

FIRST AMENDMENT OF SOLID WASTE SERVICES AGREEMENT

This Agreement is entered into by and between the County of El Dorado (“County” or “Grantor”), and Waste Connections of California, Inc. (formerly known as Amador Disposal Service, Inc.) (“WCCI”), and Waste Connections, Inc. (“WCI” and together with WCCI collectively known as “Grantee” or “Contractor”). This First Amendment of Solid Waste Services Agreement (“Amendment”) is effective as of July 1, 2012.

This Amendment is made with references to the following recitals:

WHEREAS, effective June 25, 2002 the County entered into a Solid Waste Collection Franchise Agreement (“Agreement”) with Grantee, which granted the Grantee the exclusive right and obligation, subject to certain limitations, until June 30, 2012 to collect and dispose of municipal solid waste generated by residential, commercial and industrial customers within the franchise area; and

WHEREAS, the boundaries of the franchise area are on file with the office of the Clerk of the Board of Supervisors and include the unincorporated southern portion of the County including Somerset, Grizzly Flats and Mt. Aukum; and

WHEREAS, per the Agreement, Section 9-Term, the Term of this Franchise Agreement shall commence immediately upon execution and terminate on June 30, 2012, unless it is extended by a written amendment signed by duly authorized representatives of both the Contractor and the County. Contractor acknowledges that any such extension must be approved by the Board of Supervisors to become effective; and

WHEREAS on February 28, 2012, the Board of Supervisors for the County of El Dorado directed the initiation of franchise agreement amendment negotiations with Grantee; and

WHEREAS, the parties met and negotiated the terms stated herein; and

WHEREAS, except as expressly provided in this Amendment, all other terms and conditions of the Agreement dated June 25, 2002, shall remain in effect as identified.

NOW THEREFORE, the parties agree to the amendments as follows:

1. SECTION 9 –TERM

The term of this Franchise Agreement shall be extended for a two and one-half year period commencing July 1, 2012 and shall terminate on December 31, 2014. This Franchise Agreement may thereafter be renewed beyond December 31, 2014 up mutual consent of the parties and by a written amendment signed by duly authorized representatives of both the Grantee and the County. Grantee acknowledges that any such extension must be approved by the County of El Dorado Board of Supervisors to become effective.

2. SECTION 15- RECORDS AND ACCOUNTING

- A. Financial Reporting. Grantee shall maintain a proper set of books and records on an accrual basis, and an annual financial statement in accordance with generally accepted accounting principles, accurately reflecting the business done by it under this Agreement. Grantee shall submit to the County on an annual basis its unaudited financial statement associated with the Amador Disposal Contract and its Corporate Annual Report no later than five (5) months following the close of Grantee's fiscal year. In addition, Grantee shall provide County with quarterly reports showing actual diversion data for the routes associated with the Amador Disposal contract.

Paragraphs B through F, inclusive, of Section 15 of the Agreement remain unchanged and in effect.

3. SECTION 19-COMPENSATION

- A. Grantee Rates. Grantee shall provide the services described in this Franchise Agreement for the rates specified in Exhibit "D". Said rates shall be subject to the following conditions.

(1) Effective Date. The rates specified in Exhibit "D" shall be effective as of the date of execution of this Agreement.

(2) County's Powers. The Board of Supervisors shall set and regulate all rates and charges assessed by Grantee for any and all services and activities it performs or engages in the franchise area pursuant to this Franchise Agreement. If the Board of Supervisors determines to regulate the rates of only some of Grantee's services and activities, that shall not be construed as a waiver of the County's rights to regulate the rates or charges assessed by Grantee for services not so regulated.

- B. Time for Rate Settings and Rate Settings Procedures. The Board of Supervisors shall set the rates to be charged by Contractor pursuant to this Agreement annually at the beginning of each Operating Year which is defined as July 1 – June 30 (commencing with July 1, 2012), unless a longer period is agreed on by the County and Contractor; provided, however, that Contractor's rates shall remain unchanged unless Contractor submits a written request to the Board of Supervisors for a rate adjustment no earlier than January 1st and no later than April 1st prior to the commencement of each new Operating Year. The Board of Supervisors may also (but is not obligated to) act on its own initiative in the event Contractor declines to request a CPI adjustment to its rates, and adjust Contractor's rates consistent with the CPI formula in this Agreement.

The Contractor shall provide written notice to each rate payer in a form approved by the County, of the time, date and place of each hearing set by the Board of Supervisors to set rates. Contractor shall provide said notice at least ten (10) but no more than sixty (60) days prior to such date.

Except as provided in Section 19.A.2, Contractor expressly assumes the risk that its costs may be higher than the rates in this Agreement shall provide compensation for, or that its revenues may be lower than projected.

By this Agreement, neither the County nor its governing body or employees or consultants agree, guarantee or warrant that such Contractor will achieve reimbursement for all of its operating costs or pass-through costs, or that Contractor will achieve any profit margin.

Paragraphs C through F, inclusive, of Section 19 are replaced with the following:

C. Inflation/Deflation Adjustment – Subject to the limitations specified in the foregoing paragraphs regarding New Services, Contractor’s rates for services described in Exhibit “D” (but exclusive of Franchise Fees) shall be adjusted annually effective July 1st of each year during the Term of this Agreement based on the Consumer Price Index- All Items – All Urban Consumers - California as published by the State of California, Department of Industrial Relations, Division of Labor Statistics and Research. The point-to-point base period for which the adjustment shall be determined is December. Each December following the commencement of this Amendment shall be used for comparison purposes of the rate adjustment. By way of illustration only and for the avoidance of doubt, if the index for December 2008 is 120 and the index for December 2009 is 125 the rate adjustment for this period shall be 4.2%.

In the event the CPI index is no longer published, the parties shall confer in good faith to select an alternative index and shall confirm their agreement on a substitute index in writing. If the parties are unable to agree on a substitute index, either party may submit the selection of the substitute index to binding arbitration before a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. All percentages shall be computed to the second decimal place and the change in Contractor’s rates shall be calculated to the nearest cent (\$.01).

Paragraphs G through I, inclusive, of Section 19 of the Agreement remain unchanged and in effect.

4. Except as specifically amended by this Amendment, the terms and conditions of the Agreement shall remain in full force and effect. This Amendment may be executed in any number of counterparts, any of which may be delivered via facsimile or PDF, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year last below written.

**- - COUNTY OF EL DORADO - -
-Grantor-**

Dated: _____

By: _____
Chair, Supervisor John R. Knight
Board of Supervisors

ATTEST:

Dated: _____

By: _____
Clerk of the
Board of Supervisors

(Remainder of signatures appear on the following page.)

**- - WASTE CONNECTIONS OF CALIFORNIA, INC. - -
- Grantee-**

Dated: _____

By: _____

**Waste Connections of California, Inc., d/b/a Amador Disposal Service
Ron Mittelstaedt
Chairman and Chief Executive Officer**

**- - WASTE CONNECTIONS, INC. - -
- Grantee-**

Dated: _____

By: _____

**Waste Connections, Inc.
Ron Mittelstaedt
Chairman and Chief Executive Officer**

Exhibit "D"

Amador Disposal Rate Structure

As amended July 1, 2012

Residential Service	Monthly
32 Gal Can	\$18.10
45 Gal Can	\$21.75
(2) 32 Gal Cans	\$26.77
(3) 32 Gal Cans	\$35.43
(4) 32 Gal Cans	\$44.09
(5) 32 Gal Cans	\$52.75
(6) 32 Gal Cans	\$61.41
96 Gal Cart	\$32.90
Additional 32 Gal Can	\$18.10

	32 Gal Bag
Extra Garbage	\$4.31

Commercial Rear load Bins	Monthly
1 Yard Rear load Bin	\$ 69.45
1.5 Yard Rear load Bin	\$ 104.20
2 Yard Rear load Bin	\$ 138.95
6 Yard Front Load Bin	\$ 208.43

	Cubic Yard
Commercial Extra Garbage / Cubic Yard	\$16.56

Roll Off Service	Haul	Disposal	Total	Allowed Tonnage	Overage Per Ton
6 Yard	\$127.82	\$139.92	\$267.74	1 Ton	\$78.20
10 Yard	\$197.47	\$155.20	\$352.67	2 Tons	\$78.20
20 Yard	\$203.50	\$221.16	\$424.66	3.5 Tons	\$78.20
30 Yard	\$221.90	\$404.26	\$626.16	5 Tons	\$78.20

Demurrage Per Day Charge	\$3.74
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