck at the landfill. Any leakage or spillage of solid waste from the trucks onto streets or private property shall be removed immediately by the CONTRACTOR. The CONTRACTOR shall make its vehicles available for inspection at the request of the BOARD or the Carroll County Administrator.

10. The CONTRACTOR shall comply with all applicable rules and regulations promulgated by the Carroll-Grayson-Galax Solid Waste Authority.

SERVICES AND CHARGES

11. For the services of collection and disposal of refuse, trash, and garbage, the CONTRACTOR may set rates not to exceed the following rates, to be paid by the person or persons served;

(a) \$12.62 per month for each individual household served. This will include a maximum of four 32-gallon cans per week, or other plastic containers of comparable size approved by the Health Department; with CONTRACTOR having the right to make an additional charge of \$1.25 for each can or container in excess of four per week.

(b) \$12.62 per month for each residential unit in a multiple-dwelling unit such as an apartment, duplex, etc. served. This will include a maximum of four 32-gallon cans per week, or other plastic containers of comparable size approved by the Health Department; with CONTRACTOR having the right to make an additional charge of \$1.25 for each can or container in excess of four per week.

(c) A rate per month of \$11.62 will be charged to individuals who are the head of household, retired, over 62 years of age and living solely on a fixed income: Such persons must present proper proof of age, and other qualifications to CONTRACTOR. Customers qualifying for this reduction will be subject to the quantity and additional charge provisions of subparagraphs (a) and (b) above, as applicable.

(d) The charges for each institution, business, commercial or industrial establishment shall be determined by the amount and weight of refuse, trash, and garbage, the size of the container provided by the CONTRACTOR, and the frequency of removal, and consistent with the rate schedule attached hereto (Attachment #1).

(e) CONTRACTOR shall be entitled to set and collect from all customers a reasonable deposit fee prior to commencing service. Said deposit not to exceed one quarterly billing.

RATE INCREASES

12. The maximum rates specified in Paragraph 11 shall remain in effect for the first year of this Franchise Agreement. After the first year, the CONTRACTOR may submit a request for a rate increase to the BOARD for its approval after holding a public hearing. Only one request for a rate increase may be submitted annually, except when requests are based solely upon an increase in rates at the Carroll-Grayson-Galax Regional Sanitary Landfill. At the time of the request, the CONTRACTOR shall provide to the BOARD full and complete documentation justifying the rate increase requested. The CONTRACTOR shall provide such other documentation as the BOARD requests. The BOARD may elect not to conduct a public hearing where the rate increase requested is based solely upon an increase in the rates charged by the Carroll-Grayson-Galax Regional Sanitary Landfill.

TIPPING FEES

13. The parties acknowledge that the Regional Solid Waste Authority charges a tipping fee at the Carroll-Grayson-Galax Regional Sanitary Landfill, based on tonnage discharged by the CONTRACTOR. The CONTRACTOR shall be solely responsible for the payment of all tipping fees assessed by the Regional Landfill.

INSURANCE AND INDEMNIFICATION

14. (a) The CONTRACTOR covenants and agrees to obtain Workers Compensation Insurance as required by the laws of the Commonwealth of Virginia and to carry motor vehicle and general liability insurance with minimum limits of \$1,000,000 for bodily injury or death to any one person, \$1,000,000 aggregate bodily injuries or deaths in any one accident, and \$1,000,000 for property damage.

(b) The CONTRACTOR shall indemnify and save the BOARD and its officers and employees harmless from any and all liability, loss, cost, damage, or other expense, including attorneys fees, from accident, or damage, either to itself or to the persons or property of others, which may occur by reason of the exercise of the rights and privileges granted herein.

CUSTOMER SERVICE

15. (a) The CONTRACTOR shall provide customer service Monday through Friday during normal business hours and will handle all complaints within 24 hours from the time of notification. The CONTRACTOR will publish a toll-free telephone number for customer service in CARROLL COUNTY. The CONTRACTOR will provide the BOARD with a point of contact where the CONTRACTOR can be contacted when the CONTRACTOR'S business office is closed. The CONTRACTOR will maintain a log of all incoming complaints and note the disposition of each complaint in the log. The CONTRACTOR shall furnish a copy of the log to the BOARD annually or as requested by the BOARD.

(b) In the event of any dispute that the CONTRACTOR is unable to resolve with a customer, the CONTRACTOR agrees to submit the matter to the Carroll County Administrator for resolution. The CONTRACTOR agrees that the decision of the County Administrator shall be binding unless either the

CONTRACTOR or the customer appeals to the BOARD, whose decision shall be final and binding upon the CONTRACTOR.

ASSIGNMENT

16. It is understood that this Franchise Agreement shall not be assigned without the written consent of the BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA.

SEVERABILITY

17. Should any provision in this Franchise Agreement be held invalid by any court of competent jurisdiction, such invalidity shall not affect any other provision hereto. Any questions concerning the interpretation or validity of this Agreement shall be decided by a lawsuit instituted in the Circuit Court of Carroll County, Virginia, in accordance with the laws of the Commonwealth of Virginia.

TERMINATION FOR CAUSE

18. The BOARD may terminate the Franchise Agreement upon its determination that the CONTRACTOR has materially breached this Franchise Agreement or has failed to provide reasonable and satisfactory service to the citizens of Carroll County. Prior to the BOARD making a determination, the BOARD shall give the CONTRACTOR thirty (30) days written notice of the CONTRACTOR's deficiencies and the opportunity to respond. The CONTRACTOR agrees that the BOARD's determination as to whether the CONTRACTOR has provided reasonable and satisfactory service shall be final and binding.

NONEXCLUSIVE NATURE OF FRANCHISE

19. The rights of the CONTRACTOR hereunder shall not be exclusive and during the term of this Franchise Agreement, the BOARD may issue other Franchise Agreements to other entities to provide the same services as provided for hereunder. This Franchise Agreement is adopted by the parties in good faith and in the event it should be determined by any court of competent jurisdiction that this franchise is an ultra vires act by the BOARD or that it is in violation of any anti-trust law, the Company agrees that no action shall be taken against the BOARD or its officers or employees for damages. The CONTRACTOR agrees to indemnify and hold harmless the BOARD and its officers and employees for any and all injuries, claims, damages, costs, or expenses, including attorneys' fees, arising out of the CONTRACTOR'S acceptance and performance under this Franchise Agreement.

EFFECTIVE DATE

20. This Franchise Agreement shall be in full force and effect as of _____.

WITNESS the following signatures and seals of the said parties hereto:

BOARD OF SUPERVISORS
CARROLL COUNTY, VIRGINIA

ATTEST:

TITLE: _____

CONTRACTOR:
Waste Industries, LLC

By: _____

ATTEST:

TITLE: _____