

ORDINANCE NO. 389

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, GRANTING A FRANCHISE TO UNIVERSITY PLACE REFUSE
SERVICES, INC. TO PROVIDE SOLID WASTE COLLECTION SERVICES

WHEREAS, the City Council desires to provide University Place citizens with the best possible solid waste collection services at market rates; and

WHEREAS, University Place Refuse Services, Inc. is fully capable of providing such services to University Place citizens; and

WHEREAS, it is in the City's interest to retain a locally based company to provide such services within the City; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

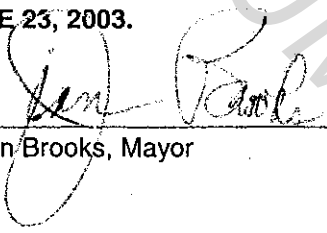
Section 1. Granting a Franchise to University Place Refuse Services, Inc. University Place Refuse Services, Inc. is hereby granted a franchise to provide for the collection and disposition of solid waste, recyclable materials, and yard waste as set forth in the Solid Waste Franchise Agreement Between the City of University Place and University Place Refuse Services, Inc., in the form attached hereto as Exhibit "A" and incorporated herein by reference. This franchise shall expire on December 31st, 2015 unless terminated sooner.

Section 2. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances by a court of competent jurisdiction shall not be affected.

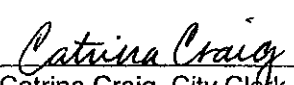
Section 3. Directions to City Clerk. The City Clerk is hereby authorized and directed to forward certified copies of this ordinance to the franchisee and permit holder as set forth in this ordinance.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall be effective five (5) days after such publication.

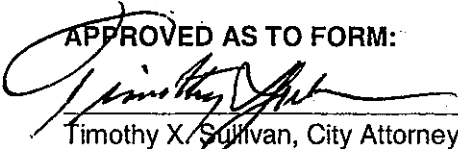
PASSED BY THE CITY COUNCIL ON JUNE 23, 2003.


Jean Brooks, Mayor

ATTEST:


Catrina Craig, City Clerk

APPROVED AS TO FORM:


Timothy X. Sullivan, City Attorney

Published: 6/25/03
Effective Date: 6/30/03

**AN AGREEMENT BETWEEN THE CITY OF UNIVERSITY PLACE,
WASHINGTON, AND UNIVERSITY PLACE REFUSE SERVICE, INC.,
GRANTING UNIVERSITY PLACE REFUSE A NEW FRANCHISE THROUGH
DECEMBER 31, 2015 FOR COLLECTION AND DISPOSITION OF SOLID WASTE,
RECYCLABLE MATERIALS, AND YARD WASTE,
REVOKING THE PRIOR FRANCHISE AGREEMENT BETWEEN THE PARTIES.**

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**AN AGREEMENT BETWEEN THE CITY OF UNIVERSITY PLACE,
WASHINGTON, AND UNIVERSITY PLACE REFUSE SERVICE, INC.,
GRANTING UNIVERSITY PLACE REFUSE A NEW FRANCHISE THROUGH
DECEMBER 31, 2015 FOR COLLECTION AND DISPOSITION OF
SOLID WASTE, RECYCLABLE MATERIALS, AND YARD WASTE,
REVOKING THE PRIOR FRANCHISE AGREEMENT BETWEEN THE PARTIES.**

THIS AGREEMENT ("Agreement") revokes the prior 10 year franchise agreement that was first entered into on October 30th, 1995, between the CITY OF UNIVERSITY PLACE, a municipal corporation of the State of Washington (the "City"), and UNIVERSITY PLACE REFUSE SERVICE, INC., a Washington corporation (the "Company"). The Agreement grants the Company a new franchise effective July 1, 2003 as provided in RCW 35A.47.040 and continuing through December 31, 2015.

Section 1. RECITALS.

1.1 Before incorporation of the City on August 31, 1995, the Company handled the collection, hauling and transportation of solid waste, recyclable materials and yard waste for the individuals and businesses that are now residents of the City under its Certificate of Convenience and Necessity ("G Certificate"). The G Certificate was issued by the Washington Utilities and Transportation Commission ("WUTC").

1.2 The City desires the Company to continue to provide such services through this Agreement with the City and the parties wish to enter into this Agreement to define the rights, responsibilities and obligations relating thereto.

1.3 The City and the Company agree to revoke the prior franchise agreement that would expire under its terms on December 31, 2005 and substitute in its place a new franchise agreement that expires on December 31, 2015.

1.4 The Company is qualified to provide solid waste, yard waste and recyclable collection services in accordance with the terms of this Agreement.

1.5 The Company is granted terms in this Agreement to provide for reliable, environmentally sound, and timely solid waste, yard waste and recyclable collection services to City residents and businesses. This Agreement constitutes a grant of an exclusive City franchise to the Company and full satisfaction of the City's obligations under RCW 35A.14.900.

Section 2. DEFINITIONS. The following terms shall have the following definitions for the purposes of this Agreement.

- 2.1. "Adjustment Date" means the Index reported as of June 30 in any year during the term of this Agreement.

- 2.2. "Agreement Date" means July 1, 2003.
- 2.3. "Aluminum" means cans and containers composed solely of aluminum.
- 2.4. "Automated Carts" means a cart designed to be picked up and emptied by mechanical means. Specific type and size to be defined in rate items.
- 2.5. "Bale" means material compressed by machine and securely tarped or banded.
- 2.6. "Base Rates" means the rates set forth in Exhibit A and incorporated herein by this reference, as such rates may be adjusted from time to time in accordance with this Agreement. The Base Rates in effect at a particular time shall be used as a basis for any adjustments required under this Agreement.
- 2.7. "Bulky Materials" means empty carriers, cartons, boxes, crates, etc., or materials offered for disposal, all of which may be readily handled without shoveling.
- 2.8. "Can" means a can made of durable corrosion-resistant, nonabsorbent material, watertight, with a close fitting cover and two graspable handles. Size to exceed 20 gallons but not to exceed 32 gallons or 4 cubic feet. A can cannot weigh more than 45 pounds when filled nor more than 12 pounds when empty.
- 2.9. "Cardboard" for recycling means: corrugated cardboard, cereal boxes, soap boxes, brown paper bags, etc. It must be clean, free of packing materials, and flattened. Waxed or food contaminated cardboard cannot be included.
- 2.10. "Cart" means a wheeled plastic container. May also be referred to as a toter. Size and type to be defined in rate items.
- 2.11. "Charge" means a set flat fee for performing a service as described in Exhibit A. Or, the result of multiplying the amount charged for a unit times the number of units serviced as described in Exhibit A. May also be referred to as "Rate".
- 2.12. "Compacted Material" means material which has been compressed by any mechanical device either before or after it is placed in the receptacle handled by the Company.
- 2.13. "Compactor Disconnect/Reconnect Charge" means a flat fee established by the Company for the service of disconnecting a compactor for a drop box or container prior to taking it to be dumped and then reconnecting the compactor when the drop box or container is returned to the customer's site.
- 2.14. "Container" means a detachable container that is left at a customer's premises and emptied into the collector's truck and is lifted by mechanical means.

- 2.15. "Designated Disposal Site" means the disposal facility to which the Company is directed by the City from time to time in accordance with Section 6.2.
- 2.16. "Drop Box" means a container that is placed on Company's truck by mechanical means, hauled to disposal site and returned to customer's premises.
- 2.17. "Drum" means a metal container of approximately 50 gallon capacity, generally used for oils or solvents. Maximum weight not to exceed 45 pounds when filled.
- 2.18. "Franchise Area" means the Service Area identified in Paragraph 3.4 infra.
- 2.19. "Gate Charge" means a flat fee charged for opening, unlocking or closing gates in order to pickup solid waste.
- 2.20. "Glass" for recycling means: bottles and jars only, of any color that is composed solely of glass. It does not mean: tempered glass, window glass, ceramic glass, light bulbs, fluorescent tubes and broken glass of any kind.
- 2.21. "Index" means the Consumer Price Index for All Urban Consumers for Seattle-Tacoma, All Items (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics.
- 2.22. "Litter Receptacle" means a container not over 60-gallon capacity generally placed in shopping centers and along streets or highways for litter. Maximum weight not to exceed 75 pounds when filled.
- 2.23. "Loose Material" means material not set out in bags or containers. Also includes materials which must be shoveled.
- 2.24. "Metal Containers" means cans and containers composed of metals, such as tin or bimetal, which are attracted by a magnet.
- 2.25. "Micro-can" means a can made of durable, corrosion-resistant, nonabsorbent material, watertight with a close fitting cover. Size not to exceed 10 gallons, nor weight to exceed 20 pounds.
- 2.26. "Mini-can" means a can made of durable, corrosion-resistant, nonabsorbent material, watertight with a close fitting cover. Size not to exceed 20 gallons, nor weight to exceed 35 pounds.
- 2.27. "Mixed Paper" means junk mail, phone books, office paper, etc. Do not include Newspaper with Mixed Paper. Not accepted: waxed, plastic coated, aluminized, food contaminated paper, paper plates, paper towels, bathroom tissue, or carbon paper.
- 2.28. "Newspaper" means any part of the newspaper that was included when it was delivered or purchased. Magazines may be included with Newspaper.

- 2.29. "Packer" means a device or vehicle specially designed to pack loose material.
- 2.30. "Pass Through Fee" means a fee that is billed directly to the customer without markup or markdown by the Company.
- 2.31. "Permanent Service" means, in conjunction with containers and drop boxes, when service is provided for a period of more than ninety days.
- 2.32. "Plan" means the City-adopted or -designated Solid Waste Management Plan.
- 2.33. "Rate" means a set flat fee for performing a service, as described in Exhibit A. Or, the result of multiplying the amount charged for a unit times the number of units serviced as described in Exhibit A. May also be referred to as "Charge".
- 2.34. "Recyclable Materials" means those recyclable items defined in RCW 70.95.030(15) designated by the City to be picked up in the recycling program described in Exhibit B, which items are limited to Glass, Aluminum, Metal Containers, Mixed Paper, Cardboard and Newspaper.
- 2.35. "Recycling Bin or Container" means a bin or container specifically designed or designated for the collection of recyclables.
- 2.36. "Recycling Ordinances" means Pierce County Ordinance Nos. 90-14 (curbside program), 91-86 (multi-family program) and 92-22 (yard waste program), until such time as the City enacts its ordinances regarding recycling. Recycling Ordinances shall mean the City's ordinances regarding recycling once the City enacts such ordinances, and such ordinances shall then govern this Agreement.
- 2.37. "Solid Waste" means those wastes defined in RCW 70.95.030(19), whether the source be residential, commercial, industrial or otherwise, but shall not include Recyclable Materials and Yard Waste as those terms are defined herein and shall not include dangerous or hazardous wastes regulated under chapter 70.105 RCW.
- 2.38. "Special Pickup" means a pickup requested by the customer at a time other than the regularly scheduled pickup time, but which does not involve the dispatch of a truck. If a special dispatch is required, time rates will apply.
- 2.39. "Temporary Service" means a service that is required for a period of 90 days or less in conjunction with containers and drop boxes. Temporary service rates are not to be used for the first 90 days of service when a customer requests, and the Company provides, service for more than 90 days.
- 2.40. "Toter" means a wheeled plastic container. May also be referred to as a cart. Type and size to be defined in rate items.

- 2.41. "TPCHD" means Tacoma-Pierce County Health Department
- 2.42. "Unit" means (1) a can made of durable, corrosion-resistant, nonabsorbent material, watertight, with a close fitting cover and two handles. Size to exceed 20 gallons but not to exceed 32 gallons or 4 cubic feet. Cannot weight more than 45 pounds when filled or more than 12 pounds when empty. and (2) where agreeable between Company and customer (and where allowable under local ordinance) a box, carton, cardboard barrel or other suitable container may be substituted for a garbage can, for a single pickup which includes the container, if it meets the size and weight limits shown in clause (1) of this Section 2.42.
- 2.43. "Unlocking" means a flat fee imposed by the Company when their personnel must unlock padlocks or other locking devices to perform pickup service.
- 2.44. "WUTC" means the Washington Utilities and Transportation Commission.
- 2.45. "Yard Waste" means yard and garden waste from residential customers..
- 2.46. "Yard Waste Bin or Container" means a bin or container specifically designed or designated for the collection or yard waste.

Section 3. SCOPE OF WORK. In accordance with the terms of this Agreement, the Company shall furnish all labor, materials, facilities, services and equipment necessary to provide:

3.1 Collection, hauling and transportation services for all Solid Waste generated within the City for disposal during the term of this Agreement;

3.2 Recycling services to the City at the same level and of the same types as provided in the Recycling Ordinances in effect on the Agreement Date for the collection of source-separated Recyclable Materials; and

3.3 Yard Waste collection services to the City.

In furnishing such labor, materials, facilities, services and equipment, the Company shall provide the levels of services set forth in this Agreement, including Exhibits hereto, subject to the limitations and restrictions contained therein.

3.4 The Service Area or Franchise Area within which the services under this Agreement shall be performed by the Company, shall be as described in the Company's G-Certificate (G-64) as issued by the WUTC and as configured on August 30, 1995; as such area may be amended as allowed for in this Agreement.

Section 4. TERM.

4.1 The term of this Agreement shall commence after acceptance of this Agreement by the City and the Company as provided for by RCW 35A.47.040 and other applicable law and shall expire on December 31, 2015 ("Agreement Term"). The City and the Company will meet in 2011 to discuss the potential for extending the Agreement Term or entering into a new agreement, and any decision by the parties to extend the Agreement Term or enter into a new agreement will be made by December 31, 2014.

Section 5. ANNEXATION.

5.1 If the City annexes an area in which, before annexation, an entity other than the Company has operated under a franchise, permit or license to collect and transport Solid Waste, this Agreement and the rights and obligations of the Company hereunder shall apply and become effective with respect to such annexed area immediately upon the earlier of (a) the expiration of any continuation franchise granted by the City under RCW 35A.14.900 or (b) the purchase by the City of the facilities or business of the entity holding the preannexation franchise, permit or license.

5.2 If (a) the City annexes an area not previously covered by any such franchise, permit or license; (b) the City annexes areas within which the Company has an existing WUTC permit or other franchise for garbage or refuse collection and removal; or (c) the Company acquires an area within the City currently served by a different contractor, this Agreement shall apply and become effective with respect to such annexed or acquired area immediately upon the City's annexation or the Company's acquisition of such area.

5.3 The Company agrees, in consideration for this Agreement, that the Company's G Certificate right or franchise, if any, applicable to any annexed areas under Section 5.2 or otherwise, shall be deemed canceled on the effective date of the annexation and that the Company shall service the newly annexed areas under this Agreement.

5.4 The Company waives any and all claims or rights for compensation or damages under RCW 35A.14.900, as it may be amended or replaced from time to time, or pursuant to any other law or authority in effect on the Agreement Date from the City, its agents, officers or assigns arising from the cancellation of any right or franchise resulting from the City's initial incorporation or any subsequent annexations during the Agreement Term and during the term of the prior franchise agreement between the City and the Company.

Section 6. SOLID WASTE COLLECTION AND DISPOSAL.

6.1 The Company shall collect Solid Waste from the premises of each residential customer account within the City not less than once each week (or for monthly customers, once each month) and of each commercial and industrial customer account as agreed by the Company and that customer. Title to all Solid Waste collected by the Company hereunder shall remain with the generator until it is delivered to and accepted at the Designated Disposal Site.

6.2 The Company shall transport all Solid Waste collected under this Agreement to the Designated Disposal Site. The City shall designate a Disposal Site, from time to time, as it chooses in its sole discretion.

6.3 No Solid Waste collected by the Company within the City may be diverted from the Designated Disposal Site without City approval, except for Solid Waste eliminated through waste reduction or waste recycling activities consistent with City ordinances or the Plan. In disposing of Solid Waste, the Company shall comply with all applicable federal, state and local environmental health laws, rules or regulations.

6.4 The City and the Company may meet periodically to review the level of services and Base Rates provided for in this Agreement. Services under review may include Recycling, Special Programs, Solid Waste Collection programs, and any other services that the City deems worthy of review. Review of Base Rates may include a comparison with refuse rates across the local region.

Section 7. RECYCLABLE MATERIALS; YARD WASTE.

7.1 The Company shall provide collection of Recyclable Materials and Yard Waste not less than once every two weeks. Collection will be provided to all single-family residences and multifamily residences subscribing to can service in the City limits who have signed up for the collection of Recyclable Materials and Yard Waste with the Company and have received bins and carts as provided herein.

7.2 The Company shall provide recycling bins of the same type specified in the Recycling Ordinances for recyclables. The Company shall at the Company's expense also provide single Yard Waste carts for Yard Waste, and such carts shall remain the property of the Company. The Company shall collect Recyclable Materials the customer prepares in the following manner and then places in the bins:

7.2.1 Aluminum – drain contents and flatten if possible, then place loose in “Cans” bin.

7.2.2 Glass – Place glass jars and bottles only of any color loose into “glass” bin. All jars and bottles must be unbroken, rinsed and placed in the bin carefully. It is not necessary to remove labels. Not accepted: plate glass, window glass, mirrors, light bulbs, Pyrex or other kitchen cookware, plastic bottles, or plastics of any kind.

7.2.3 Tin Cans – remove paper labels, rinse clean to avoid attracting insects or animals. Remove tops and bottoms (if possible), place inside can and flatten. Not accepted: clothes hangers, aerosol cans or scrap metal.

7.2.4 Mixed Paper – Cardboard must be bundled and kept separate from other mixed paper in the bin.

7.2.5 Newspaper – Only newspaper and catalogs made of newsprint may be included.

7.3 Recyclable Materials.

7.3.1 Yard Waste collected within the City by the Company shall be properly disposed of or marketed by the Company in accordance with applicable laws and regulations. The Company becomes the owner of Recyclable Materials and Yard Waste when such material is placed into containers provided by the Company at curbside for collection or, if the material is not placed at curbside, when the Company or its personnel receives such Recyclable Materials or Yard Waste. The Company may market or dispose of Recyclable Materials or Yard Waste in any manner the Company deems to be economically feasible. The Company shall be responsible for all marketing and sale of Recyclable Materials or Yard Waste collected hereunder and shall be entitled to all proceeds therefrom.

7.3.2 Recyclable Materials collected by the Company shall not be disposed of in a landfill unless the Company has considered other alternatives and, after good faith efforts to locate a market, has determined that such disposal is the only economical way to avoid a monetary loss. If the Company finds it necessary to landfill Recyclable Materials on a continuing basis, it shall notify and explain to the City representatives its reason for such actions.

7.4 The City shall adopt and enforce reasonable ordinances prohibiting scavenging of Recyclable Materials and Yard Waste that would otherwise become the property of the Company hereunder.

7.5 Upon mutual agreement, on terms and conditions and at rates satisfactory to the parties, the City and the Company may include additional items for recycling and additional programs under this Agreement. In addition, the City may adopt ordinances that change the services required under this Agreement, and the Company shall comply with such changes. To the extent such changes increase or decrease expenses or revenues to the Company, Base Rates shall be adjusted in accordance with Section 17.8.

7.6 The Company shall work with Pierce County to implement curbside recycling of plastics. If no implementation plan is in place by December 31, 2003, the Company shall work with the City to implement a plan by December 31, 2004 on terms and conditions, including compensation to the Company, satisfactory to the City and the Company.

Section 8. COLLECTION EQUIPMENT AND SPILLAGE. The Company shall provide an adequate number of vehicles for its collection services under this Agreement. Such vehicles shall be kept in good repair and appearance and in a sanitary condition at all times. Each vehicle shall have clearly visible on each side the name and phone number of the Company and a vehicle number. All vehicles and containers used for hauling Solid Waste shall be reasonably enclosed to prevent spillage or leakage. Any spillage that occurs during collection shall be immediately cleaned up by the Company at its expense.

Section 9. COLLECTION SCHEDULE.

9.1 The Company shall establish collection routes and schedules. It shall be the customer's responsibility to place Solid Waste, Recyclable Materials and Yard Waste at the appropriate location for collection in the appropriate container before the approved starting hour. Both the City and the residential customers shall be notified at least seven days before any route changes. The Company will furnish the City a map indicating pick-up days for all areas of the Franchise Area.

9.2 The Company shall provide regularly scheduled service for residential customers on a regular weekday, Monday through Friday.

9.3 Residential pickup shall be made between the hours of 6 a.m. and 6 p.m. If the Company or the City receives complaints about the 6 a.m. collection starting time that cannot be resolved by the best efforts of the Company and the City, the Company shall shift to a 7 a.m. starting time.

9.4 Hours and days of pickup for collection from industrial or commercial outlets shall be in the Company's discretion, as long as appropriate sanitary conditions are maintained and disruption to adjacent residential areas is minimized.

9.5 When the Company changes the pickup date for its service area, or a portion of its service area, all customers in the affected area must be notified of the change by mail, personal contact, or by a notice being affixed to their solid waste can in advance of the implementation of the new pickup schedule.

9.6 For regularly scheduled service, when pickup is missed due to the Company's observance of a holiday, the Company will provide service on an alternate day at no additional charge to the customer. A list of the holidays observed by the Company is shown below:

New Year's Day

Thanksgiving Day

Christmas Day

There is no pickup on these three Holidays and all regularly scheduled pickups will be one day late for the balance of the week.

Section 10. SERVICE.

10.1 Company may refuse to pick up materials from points where, because of the condition of the streets, alleys or roads, it is impractical or dangerous to persons or property to operate vehicles.

10.2 Company may refuse to drive into private property when, in the Company's judgment, driveways or roads are improperly constructed or maintained or without adequate turn-arounds or have other unsafe conditions.

10.3 Company will not be required to enter private property to pickup material while an animal considered or feared to be vicious is loose. The customer will be required to confine the animal on pickup days.

10.4 Any pickup may be missed due to weather or road conditions. If the item(s) missed is (are) taken on next pickup, no credit will be given.

10.5 Other than to offer reasonable care, the collector assumes no responsibility for articles left on or near cans or units.

10.6 Where the Company is requested to provide service, and damage occurs to a customer's driveway due to reasons not in control of the Company, the Company will assume no responsibility.

10.7 Company reserves the right to reject pickup of any stationary packer or drop box which, upon reasonable inspection:

- (a) appears to be overloaded;
- (b) would cause applicable vehicle load limitations to be exceeded, or,
- (c) if transported by the Company, would violate load limitation on vehicle operation; or negatively impact or otherwise damage road surface integrity.

Section 11. EMPLOYEE CONDUCT. The Company's employees and agents shall be courteous, refrain from loud and/or obscene language, exercise due care, perform their work without delay, minimize noise, and not damage public or private property while performing Agreement services. If on private property, Company employees shall follow the regular pedestrian walkways and paths, returning to the street after replacing empty containers. Employees shall not trespass or litter; cross flower beds, hedges or property to adjoining premises; or meddle with private property. The Company shall bear full responsibility for the conduct of its agents or employees performing Agreement services.

Section 12. COMPLAINTS. The City shall direct all complaints to the Company. All complaints shall be investigated by the Company within two business days after notice to the Company. The Company shall maintain a written record of all complaints, indicating the disposition of each. Such records shall be available for the City's inspection during Company business hours.

Section 13. NOTIFICATION TO CUSTOMERS. The Company shall provide customers with notice of, and necessary information about, the services under this Agreement. The Company shall also timely provide customers with necessary information about complaint procedures, rates, regulations, days of collection and other pertinent information to avoid unnecessary inquiries to the City.

Section 14. DISABLED SERVICE. The Company shall establish and implement a special disabled collection program through which the Company will provide carry-out service to households that lack the ability to place containers at the curb because of a disability covered by the program. The program shall provide such carry-out service at no additional charge and shall

be available at the written request of a household covered by the program. In establishing the program, the Company will use fair qualification criteria that meet the needs of the City's disabled residents. These criteria shall comply with all local, state and federal regulations and shall be subject to the City's review and approval before program implementation.

Section 15. LOCATION OF CUSTOMER SERVICE OFFICE. The Company shall maintain an office in Pierce County within five-miles of City Hall. The Company's office and customer service assistance shall be accessible by a phone number local to City residents. The Company's office hours shall be open at a minimum from 8 a.m. to 4:30 p.m. daily, except Saturdays, Sundays and designated holidays. Representatives shall be available at the Company's local office during office hours for communication with the public and City representatives.

Section 16. BILLING AND REFUNDS.

16.1 The Company shall have full responsibility for billing and collecting from customers all fees relating to the collection, transportation and disposal of Solid Waste, Recyclable Materials and Yard Waste under this Agreement, including determination of the timings of billings and the billing periods. Any customer who has not remitted required payments within 45 days after the date of billing may be notified by the Company that service may be discontinued 15 days after the date of notice if payment is not made before that time. The Company shall give customers notice of a right to a hearing regarding disputed bills before a designated Company official, and if a customer requests a hearing before the end of the 15-day period, service shall not be discontinued until the dismissal or conclusion of the hearing. The Company in its reasonable discretion may determine the date and time for the hearing, during its regular business hours, and the hearing procedures. If payment is not made by the date of dismissal or conclusion of the hearing, the Company may discontinue service for such customer. Upon payment of the delinquent fees, the Company shall resume collection on the next regularly scheduled collection day. Customer billing shall not be made more than two months before the service provided.

16.2 Rates and charges shall be as described in Exhibit A. All references made in this Agreement to "Exhibit A" of this Agreement shall be understood to mean "Exhibit A as amended," unless specifically noted otherwise.

16.3 CREDITS. When there has been a transaction that results in a credit being due the customer the Company must issue a check within 30 days unless other arrangements have been made with the customer. When service is discontinued during a pre-billed period and the customer is due a refund, the following shall apply:

1. All requests for refund will be honored.
2. If the customer provides a forwarding address to the Company or one can be obtained from the Post Office, the Company will issue a refund check no later than 30 days following the request.

3. The carrier will make an attempt to refund amounts in excess of the amount described in Exhibit A. If the customer does not provide a forwarding address and the U.S. Post Office can not furnish a forwarding address, the amount may be presumed to be abandoned and subject to the Uniform Unclaimed Property Act after the lapse of one year.

16.4 OVERTIME CHARGES. When a customer requests service during overtime periods, additional charges will apply as described on Exhibit A. Overtime periods include Sundays and the following holidays: New Year's Day, Labor Day, President's Day, Memorial Day, Independence Day, Thanksgiving Day, and Christmas Day. When a holiday listed above falls on Sunday, the following Monday will be observed. When a holiday listed above falls on Saturday, the preceding Friday shall be the legal holiday. Time is to be recorded to the nearest increment of 15 minutes, from the time the Company's vehicle is dispatched from the terminal until the time it returns to the terminal. No additional charge will be assessed to customers for overtime or holiday work performed solely for the Company's convenience.

16.5 OFF-CURB CHARGES. Except for service provided to the infirm or handicapped, additional charges shall be assessed according to Exhibit A if Cans or Units are to be loaded by the Company and if the Cans or Units are not placed at the curb, in the alley, or at points where the Company's vehicle can be driven within five feet on improved access roads commonly available for public use. Driveways are not considered improved access roads commonly available for public use.

Note: Company may elect to drive-in and the charge will be limited to one Can. If Cans are carried over 125 feet but are safely accessible to collector's vehicle, the drive-in charge will apply.

16.6 RESIDENTIAL RATES. Residential monthly rates shall apply to the solid waste collection service, curbside recycling service, and/or yard waste collection service for residential property. This includes single family dwellings, duplexes, apartments, mobile homes and courts, condominiums, etc., where service is billed directly to the occupant of each residential unit. Customers may be charged for service requested even if fewer units are serviced on a particular trip.

16.7 COMMERCIAL RATES. Commercial rates apply to commercial businesses. They also apply to duplexes, apartments, mobile home and courts, condominiums, etc., where service is billed to and paid by the residential property owner or manager. Customers will be charged for service ordered, even if fewer units are serviced or containers are less than full on a particular day.

16.8 TRUCK AND DRIVER TIME CHARGES. Time is charged as described in Exhibit A: when customers order single, special or emergency pickup; for material requiring special equipment, precautions, or disposal; for special trips to collect loose and bulky material; for material that must be taken to a special site for disposal; and when a truck must wait at or return to the customer's site due to no fault on the part of the Company. Time shall be recorded and charged for from the time the vehicle leaves the Company's terminal until return to the terminal excluding interruptions. Time is to be recorded to the nearest increment of 15 minutes.

- 16.9 **ADDITIONAL CHARGES FOR OVER-WEIGHT CONTAINERS, DROP BOXES AND COMPACTORS.** When the maximum net weight allowance is exceeded as stated in the following table, an additional charge per occurrence will be assessed to the customer as described in Exhibit A. Charges will only be assessed if the material is transported.

Maximum Net Weight Allowance For Containers, Drop Boxes and Compactors

Service Type	Single Rear Axle	Tandem Rear Axle
Drop Boxes & Compactors	10,000 lbs. per load	20,000 lbs. per load
Containers	250 lbs. per cubic yard	250 lbs. per cubic yard

16.10 **MATERIALS REQUIRING SPECIAL TESTING AND/OR ANALYSIS.** When the Company or disposal facility determines that testing and/or analysis of solid waste is required to determine whether dangerous or prohibited substances are present, the actual cost for such testing and/or analysis will be paid by the customer.

Section 17. RATES AND RATE ADJUSTMENTS.

17.1 **Base Rates.** As compensation for its services hereunder, the Company shall be paid the Base Rates. The Base Rates shall be adjusted on and after March 1, 2004, during the Agreement Term, as provided in Sections 17.3, 17.5, and 17.8, and shall be adjusted from time to time, as provided in Sections 17.4, 17.6, and 17.7. The Base Rates shall not be adjusted before March 1, 2004, except for adjustments under Section 17.6 or 17.7. Adjustments to Base Rates under Sections 17.3, 17.4, 17.5, 17.6, 17.7 and 17.8 shall be calculated in accordance with Exhibit B and Schedules 1 through 4 as indicated, attached hereto and incorporated herein by this reference.

17.2 **Annual Adjustment.** By December 31 of each year, the Company shall advise the City of any required adjustment in the Base Rates under Sections 17.3, 17.5, 17.6, 17.7 and 17.8 to be effective on March 1 of the following year and the basis for such adjustment. Also, upon request of the City, the Company shall promptly provide the City with documentation supporting such adjustment to the Base Rates. Within 30 days after the Company provides notice of a required adjustment, the City and the Company shall agree upon such adjustment to the Base Rates. If the City and the Company cannot agree upon the adjustment to the Base Rates within such time period, the determination shall be made in accordance with Section 17.9.

17.3 **CPI Increase.** The Base Rates shall be adjusted by 70% of the percentage increase, if any, in the Index as follows:

17.3.1 If the Index reported as of an Adjustment Date has increased over the Index reported for June 30 of the preceding year, each of the Base Rates shall be increased by multiplying each of the Base Rates by 70% of a fraction, the numerator of which is the Index published as of the Adjustment Date and the denominator of which is the Index reported for June 30 of the preceding year ($AR = BR \times .7 (ACPI, BCPI)$), in which "AR" is the Adjusted Rate,

"BR" is the Base Rate, "ACPI" is the Index reported as of the Adjustment Date, and "BCPI" is the Index reported for June 30 of the preceding year).

17.3.2 If the Index is changed so that the base year differs from that used as of the date of this Agreement, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, and, thereafter, such converted Index shall be used.

17.3.3 The increase under this Section 17.3 shall be made automatically each year to the Base Rates in effect at the time of the adjustment and shall be effective on March 1 of the year after the year of the Adjustment Date unless the Company elects, in writing, to defer an increase until the following year. The first such increase shall be effective no earlier than March 1, 2004. Under no circumstances shall the increase in the Base Rates under this Section 17.3 in any year be more than 5% unless upon agreement with the City, the Company has deferred an increase from the preceding year. When the Company elects to realize an agreed-upon deferred increase to Base Rates under this Section 17.3 (on and after March 1, 2005) the applicable percentage increase in the Index for the year in which an increase in Base Rates was deferred shall be added to the percentage change in the Index for the following year to determine the adjustment to the Base Rates.

17.3.4 The Company shall provide notice to its customers of any change to its Base Rates and shall pay for the publication of notice of the change in Base Rates in the City's official newspaper as provided for in RCW 35A.21.152. Section 17.3.4 notwithstanding, the Company is not obligated to pay for the publication of the Agreement or the publication of any amendment to the Agreement.

17.4 City Rate Control. In the management of solid waste activities, the City may determine to increase or decrease rates for various customer classes or types of service. Such determination shall be a discretionary act of the City, but will be taken only following consultation with the Company. The Company understands that the City's determinations regarding service and rates may be influenced by public health, safety and welfare law and police regulation, including policies to encourage waste reduction and recycling. If the City's rate determinations diminish the gross revenues of the Company under this Agreement, the Company shall be entitled to recover such revenues in accordance with Section 17.7.

17.5 City Administrative Agreement Fee. The City and the Company agree that the Base Rates include all of the City Agreement Administration Fee.

17.6 Rate Adjustment for Changes in Disposal Fees. Adjustments to Base Rates made under this Section 17.6 shall be made after the adjustment under Section 17.8 due to the fact that the rates used from other areas in Pierce County for comparison under Section 17.8 will not yet reflect any adjustment for a disposal fee rate change. If the Company or the City receives notice of any change in the rates for disposal of Solid Waste at the Designated Disposal Site, it shall notify the other party in writing of such change as soon as possible. If the disposal fees which are charged to the Company to dispose of the City's Solid Waste at the Designated Disposal Site are increased or decreased at any time, the Base Rates charged by the Company hereunder shall

be changed in accordance with this Agreement. Such change shall be sufficient to reflect and pass through any such disposal rate change and be effective on the same date the revised disposal rate takes effect. However, if the rate change is not effective on such date, (a) such increase shall be sufficient to compensate the Company fully for the disposal fees it is required to pay before the effective date of the change to the Base Rates and (b) such decrease shall be sufficient to enable customers to fully recoup the Company's increased revenues or decreased expenses from reductions in disposal fees. Upon the occurrence of a disposal fee change, the Company shall advise the City of the proposed increase or decrease in the Base Rates and, upon request of the City, will provide the City with documentation supporting the change in the Base Rates under this Section 17.6. The City and the Company shall promptly agree on the amount of the adjustment. If the City and the Company are unable to agree, the amount of the adjustment shall be resolved under Section 17.9.

17.7 Rate Adjustment for Changes to Designated Disposal Site and Laws

Adjustments to Base Rates made under this Section 17.7 shall not be subject to the Section 17.8 Automatic Rate Ceiling except upon mutual agreement of the City and the Company. The Base Rates shall be adjusted if the Company, at any time, has increased or reduced expenses or revenues for collection, transportation, labor, administrative, disposition and/or operations costs as a result of any of the following:

17.7.1 A change in the location of the Designated Disposal Site after the Agreement Date, the refusal of the Designated Disposal Site to accept Solid Waste or other unavailability of the Designated Disposal Site for Solid Waste;

17.7.2 Any change in collection, treatment or processing requirements for Solid Waste, Recyclable Materials or Yard Waste before disposal or marketing by action of the City or any federal, state, county, or local government or agency; or

17.7.3 Any other action of the City or any federal, state, or local agency, including but not limited to any additional taxes or fees payable by the Company to the City or any federal, state, county, or local government or agency or a change in the provisions of Recycling Ordinances.

If any such event occurs, the Company shall promptly, and no later than within 30 days, notify the City of the amount of the required increase or decrease in Base Rates. Such change shall be sufficient to reflect fully any increased or reduced expenses or revenues and shall be effective on the same date as the expense or revenue increase or decrease. However, if the rate change is not effective on such date, (a) such increase shall be sufficient to compensate the Company fully for the increase in expenses or reduction in revenues before the effective date of the change to the Base Rates and (b) such decrease shall be sufficient to enable customers to recoup fully the Company's increased revenues or decreased expenses. Upon request, the Company shall provide the City with documentation supporting any required increase in Base Rates under this Section 17.7. The City and the Company shall promptly agree on the amount of the adjustment. If the City and the Company are unable to agree, the amount of the adjustment shall be resolved under Section 17.9.

17.8 Automatic Rate Ceiling.

The then effective rates charged to customers for services, similar to those provided by the Company under this Agreement, in the areas in Pierce County, listed on Schedules 1 through 4 shall be surveyed prior to any annual adjustment under Section 17.3, of this Agreement. The attached Schedules 1 through 4 provide a comparison survey of a sample of the rates charged under this Agreement. The rates used under this Section 17.8 for the comparison areas in Schedules 1 through 4 shall be the rates effective in such areas immediately prior to the effective date for the annual adjustment under Section 17.3 of this Agreement. The Base Rates adjusted in accordance with Section 17.3 (Adjusted Rates) shall be used for the Company's Proposed Rates in Schedules 1 through 4. If it is then determined that in any one of Schedules 1 through 4 the Companies' Weighted Composite Rate exceeds the Pierce County Average Weighted Composite Rate, only the Adjusted Rates regulated by that Schedule shall be reduced until the Companies' Weighted Composite Rate for that Schedule no longer exceeds the Pierce County Average Weighted Composite Rate. Each Schedule of Schedules 1 through 4 shall be evaluated independently of the others and if found necessary, all the Company's Adjusted Rates that each such Schedule covers shall be reduced until the Company's Weighted Composite Rate for that Schedule equals the Pierce County Average Weighted Composite Rate. Adjustments to the Base Rates under Sections 17.4, 17.5, 17.6 and 17.7 shall be made after the any adjustment to the Base Rates required by this Section 17.8.

17.9 Arbitration. If the City and the Company are at any time unable to agree on any adjustments to the Base Rates under this Section 17, the parties shall agree upon an individual who is experienced in solid waste handling and rate issues and is disinterested to act as an arbitrator. If the parties cannot agree on one arbitrator, each of the parties shall name an individual who is experienced in solid waste handling and rate issues to act as arbitrator and who may be interested in the outcome of the dispute, and the two such individuals so named shall thereafter name a third individual (the "neutral arbitrator") who is experienced in solid waste handling and rate issues and is disinterested. The three arbitrators shall then become a board of arbitration. The arbitrators appointed by the parties may advocate before the neutral arbitrator. The individual arbitrator agreed upon or the board, as the case may be, shall afford both the City and the Company an opportunity to present its views on rates to be charged, and thereafter the individual arbitrator or board shall, in private session, consider the arguments and any other facts or conditions or arguments it deems appropriate, and the decision of the individual arbitrator or agreement of any two of the arbitrators on the board shall constitute the decision of the arbitrators hereunder, which decision as to Base Rates to be charged shall be final, conclusive and binding upon the parties. Each party shall bear its own costs of arbitration and share equally in the costs and fees of the individual or neutral arbitrator.

Section 18. CITY AGREEMENT ADMINISTRATION FEE.

18.1 To compensate the City for the exclusive rights granted in this Agreement and to assist in deferring the cost incurred by the City in the administration of this Agreement, the Company shall pay to the City no later than 15 days after the end of each calendar quarter (quarters ending at the end of March, June, September and December) a City Agreement Administration Fee equal to four percent (4%) of the gross revenues actually received by the

Company from customers derived from the Base Rates. The City Agreement Administration Fee shall be calculated in accordance with Exhibit B and shall be applied to Base Rates in accordance with this Agreement.

18.2 In the event any payment is not received within forty-five (45) days from the end of the calendar quarter, the Company shall pay, in addition to the payment or sum due, interest from the due date at an interest rate of 1%, beginning on the forty-sixth (46th) day after the end of the calendar quarter and continuing every day thereafter until the seventy-sixth (76th) day after the end of the calendar quarter, or until payment is made, whichever is earlier. If any payment is not received within seventy-six (76) days after the end of the end of the calendar quarter, the Company shall be assessed a late fee in the additional amount of two hundred dollars (\$200.00) per day, beginning on the seventy-sixth (76th) day after the end of the calendar quarter and continuing every day thereafter until paid.

18.3 The Company acknowledges the substantial value of this Agreement and understands that the City Agreement Administration Fee will be considered an operating expense, which, as and to the extent provided in this Agreement, may be included in the Base Rates and will not be identified as a separate charge on any customer billings.

18.4 Nothing in this Agreement precludes the City's exercise of taxing authority, including but not limited to the imposition on the Company of a utility tax, business and occupation tax, and other levy or excise for general government. The Company retains the right to include such taxes in customer rates and charges.

Section 19. CITY-OPERATED FACILITIES. The Company, at no additional cost to the City, shall remove and dispose of Solid Waste, Recyclable Materials and Yard Waste resulting from normal City operations from buildings used by the City for its administrative and governmental functions which Solid Waste, Recyclable Materials and Yard Waste are placed in cans or containers supplied by the City or the Company and conveniently located for collection. Such services shall also cover street and park containers.

Section 20. SPECIAL COLLECTION EVENTS.

20.1 The Company shall cooperate with the City in designing and implementing City-sponsored collection events. The City and the Company shall confer regarding the terms and conditions of such events.

20.2 The City and the Company shall jointly design and implement additional collection events, including the annual Fall Clean-UP. These events are for the disposal of items not included in the normal collection services provided for in this Agreement. The material types and quantities eligible for these future special collection events and other details and conditions of these events shall be jointly discussed and agreed to by the Company and the City after considering the best interests of the City and its residents and the costs to the Company and the City of the event. Public information for these events shall be a shared responsibility of the City and the Company. The City will provide space in its newsletter at no cost to assist in publicizing these events and will assist the Company in staffing appropriate sites (i.e., drop-off

sites). The Company shall not seek reimbursement for any cost it incurs from the planning and implementation of the annual Fall Clean-UP.

Section 21. COMPANY PLANNING ASSISTANCE. The Company shall, upon request and without additional cost, make available either to the City or the property owner planning assistance on new construction or major remodeling of buildings and structures within city limits with respect to the design and planning of garbage and recycling removal facilities and their location upon the site of the proposed construction or remodeling project.

Section 22. DISRUPTION DUE TO CONSTRUCTION. The City reserves the right to construct any improvement or to permit any such construction in any street or alley in such manner as the City may direct. Such construction may for a time prevent the Company from traveling its accustomed route or routes for collection. The Company shall continue to collect Solid Waste, Recyclable Materials and Yard Waste to the same extent as though no interference existed upon the streets or alleys normally traversed unless the Company cannot obtain reasonable access to a customer, in which case the Company shall make arrangements as soon as reasonably possible during normal business hours to collect such customer's Solid Waste, Recyclable Materials and Yard Waste. This shall be accomplished at no extra expense to the City or customers.

Section 23. SAFEGUARDING PUBLIC AND PRIVATE FACILITIES. The Company shall use good faith efforts to protect all public and private facilities and utilities whether located on public or private property, including street curbs. If such facilities, utilities or curbs are damaged by the Company's operations, the Company shall promptly notify the City of the damage, or if the City is the first to receive notice thereof, the City shall promptly notify the Company of the damage. The Company shall repair or replace the damaged property to its condition before such damage. If the Company fails to do so within 30 days after notice of the damage, the City may undertake such repairs or replacement and bill the cost to the Company.

Section 24. AUDITS AND RECORDKEEPING. The Company shall at all times cooperate with the City in providing all information relating to its services hereunder. The Company shall keep records of the Solid Waste, Recyclable Materials and Yard Waste volumes collected hereunder and the Company's revenues therefrom. The City shall have the right to reasonable access to such records during the Company's office hours and to audit those records by a City staff member or a City-designated auditor, at the expense of the City, no more than annually during the Agreement Term. The Company will only be required to retain these records for seven years. Accounting records of the Company shall utilize the system prescribed by the WUTC known as the "Uniform System of Accounts for Class A Garbage and Refuse Collection Companies" or a similar type approved by the WUTC. All such records are proprietary property of the Company, and the City shall hold all information from such records delivered to the City in strictest confidence and shall not disclose such information except to the extent reasonably required by applicable laws without the prior written consent of the Company. The Company hereby indemnifies and holds harmless the City from all costs, expense and liability, including attorney fees, that may arise from the City's nondisclosure of such information because of the Company's failure to give its written consent for disclosure.

Section 25. INDEMNIFICATION.

25.1 The Company's Indemnification of the City. Except as expressly otherwise provided in this section, the Company shall at all times during the term of this Agreement indemnify, hold harmless and defend the City, elected officials, officers, employees, agents and representatives, from and against any and all claims as that term is defined in Section 25.2. The indemnity provided in this section shall not apply to losses primarily and directly caused by the active (as opposed to passive) negligence of the City or its agents or employees; and to claims arising from activities of the City, itself, collecting and transporting Recyclable Materials or waste originating in its boundaries; to claims against the City resulting from its enactment or enforcement of a flow control ordinance governing the disposal of Recyclable Materials or other waste; or to claims arising from environmental liability at the Designated Disposal Site or at any site to which the Company delivers Yard Waste in accordance with this Agreement. Except as otherwise provided in the previous sentence, it is the intention of the parties that the Company's indemnification apply to claims arising from the concurrent negligence of the City and the Company or their respective agents, employees or subcontractors.

25.2 Claims Subject to Indemnification. The term "claims" as used in this section means all claims, lawsuits, causes of action, damages, penalties, charges, costs, expenses, judgments, losses, liabilities of any character or kind, including attorney fees (including those fees incurred to establish the City's right to indemnification) and other legal actions and proceedings of any nature, whether or not asserted in a judicial forum, including but not limited to claims involving bodily or personal injury or death of any person or damage to any property (including but not limited to persons employed by the City, the Company or any other person and all property owned or claimed by the City, the Company, any affiliate of the Company or any other person) in any way connected with:

25.2.1 The performance or nonperformance of any provision or requirement of this Agreement by the Company, its officers, employees, subcontractors, agents or servants;

25.2.2 Any act or omission of the Company, its officers, employees, subcontractors, agents or servants at any facilities (other than any Designated Disposal Site or any site to which the Company delivers Yard Waste in accordance with this Agreement) or involving any equipment used in connection with this Agreement;

25.2.3 The failure of the Company, its agents or servants to comply in any respect with applicable legal requirements; or

25.2.4 Any release(s) or emission(s) or threatened release(s) or emission(s) of nonrecyclable waste or otherwise by any person(s) at, onto, into, above, under, through or from any of the equipment used in connection with this Agreement except in accordance with applicable laws; or

25.2.5 Any dispute regarding the boundaries of the Franchise Area, as described in Section 3.4 of this Agreement.

25.3 City Liability to the Company. The City shall not be liable to the Company for, and the Company hereby releases the City from all liability for, any injuries, damages or destruction to all or a part of any property owned or claimed by the Company that directly or indirectly results from, arises from or is related to the Company's rights or obligations under this Agreement, unless that liability as between the City and the Company arises from the negligence or intentional acts of the City or its agents or employees.

25.4 Notice to the Company; Defense. If an action is brought against the City for which indemnity may be sought against the Company, the City shall promptly notify the Company in writing. The Company shall have the right to assume the investigation and defense of any such action, including the employment of counsel and the payment of all expenses. On demand of the City, the Company shall at its own cost and expense defend and provide qualified attorneys acceptable to the City under a service agreement acceptable to the City to defend the City or its officers, employees, agents and servants against any claim in any way connected with the events described herein. The City shall fully cooperate with the Company in its defense of the City, including consenting to all reasonable affirmative defenses and counterclaims asserted on behalf of the City. The City may employ separate counsel and participate in the investigation and defense, but the City shall pay the fees and costs of that counsel unless the Company has agreed otherwise. The Company shall control the defense of claims (including the assertion of counterclaims) against which it is providing indemnity under this section, and if the City employs separate counsel, the City shall assert all defenses and counterclaims reasonably available to it.

25.5 Applicability of RCW 4.24.115. If a court of competent jurisdiction determines that this Agreement is subject to RCW 4.24.115, the Company's liability to indemnify the City for liability for damages arising from bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of the Company and the City shall be limited to the Company's negligence.

25.6 Indemnification for Claims of the Company's Employees. It is further specifically and expressly understood that the indemnification provided in this section extends to suits against the City for injuries sustained by any person directly or indirectly employed by the Company. However, the City shall assert in any claim made by a person employed by the Company that the employee's remedy is limited to that provided under applicable workers' compensation statutes.

25.7 Royalties; License Fees; Patents. The Company shall pay all royalties and license fees, shall defend all suits or claims or any patent infringements that may occur in the Company's performance of this Agreement, and shall hold the City harmless from any loss on account thereof.

25.8 No Indemnity Waiver. The Company hereby expressly agrees that any immunity that may be granted to the Company under the Washington State Industrial Insurance Act, Title 51 RCW, as amended or recodified, shall not be construed by the Company as a release from its obligation to indemnify the City under this section. The parties do not under this section

waive or surrender any indemnity available under any applicable federal, regional, state or local law. This Section 25.8 shall survive termination or expiration of this Agreement.

Section 26. INSURANCE.

26.1 General Requirements. The Company at its own expense shall file and maintain with the City a Certificate of Insurance evidencing general commercial liability insurance coverage (including all of the coverages set forth below). This Certificate of Insurance shall be subject to approval by the City as to company, terms and coverages. All insurance shall be written on an occurrence basis.

That liability insurance shall name the City of University Place as an additional insured thereunder and must fully protect the City from any and all claims and risks and losses in connection with any acts or omissions by the Company in the performance of this Agreement, to the full extent of coverage afforded to the Company.

That liability insurance must be maintained in full force and effect throughout the Agreement Term and any extensions thereof, at the Company's sole expense, for liability for property damage, bodily injury or other personal injury that may occur in connection with activities or omissions by the Company in the performance of this Agreement. The City shall be given 30 calendar days' prior written notice, by certified mail, of any cancellation, lapse, reduction or material modification of that insurance.

26.2 Coverages of Liability Policy. The liability insurance policy and/or an endorsement thereto, as evidenced by the Certificate of Insurance, shall provide the following minimum coverages and limits and contain the following provisions:

- Bodily Injury
- Employees as Additional Insureds
- Premises/Operations Liability (M&C)
- Owners and the Company's Protective Liability
- Products and Completed Operations Liability
- Blanket Contractual Liability
- Broad Form Property Damage Liability (including completed operations)
- Personal Injury with no employee exclusion
- Stop Gap or Employers' Contingent Liability
- Automobile Liability, including coverage for owned, nonowned, leased or hired vehicles
- Explosion Collapse, Underground Damage (X.C.U.)

26.3 Minimum Limits. All coverages shall be, at a minimum, \$2 million per occurrence, provided that coverage in this stated amount shall not be construed to relieve the Company from liability in excess of such limits. The City shall not be deemed or construed to have assessed the risks that may be applicable to the Company under this Agreement. The

Company shall assess its own risks and, if it deems appropriate and prudent, maintain greater limits.

26.4 Required Endorsements. The following language must appear in all applicable policies and on the Certificate of Insurance:

Standard Coverages:

- Extended Bodily Injury
- Employees as Additional Insureds
- Premises/Operations Liability (M&C)
- Owners and the Company's Protective Liability
- Products and Completed Operations Liability
- Blanket Contractual Liability
- Broad Form Property Damage Liability (including completed operations)
- Personal Injury coverage A, B and C, with no employee exclusion
- Stop Gap or Employers' Contingent Liability
- Automobile Liability, including coverage for owned, nonowned, leased or hired vehicles

Standard Limits: \$2,000,000 per occurrence

Endorsement for Additional Insureds:

The City of University Place is named additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected to the full extent of coverage of the policy from all claims and risks by this policy and for any and every injury, death, damages and/or loss of any sort whatsoever, including consequential damages sustained by any person, organization or corporation in connection with any activity performed by the Company under the provisions of the Agreement entitled Agreement Between the City of University Place, Washington, and University Place Refuse Service, Inc., for Collection and Disposition of Solid Waste, Recyclable Materials and Yard Waste. The coverage shall contain no special limitations on the scope of protection afforded to the City (as defined in the Agreement), its officials, employees or volunteers.

The coverages provided by this policy to the City or any other named insured shall not be terminated, lapse, be reduced or otherwise be modified in any respect without the insurer's providing at least 30 calendar days' prior written notice by certified mail to the City Manager, the City of University Place, City Hall, University Place, Washington 98466.

The coverages provided by this policy shall be primary to any insurance maintained by the City of University Place with respect to claims arising from the Company's performance of the above-referenced Agreement and covered by the

Company's obligations and indemnification to the City under that Agreement. Any insurance or self-insurance maintained by those entities, their officials, employees or volunteers shall be excess of the Company's insurance and shall not contribute with it.

26.5 ACORD Form. If an "ACORD" form of Certificate of Insurance is provided to the City pursuant to this section, it must be modified in the following manner:

The following wording at the top of the ACORD Form shall be deleted in its entirety: "This Certificate is issued as a matter of information only and confers no right upon the certificate holder."

Wording at the bottom of the ACORD Form that states, "Should any of the above-described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail ___ days written notice to the below Certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company," shall be changed to read: "Should any of the above-described policies be canceled, lapse, or be reduced as to coverage before the expiration date thereof, the issuing company shall mail 30 calendar days' prior written notice to the below-named Certificate Holder and Additional Insured, the City of University Place, by certified mail."

26.6 Compliance Required. Notwithstanding any provision in this Agreement to the contrary, failure of the Company to maintain any and all of the terms of the foregoing insurance provisions shall be considered a material breach of this Agreement and cause for its termination at any time at the option of the City.

Section 27. MODIFICATION. This Agreement constitutes the entire Agreement and understanding between the parties hereto. This Agreement shall not be considered modified, altered, changed, or amended in any respect unless in writing and signed by the parties hereto.

Section 28. INTERPRETATION. If provisions in this Agreement and any referenced WUTC rule or regulation are inconsistent, the provisions of this Agreement shall govern. The City and the Company agree that Memoranda of Understanding may be drafted and agreed to from time to time by the City and the Company and attached to this Agreement for clarity and the understanding of future parties.

Section 29. ASSIGNMENT.

29.1 Assignment; Subcontracting; Delegation of Duties.

29.1.1 This Agreement is entered with Company in consideration of Company's size, limited service area and unique presence in the community. Except for subcontracting identified in this Agreement, the Company shall not assign or subcontract any of the work or delegate any of its duties under this Agreement without the prior written approval of the City.

29.1.2 When requested, approval by the City of a subcontract or assignment shall not be unreasonably withheld. However the City may, in its discretion reduce the remaining Agreement term to 5 years after the effective date of any assignment of this Agreement, but in no event shall the Agreement Term extend beyond December 31, 2015 without further agreement of the parties.

29.1.3 In the event of an assignment, subcontracting or delegation of duties, the Company shall remain responsible for the full and faithful performance of this Agreement and the assignee, subcontractor, other obligor shall also become responsible to the City for the satisfactory performance of the work assumed. The City may condition approval upon the delivery by the assignee, subcontractor or other obligor of its covenant to the City to complete fully and faithfully the work or responsibility undertaken or other security acceptable to the City.

29.2 Change in Control.

29.2.1 Any change in control or the transfer of a controlling interest in the beneficial ownership of the Company shall constitute a default under the terms of this Agreement, unless the City consents to that transfer. "The transfer of a controlling interest of the Company" shall include, but is not limited to, the transfer of more than 50% of the voting stock or the beneficial ownership of the Company to or from a single entity, unless the City, at the Company's request, approves that transfer in writing. However, intracompany transfers, such as transfers between different subsidiaries or branches of the parent corporation of the Company, or transfers to corporations, limited partnerships or any other entity owned or controlled by the Company as of the date of this Agreement, shall not be construed as the transfer of a controlling interest of the Company. If the City determines that the new ownership can adequately and faithfully render the service required in this Agreement for the remainder of the Agreement Term and has the same commitment to the community as does the Company, the City may elect to execute a novation, allowing the new ownership to assume the rights and duties of this Agreement and releasing the previous ownership of all obligation and liability. The new ownership would then be solely liable for any work and/or claims related to this Agreement.

29.2.2 The term "transfer" includes a sale, merger, or change in ownership by operation of law, the issuance of new shares, or conversion of shares without voting rights to voting shares. "Voting stock" means the shares entitled to vote for election of the directors of the corporation.

29.2.3 Notwithstanding the requirements above in this Section 29, the Company shall have the right to transfer interests in the beneficial ownership of the Company, and/or to assign this Agreement without City consent so long as the Company (and/or its transferee or assignee) remains controlled 51% or more, directly or indirectly, by University Place Refuse Service, Inc.

29.2.4 For purposes of this subsection 29.2, control by University Place Refuse Service, Inc., means control directly or indirectly by any or all of:

(a) Those natural persons who currently control University Place Refuse Service, Inc. as of December 31, 2002;

(b) Spouses or surviving spouses of those persons described in subsection 29.2.1;

(c) Lineal descendants of those persons described in subsection 29.2.1 (adopted children shall be deemed lineal descendants for purposes of this section);

(d) A trust, estate, corporation, limited partnership, limited liability company, voting trust or other entity controlled by, or the beneficiaries, shareholders or members of which are persons described in subsection 29.2.4(a)-(c), above; or

(e) A corporate trustee designated to act in a fiduciary capacity for the estate or trust of any of the persons described in subsection 29.2.4(a)-(c), above.

29.3 Binding Effect. This Agreement shall be binding on any and all successors or assignees of the Company or the City, in accordance with this Section 29.

Section 30. COMPLIANCE WITH LAWS. The Company shall conduct operations under this Agreement in compliance with all applicable legal requirements. The Company shall obtain and pay for any permits, taxes and/or licenses required by the City or any other governmental authority for the performance of this Agreement.

Section 31. EXCLUSIVE RIGHT.

31.1 The City grants the Company the exclusive right to collect, haul and transport all Solid Waste, Recyclable Materials and Yard Waste generated within the area of the City described in Section 3.4 of this Agreement.

31.2 This Agreement does not apply to:

31.2.1 Solid Waste, Recyclable Materials or Yard Waste self-hauled by the generator;

31.2.2 Recyclable Materials hauled by owners of privately operated recycling centers;

31.2.3 Construction/demolition waste hauled by self-haulers or demolition contractors from projects on which they are providing demolition services in the normal course of their business; or

31.2.4 Yard Waste generated and self-hauled by private landscaping services from landscaping projects on which they are working.

31.3 The parties agree to cooperate in the enforcement of the provisions of this Agreement and the City's authority to regulate a system of solid waste handling.

Section 32. FORCE MAJEURE. Neither the City nor the Company will be liable for failure to perform its obligations under this Agreement and such failure shall not be a default under this Agreement when the failure is due to fire, flood, storms, epidemics, earthquakes, volcanic eruptions, war, riot, insurrection, governmental restraint, labor disturbances against entities other than the Company, unavailability of a disposal site or any other causes of any nature that could not be controlled or prevented by the party failing to perform which make this Agreement impossible to perform. In any such case, the party claiming the benefit of this provision shall use due diligence to remove any such causes and to resume performance under the Agreement as soon as is feasible.

Section 33. DEFAULTS; FAILURE TO PERFORM CONTRACTUAL OBLIGATIONS.

33.1 Company Defaults Involving Disposal. If the Company is notified that it has violated the provisions of this Agreement relating to the disposal of Solid Waste, the Company shall, to the extent it disposed of such Solid Waste, immediately upon receipt of notice from the City, take steps to remedy the violation and to prevent further violations. Such action may include removing such Solid Waste and disposing of it at an approved facility. The Company shall indemnify and hold the City harmless for the cost of (a) any cleanup of a disposal site, required pursuant to state or federal law, when the Company has disposed of Solid Waste at such site in violation of this Agreement and (b) the removal and/or disposal of any Solid Waste disposed of by the Company in a location that is not authorized under this Agreement.

33.2 Other Company Defaults. The Company shall be in default of this Agreement if it violates any provision of this Agreement. In addition to any rights set out elsewhere in this Agreement, the City reserves the right to declare the Company to be in default of this Agreement if:

33.2.1 The Company fails to commence collection or fails to provide a substantial portion of service under this Agreement for more than five business days after performance is due;

33.2.2 The Company fails to obtain and maintain any permit required by the City or any federal, state or other regulatory body in order to perform the services required under this Agreement and as a result, the Company is prohibited from performing its obligations under this Agreement; or

33.2.3 The Company's noncompliance with this Agreement that creates a serious hazard to public health or safety.

In the event of default, other than a default described in subsections 33.2.1, .2 or .3, the City shall give the Company 45 calendar days' prior written notice of its intent to exercise its rights under Section 33.3, stating the reasons for such action. With respect to a default described in

subsections 33.2.1, .2 or .3, the City shall give the Company 48 hours prior written notice of its intent to exercise its rights under Section 33.3, stating the reasons for such action. If the Company cures the stated reason within the applicable cure period or if the Company initiates efforts satisfactory to the City to remedy the stated reason and the efforts continue in good faith, the City shall not exercise its rights under Section 33.3 for the particular incident. If the Company fails to cure the stated reason within the applicable cure period, or if the Company does not undertake efforts satisfactory to the City to remedy the stated reason, the City may, without impairing any of its rights hereunder, exercise its rights under Section 33.3.

33.3 City Remedies. If the Company is in default under this Agreement, and after any cure period, the City may pursue any or all of the following:

- (i) Terminate this Agreement by written notice and order the Company to discontinue further service;
- (ii) Be released from its obligations under this Agreement and use any other method or person to perform those services;
- (iii) Seek the judicial remedy of specific performance; and
- (iv) Pursue any other remedy available at law or equity.

33.4 Company Right to Terminate. If the City fails to comply with this Agreement and fails to cure such breach within 45 days after written notice thereof from the Company (or if the default cannot reasonably be cured within 45 days, then if the City fails to commence to cure the default within such 45 days and fails to diligently and in good faith continue to cure the default within a reasonable period thereafter), then the Company may, without impairing any other of its rights hereunder, terminate this Agreement by written notice at any time after such 45 day period (or extended period).

33.5 Right to Require Performance. The failure of either party at any time to require performance by the other of any provisions hereof shall in no way affect the right of that party thereafter to enforce the same. Waiver by a party of any breach of any provision hereof shall not be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

Section 34. NOTICES. All notices required under this Agreement shall be personally delivered, sent by confirmed facsimile transmission or mailed by certified or registered mail, postage prepaid, as follows:

If to the Company, address to:	University Place Refuse Service, Inc. 2815 Rochester University Place, Washington 98466 Attn: Roger Gruener
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If to the City, address to:

City of University Place
3715 Bridgeport Way West
P.O. Box 64289
University Place, Washington 98466
Attn: City Manager

or to such other address as any party shall specify by written notice so given. Notices shall be deemed to have been given and received as of the date personally delivered or received by confirmed facsimile transmission or three business days after deposit in the U.S. Mail.

Section 35. ENFORCEMENT OF AGREEMENT. If either party shall bring any action to interpret or enforce any provision of this Agreement, the losing party shall pay the successful party a reasonable sum for attorney fees and costs actually incurred, including those related to any appeal.

Section 36. RELATIONSHIP OF PARTIES. The City and the Company intend that an independent City/Company relationship be created by this Agreement. Responsibility for the implementation of services lies solely with the Company. No agent, employee, servant or representative of the Company shall be deemed to be an employee, agent, servant or representative of the City.

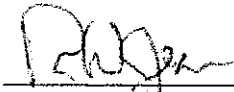
Section 37. GOVERNING LAW; VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action brought under this Agreement shall be in Pierce County, Washington.

Section 38. SEVERABILITY. If any term or provision of this Agreement is, to any extent, held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

Section 39. NO THIRD-PARTY BENEFICIARIES. This Agreement is entered into by the City in its governmental capacity and is not intended nor does it create any third-party beneficiary or other rights in any private person.

Section 40. EXECUTION/AGREEMENT DATE. This Agreement is effective on the Agreement Date and is executed on the date shown below.

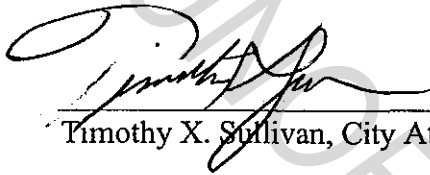
CITY OF UNIVERSITY PLACE



Robert W. Jean
University Place City Manager

6/25/03
Date

Approved as to Form:

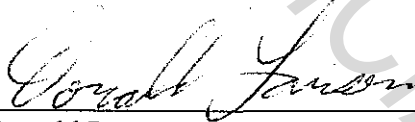


Timothy X. Sullivan, City Attorney

6/25/03
Date

UNIVERSITY PLACE REFUSE SERVICE, INC.

By

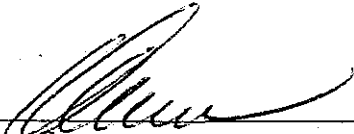


Donald Larsen
President

6/23/03
Date

UNIVERSITY PLACE REFUSE SERVICE, INC.

By



Roger Gruener
Secretary

6/23/03
Date

EXHIBIT A - Rates

Miscellaneous Service

Item Description	Rate	Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
Late Charge on delinquent balances				
Rate	1.37%	Per Month	1	N.A.
Minimum	\$1.37	Per Month	1	N.A.
Restart Fee (after stoppage due to delinquency)	\$14.67	Each time	1	N.A.
Can over size/weight	\$8.59	Each time	1	N.A.
Overtime Charges				
Per Hour	\$34.05	Per Hour	1	N.A.
Minimum	\$34.05	Minimum	1	N.A.
Return Trip Charges				
Residential 32 Gal or Less	\$11.14	Each Time	1	N.A.
Recycling, Yard Waste, or Garbage Toter (all sizes)	\$15.61	Each Time	1	N.A.
Drop Box	\$33.14	Each Time	2	N.A.
Container	\$33.44	Each Time	2	N.A.
Gate charge				
Per Occurrence	\$0.74	Each Time	2	N.A.
Monthly Minimum	\$3.19	Minimum	2	N.A.
Unlocking Charge				
Per Occurrence	\$1.18	Each Time	2	N.A.
Monthly Minimum	\$5.10	Minimum	2	N.A.
Disposal Fees				
Land Recovery - MSW (per ton)	\$93.12	Per Ton	4	N.A.
Demolition (per ton)	\$93.12	Per Ton	4	N.A.
Car Tires (each)	\$8.23	Each	4	N.A.
Truck Tires (each)	\$13.71	Each	4	N.A.
Appliances (each)	\$41.13	Each	4	N.A.
Ash (per yard)	\$37.70	Per Yard	4	N.A.
Asbestos (per yard)	\$205.66	Per Yard	4	N.A.
Rate per Hour				
Single Rear-Drive Axle Truck				
Non-Packer Truck and Driver	\$40.71	Per Hour	2	N.A.
Packer Truck and Driver	\$65.14	Per Hour	2	N.A.
Drop Box Truck and Driver	\$41.45	Per Hour	2	N.A.
Each Extra Person	\$32.56	Per Hour	2	N.A.
Tandem Rear-Drive Axle Truck				
Packer Truck and Driver	\$81.44	Per Hour	2	N.A.
Drop Box Truck and Driver	\$82.92	Per Hour	2	N.A.
Each Extra Person	\$32.56	Per Hour	2	N.A.
Refunds	\$6.86	Minimum	1	N.A.

Residential Service

Residential Garbage and Recycling

Quantity	Size	Frequency	Description	Rate	Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
1st 1	32 gal. can	Weekly	Garbage service only	\$16.55	Per Month	1	132
1st 1	32 gal. can	Weekly	Garbage and recycling service	\$15.19	Per Month	1	132
Each Add'l	32 gal. can	Weekly	Garbage service only	\$8.26	Per Month	1	67
Each Add'l	32 gal. can	Weekly	Garbage and recycling service	\$6.90	Per Month	1	67
1	32 gal. can	Monthly	Garbage service only	\$9.59	Per Month	1	30
1	32 gal. can	Monthly	Garbage and recycling service	\$8.23	Per Month	1	30
1	10 Gal. Micro-can	Weekly	Garbage service only	\$13.14	Per Month	1	54
1	10 Gal. Micro-can	Weekly	Garbage and recycling service	\$11.78	Per Month	1	54
1	20 Gal. Mini-can	Weekly	Garbage service only	\$15.16	Per Month	1	88
1	20 Gal. Mini-can	Weekly	Garbage and recycling service	\$13.80	Per Month	1	88
1st 1	60 gal. Toter	Every-other Wk	Garbage service only	\$16.55	Per Month	1	132
1st 1	60 gal. Toter	Every-other Wk	Garbage and recycling service	\$15.19	Per Month	1	132
1st 1	60 gal. Toter	Weekly	Garbage service only	\$24.81	Per Month	1	199
1st 1	60 gal. Toter	Weekly	Garbage and recycling service	\$22.09	Per Month	1	199
1st 1	90 gal. Toter	Weekly	Garbage service only	\$33.07	Per Month	1	266
1st 1	90 gal. Toter	Weekly	Garbage and recycling service	\$28.99	Per Month	1	266
Each Add'l	60 gal. Toter	Every-other Wk	Garbage service only	\$8.26	Per Month	1	134
Each Add'l	60 gal. Toter	Every-other Wk	Garbage and recycling service	\$6.90	Per Month	1	134
Each Add'l	60 gal. Toter	Weekly	Garbage service only	\$16.52	Per Month	1	199
Each Add'l	60 gal. Toter	Weekly	Garbage and recycling service	\$13.80	Per Month	1	199
Each Add'l	90 gal. Toter	Weekly	Garbage service only	\$24.78	Per Month	1	201
Each Add'l	90 gal. Toter	Weekly	Garbage and recycling service	\$20.70	Per Month	1	201
Each Can, Bag or Bundle		Occasional	Extra garbage	\$4.27	Per Pickup	1	30
Recycle only service		Every-other Wk		\$3.68	Per Month	1	N.A.

Note: Pickup frequency for recycling noted above is every-other week.

Residential Service - continued

Additional Carryout Charges

Frequency	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
Weekly	Over 5 feet but not over 25 feet	\$2.67	Per Month	1	N.A.
	For each additional 25 feet or fraction thereof, add:	\$2.02	Per Month	1	N.A.
	Drive-ins on driveways over 125 ft	\$9.44	Per Month	1	N.A.
	For each step up or down	\$0.70	Per Month	1	N.A.
	For each overhead obstruction less than 8 feet from ground	\$1.71	Per Month	1	N.A.
	Sunken cans, or raised cans 4 feet and above	\$2.02	Per Month	1	N.A.

Yardwaste Collection

Quantity	Size	Frequency	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
1	60 gal. Toter	Every-other Wk	Yardwaste service only	\$4.98	Per Month	1	N.A.
1	60 gal. Toter	Special Pickup	Yardwaste service only	\$11.14	Per Pickup	1	N.A.
1	90 gal. Toter	Every-other Wk	Yardwaste service only	\$6.49	Per Month	1	N.A.
1	90 gal. Toter	Special Pickup	Yardwaste service only	\$11.14	Per Pickup	1	N.A.
	Each Can, Bag or Bundle	Occasional	Extra Yardwaste	\$1.99	Per Pickup	1	N.A.
	Redelivery Charge (for service cancelled and restarted within 12 months)			\$17.82	Each Time	1	N.A.

Multi-Family Recycling

Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
Recycling Customers	\$2.86	Per Month	3	N.A.
Non-recycling Customers	\$3.72	Per Month	3	N.A.

Loose and Bulky Material

Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
Regular Route				
Bulky Materials (1 yard minimum charge)	\$11.93	Per Yard	2	134
Carry Charge (per each 5 feet over 8 feet distance)	\$2.78	Per Yard	2	N.A.
Loose Material (2 yards minimum charge)	\$13.05	Per Yard	2	134
Carry Charge (per each 5 feet over 8 feet distance)	\$6.68	Per Yard	2	N.A.
Special Pickups - Add Time Charges To Rates Shown Above				

Commercial Service

Commercial Garbage Toters

Quantity	Size	Frequency	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
1st 1	60 gal. Toter	Every-other Wk	Garbage service only	\$15.19	Per Month	1	132
Each Add'l	60 gal. Toter	Every-other Wk	Garbage service only	\$6.90	Per Month	1	132
1	60 gal. Toter	Special pickup	Garbage service only	\$15.19	Per Pickup	1	60
1st 1	60 gal. Toter	Weekly	Garbage service only	\$22.09	Per Month	1	199
Each Add'l	60 gal. Toter	Weekly	Garbage service only	\$13.80	Per Month	1	199
1st 1	90 gal. Toter	Weekly	Garbage service only	\$28.99	Per Month	1	266
Each Add'l	90 gal. Toter	Weekly	Garbage service only	\$20.70	Per Month	1	266
1	90 gal. Toter	Special pickup	Garbage service only	\$20.70	Per Pickup	1	90

Additional Can And Toter Carryout Charges

Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
Over 5 feet but not over 25 feet	\$0.60	Per Pickup	1	N.A.
For additional 25 feet or fraction thereof, add:	\$0.45	Per Pickup	1	N.A.
Drive-ins on driveways over 125 ft	\$2.15	Per Pickup	1	N.A.
For each step up or down	\$0.17	Per Pickup	1	N.A.
For each overhead obstruction less than 8 feet from ground	\$0.45	Per Pickup	1	N.A.
For cans or units underground or over 4 feet above ground, but not involving stairs or steps	\$0.45	Per Pickup	1	N.A.

Container Service - Permanent Accounts (non-compacted)

Container Size	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
1 Yd	Special pickups	\$24.63	Per Pickup	2	134
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$77.39	Per Month	2	581
1.5 Yd	Special pickups	\$32.25	Per Pickup	2	192
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$101.30	Per Month	2	832
2 Yd	Special pickups	\$39.86	Per Pickup	2	249
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$125.22	Per Month	2	1079
3 Yd	Special pickups	\$55.08	Per Pickup	2	363
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$173.04	Per Month	2	1573
4 Yd	Special pickups	\$70.30	Per Pickup	2	470
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$220.87	Per Month	2	2037
6 Yd	Special pickups	\$100.75	Per Pickup	2	558
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$316.52	Per Month	2	2418

Commercial Service - continued

Container Service - Temporary Accounts (non-compacted)

Container Size	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
All Sizes	Initial Delivery	\$36.86	Per Delivery	2	N.A.
1 Yd	Pickup Rate	\$17.86	Per Pickup	2	134
	Daily Rate	\$3.41	Per Day	2	N.A.
	Monthly Rate	\$68.39	Per Month	2	N.A.
1.5 Yd	Pickup Rate	\$23.38	Per Pickup	2	192
	Daily Rate	\$3.41	Per Day	2	N.A.
	Monthly Rate	\$78.91	Per Month	2	N.A.
2 Yd	Pickup Rate	\$28.89	Per Pickup	2	249
	Daily Rate	\$3.41	Per Day	2	N.A.
	Monthly Rate	\$89.43	Per Month	2	N.A.
3 Yd	Pickup Rate	\$39.93	Per Pickup	2	363
	Daily Rate	\$4.47	Per Day	2	N.A.
	Monthly Rate	\$99.96	Per Month	2	N.A.
4 Yd	Pickup Rate	\$50.98	Per Pickup	2	470
	Daily Rate	\$5.52	Per Day	2	N.A.
	Monthly Rate	\$110.48	Per Month	2	N.A.
6 yd	Pickup Rate	\$73.05	Per Pickup	2	558
	Daily Rate	\$6.57	Per Day	2	N.A.
	Monthly Rate	\$121.00	Per Month	2	N.A.

Container Service - Customer Owned (compacted)

Container Size	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
3 Yd	Special pickups	\$66.51	Per Pickup	2	970
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$287.99	Per Month	2	4203
4 Yd	Special pickups	\$79.46	Per Pickup	2	1294
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$344.06	Per Month	2	5607
5 Yd	Special pickups	\$98.93	Per Pickup	2	1617
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$428.37	Per Month	2	7006
6 Yd	Special pickups	\$117.27	Per Pickup	2	1773
	1 X Per Wk. Pickup (multiply Rate by # of pickups/week)	\$507.78	Per Month	2	7682

Container Service - Miscellaneous

					Rate	Rate Ceiling	Garbage ave.	
	Description				Rate	Qualifier	Schedule	Lbs. Per Mo.
	Roll-out Charge (moving container more than 5, but less than 20 feet)				\$4.46	Per Pickup	2	N.A.
	Roll-out Charge (moving container each additional 20 feet)				\$4.46	Per Pickup	2	N.A.
	Excess Weight Charge				\$29.50	Per Pickup	2	N.A.
	Washing and Sanitizing Containers and Drop Boxes							
	Washing				\$3.81	Per Yard	2	N.A.
					\$25.36	Minimum	2	N.A.
	Steam Cleaning				\$5.31	Per Yard	2	N.A.
					\$39.59	Minimum	2	N.A.
	Pickup and redelivery charge				\$38.73	Round Trip	2	N.A.

Commercial Garbage Cans

Quantity	Size	Frequency	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
1st 1	32 gal. can	Weekly	Garbage service only	\$15.19	Per Month	1	132
Each Add'l	32 gal. can	Weekly	Garbage service only	\$6.90	Per Month	1	67
1st 1	32 gal. can	Special pickup	Garbage service only	\$15.19	Per Pickup	1	30
Each Add'l	32 gal. can	Special pickup	Garbage service only	\$4.59	Per Pickup	1	30
Each Can, Bag or Bundle		Occasional	Extra garbage	\$4.59	Per Pickup	1	30

Drop Box Service - Permanent Accounts (non-compacted), To Disposal Site and Return

Drop Box Size	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
12 Yd	First Pickup (minimum charge)	\$89.84	Per Month	2	N.A.
	Additional Pickups (each)	\$60.00	Per Pickup	2	N.A.
13 Yd	First Pickup (minimum charge)	\$93.82	Per Month	2	N.A.
	Additional Pickups (each)	\$60.00	Per Pickup	2	N.A.
17 Yd	First Pickup (minimum charge)	\$100.30	Per Month	2	N.A.
	Additional Pickups (each)	\$62.50	Per Pickup	2	N.A.
20 Yd	First Pickup (minimum charge)	\$106.78	Per Month	2	N.A.
	Additional Pickups (each)	\$65.00	Per Pickup	2	N.A.
25 Yd	First Pickup (minimum charge)	\$121.73	Per Month	2	N.A.
	Additional Pickups (each)	\$70.00	Per Pickup	2	N.A.
30 Yd	First Pickup (minimum charge)	\$136.68	Per Month	2	N.A.
	Additional Pickups (each)	\$75.00	Per Pickup	2	N.A.
40 Yd	First Pickup (minimum charge)	\$163.56	Per Month	2	N.A.
	Additional Pickups (each)	\$80.00	Per Pickup	2	N.A.
All Sizes	Excess Mileage Beyond 10 miles (pickup point to disposal site)	\$2.03	Per Mile	2	N.A.

Commercial Service - continued

Drop Box Service - Temporary Accounts (non-compacted), To Disposal Site and Return

Drop Box Size	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
12 Yd	Pickup Rate	\$60.00	Per Pickup	2	N.A.
	Daily Rate	\$2.74	Per Day	2	N.A.
	Monthly Rate	\$54.78	Per Month	2	N.A.
13 Yd	Pickup Rate	\$60.00	Per Pickup	2	N.A.
	Daily Rate	\$3.10	Per Day	2	N.A.
	Monthly Rate	\$62.09	Per Month	2	N.A.
17 Yd	Pickup Rate	\$62.50	Per Pickup	2	N.A.
	Daily Rate	\$3.47	Per Day	2	N.A.
	Monthly Rate	\$69.39	Per Month	2	N.A.
20 Yd	Pickup Rate	\$65.00	Per Pickup	2	N.A.
	Daily Rate	\$3.83	Per Day	2	N.A.
	Monthly Rate	\$76.70	Per Month	2	N.A.
25 Yd	Pickup Rate	\$70.00	Per Pickup	2	N.A.
	Daily Rate	\$4.75	Per Day	2	N.A.
	Monthly Rate	\$94.96	Per Month	2	N.A.
30 Yd	Pickup Rate	\$75.00	Per Pickup	2	N.A.
	Daily Rate	\$5.66	Per Day	2	N.A.
	Monthly Rate	\$113.22	Per Month	2	N.A.
40 Yd	Pickup Rate	\$80.00	Per Pickup	2	N.A.
	Daily Rate	\$7.67	Per Day	2	N.A.
	Monthly Rate	\$153.40	Per Month	2	N.A.
All Sizes	Initial Delivery	\$32.24	One Time	2	N.A.
	Excess Mileage Beyond 10 miles (pickup point to disposal site)	\$2.03	Per Mile	2	N.A.
	Lid Charge	\$14.92	Per Month	2	N.A.

Drop Box Service - Customer Owned (compacted), To Disposal Site and Return

Drop Box Size	Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
8 Yd	Pickup Rate	\$80.61	Per Pickup	2	N.A.
10 Yd	Pickup Rate	\$88.67	Per Pickup	2	N.A.
12 Yd	Pickup Rate	\$93.51	Per Pickup	2	N.A.
15 Yd	Pickup Rate	\$96.72	Per Pickup	2	N.A.
18 Yd	Pickup Rate	\$100.01	Per Pickup	2	N.A.
20 Yd	Pickup Rate	\$104.79	Per Pickup	2	N.A.
25 Yd	Pickup Rate	\$112.02	Per Pickup	2	N.A.
30 Yd	Pickup Rate	\$120.30	Per Pickup	2	N.A.
35 Yd	Pickup Rate	\$125.46	Per Pickup	2	N.A.
40 Yd	Pickup Rate	\$143.39	Per Pickup	2	N.A.
All Sizes	Excess Mileage Beyond 10 miles (pickup point to disposal site)	\$2.03	Per Mile	2	N.A.

Infectious Waste Service - Rates per gallon

Quantity (gallons)		Quantity (gallons)		Quantity (gallons)		(applies to all 3 columns)	
Rate		Rate		Rate		Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
0-10	\$ 2.62	171-180	\$ 1.30	341-350	\$ 0.95	2	N.A.
11-20	\$ 2.27	181-190	\$ 1.27	351-360	\$ 0.94	2	N.A.
21-30	\$ 2.26	191-200	\$ 1.24	361-370	\$ 0.91	2	N.A.
31-40	\$ 2.23	201-210	\$ 1.22	371-380	\$ 0.90	2	N.A.
41-50	\$ 2.21	211-220	\$ 1.18	381-390	\$ 0.89	2	N.A.
51-60	\$ 2.14	221-230	\$ 1.14	391-400	\$ 0.89	2	N.A.
61-70	\$ 2.03	231-240	\$ 1.11	401-410	\$ 0.87	2	N.A.
71-80	\$ 1.94	241-250	\$ 1.10	411-420	\$ 0.87	2	N.A.
81-90	\$ 1.82	251-260	\$ 1.09	421-430	\$ 0.86	2	N.A.
91-100	\$ 1.72	261-270	\$ 1.05	431-440	\$ 0.86	2	N.A.
101-110	\$ 1.63	271-280	\$ 1.04	441-450	\$ 0.85	2	N.A.
111-120	\$ 1.59	281-290	\$ 1.02	451-460	\$ 0.85	2	N.A.
121-130	\$ 1.52	291-300	\$ 1.02	461-470	\$ 0.84	2	N.A.
131-140	\$ 1.45	301-310	\$ 1.01	471-480	\$ 0.84	2	N.A.
141-150	\$ 1.37	311-320	\$ 0.99	481-490	\$ 0.82	2	N.A.
151-160	\$ 1.35	321-330	\$ 0.97	491-500	\$ 0.82	2	N.A.
161-170	\$ 1.32	331-340	\$ 0.95			2	N.A.

Infectious Waste - Miscellaneous

Description	Rate	Rate Qualifier	Rate Ceiling Schedule	Garbage ave. Lbs. Per Mo.
On-call Service, Add	\$6.88	Per Pickup	2	N.A.
Special Pick-up, Add	\$6.88	Per Pickup	2	N.A.
Minimum Charge	\$26.20	Per Month	2	N.A.

Note 1. The Company reserves the right to refuse pickup for the following: (A) Leaking container. (B) Damaged Container. (C) Overfilled container.

Note 2. Container sizes offered are 10 and 20 gallon. Credit shall not be given for partially empty containers.

Note 3. Maximum weight allowance is as follows: 10 gallon container 25 lbs. 20 gallon container 35 lbs.

Note 4. The rates named herein include all costs of transportation, disposal and containers.

Note 5. The transportation of Infectious Waste will be subject only to rates, charges, rules and regulations shown on this page.

EXHIBIT B
Base Rate Adjustments Illustration
for City of University Place Collection Agreement

This Exhibit B illustrates how the adjustments to the base rates will be made. Section 17.3 CPI Adjustments will occur on March 1st of each year beginning in 2004. Section 17.8 Automatic Rate Ceiling Adjustments, if applicable, will occur on March 1st of each year beginning in 2004. Section 17.6 Disposal Fee Adjustments will generally occur on March 1st of any year that disposal fees are changed. Section 17.4 Rate Control Adjustments or Section 17.7 Site and Law Change Adjustments may occur at any time. Section 17.4, 17.6 and 17.7 Adjustments will be made after the Section 17.8 Ceiling Adjustment.

For purposes of illustration only, we assume a fictitious base rate of \$20.00 in the first year (2003), a constant change in the CPI index of 1.40%, a Section 17.7 Ceiling Rate Adjustment of -1.667% on March 1, 2005 and a Section 17.6 Disposal Fee Adjustment of \$0.50 on March 1, 2005. Rates for subsequent years will continue to be adjusted from the Final Base Rate of the prior year.

The increase or decrease for a Section 17.6 Disposal Fee Adjustment will vary among the different types of services. The adjustment will be calculated separately for each service depending on the weight of the solid waste attributed to that service (refer to schedule A of this contract for the weight assigned to each given service level). For this illustration a fictitious monthly weight of 123.4 lbs. is used. A similar application will apply to a Section 17.7 Adjustment for Changes to Sites and Laws.

Line	Agreement Section	Description	Year												
			2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Base Rate Calculations</u>															
A	Section 17.3	Change in CPI Index	0.00%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
B	Section 17.3	70% of CPI Adjustment (A x .70)	0.00%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%
C	Section 17.5	City Administrative Fee Pass-thru	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
D	Section 17.5	Adjusted Admin. Fee Pass-thru (C/(100%-C)	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%	4.1667%
E	Section 17.8	Rate Modifier Percentage (From Schedules 1 to 3)	0.000%	0.000%	-1.667%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<u>Separately Calculated Adjustments</u>															
F		Prior Year Final Base Rate	20.00	20.00	20.21	20.59	20.80	21.01	21.23	21.45	21.67	21.89	22.10	22.33	22.56
G	Section 17.3	70% of CPI Adjustment (B x F)	-	0.20	0.20	0.20	0.20	0.21	0.21	0.21	0.21	0.21	0.22	0.22	0.22
H		Adjusted Rate (Subtotal (F + G))	20.00	20.20	20.41	20.79	21.00	21.22	21.44	21.66	21.88	22.10	22.32	22.55	22.78
I	Section 17.5	Back out prior year Admin. Fee Pass-thru For 2003: I=((100%- D)*F)-H	(0.80)	(0.80)	(0.81)	(0.82)	(0.83)	(0.84)	(0.85)	(0.86)	(0.87)	(0.88)	(0.88)	(0.89)	(0.90)
J		Comparison Rate (Subtotal (H + I))	19.20	19.40	19.60	19.97	20.17	20.38	20.59	20.80	21.01	21.22	21.44	21.66	21.88
K	Section 17.8	Automatic Rate Ceiling Adjustment (E x J)	-	-	(0.33)	-	-	-	-	-	-	-	-	-	-
L	Section 17.8	Ceiling Adjusted Rate (J + K)	19.20	19.40	19.27	19.97	20.17	20.38	20.59	20.80	21.01	21.22	21.44	21.66	21.88
M	Section 17.4	City Rate Control Adjustment (Specific amount)	-	-	-	-	-	-	-	-	-	-	-	-	-
N	Section 17.6	Disposal Fee Adjustment (Lbs. from Sched. A x (New Landfill Rate - Old Landfill Rate)/2000)	-	-	0.50	-	-	-	-	-	-	-	-	-	-
O	Section 17.7	Adj. for Changes to Sites and Laws (Specific amount)	-	-	-	-	-	-	-	-	-	-	-	-	-
P		Subtotal (L + M + N + O)	19.20	19.40	19.77	19.97	20.17	20.38	20.59	20.80	21.01	21.22	21.44	21.66	21.88
Q	Section 17.5	Current year Admin Fee Pass-thru (D x P)	0.80	0.81	0.82	0.83	0.84	0.85	0.86	0.87	0.88	0.88	0.89	0.90	0.91
R		Final Base Rate (P + Q)	20.00	20.21	20.59	20.80	21.01	21.23	21.45	21.67	21.89	22.10	22.33	22.56	22.79
S		Percentage change in Base Rate ((R - F)/F)	0.00%	1.05%	1.88%	1.02%	1.01%	1.05%	1.04%	1.03%	1.02%	0.96%	1.04%	1.03%	1.02%
<u>City's Administrative Fee Yield</u>															
T	Section 18.1	Final Base Rate (S)	20.00	20.21	20.59	20.80	21.01	21.23	21.45	21.67	21.89	22.10	22.33	22.56	22.79
U	Section 18.1	City's Administrative Fee Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
V	Section 18.1	City's Administrative Fee Yield (T x U)	0.80	0.81	0.82	0.83	0.84	0.85	0.86	0.87	0.88	0.88	0.89	0.90	0.91

SCHEDULE 4. - Rate Class 4. - Example

Calculation for Drop Box and Compactor Dump Fee Base Rate

4/9/2003

	Row #	Rate	Effective Rate	Rate per Ton
Column #		a	b	c
Formula			$(a/(1-(a2+a3)))$	$(b*c1)$
L.R.I. Disposal Tip (Dump) Fee 3-16-03	1			\$ 88.00
City Admin. Fee	2	4.00%	4.2328%	\$ 3.72
State B & O Tax	3	1.50%	1.5873%	\$ 1.40
Allowed Drop Box and Compactor Dump Fee per Ton Base Rate				\$ 93.12

SCHEDULE 1. - Rate Class 1 - Automatic Rate Ceiling - Rate Modifier Percentage - Example

Residential Garbage, Recycling and Yard Waste

Note: The Rate Modifier Percentage in this schedule is applied to all Rate Class 1. rates per Line E of Exhibit 'B'.

4/9/2003

			City of Lakewood			Murrey's Disposal		Pierce Co. Refuse		City of Steilacoom		City of Puyallup		City of Fircrest		County Average Rate (PCAR)		Ceiling Adjusted Rate (CAR)		U.P. Refuse New Rate with 4% Agreement Fee Effective 7/1/2003
Cust. Count % of 6/19/2002 Cust.			Rate less 4.00% (% of Rate Agreement Cust. 3/1/2003 Fee X Rate)			Rate Cust. 3/1/2003 X Rate)		Rate Cust. 3/1/2003 X Rate)		Rate Cust. 3/1/2002 X Rate)		Rate Cust. 3/1/2003 X Rate)		Rate Cust. 3/1/2003 X Rate)		Rate Cust. X Rate)		Rate Cust. X Rate)		
Column #	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	v	w	x
Formula		(a/6923)	(c-(c*4.0%) (b*d)			(b*f)		(b*h)		(b*j)		(b*l)		(b*n)		((d+f+h+j+l+n)/6) (b*p)		(s + u)	(b*v)	(v*1/(1-.04)
1 60 Gal. Yard waste Toter every-other wk	254	3.7%	\$ 6.15	\$ 5.90	\$ 0.22	\$ 4.30	\$ 0.16	\$ 5.10	\$ 0.19	\$ 5.41	\$ 0.20	\$ 4.40	\$ 0.16	\$0.00	\$ -	\$ 4.19	\$ 0.15	\$ 4.78	\$ 0.18	\$ 4.98
1 90 Gal. Yard waste Toter every-other wk	4144	59.9%	\$ 6.15	\$ 5.90	\$ 3.53	\$ 4.30	\$ 2.57	\$ 5.10	\$ 3.05	\$ 5.41	\$ 3.24	\$ 4.40	\$ 2.63	\$0.00	\$ -	\$ 4.19	\$ 2.51	\$ 6.23	\$ 3.73	\$ 6.49
																\$ -				
1 32 gal. can 1 X per Month w/ recycling	107	1.5%	9.12	8.76	\$ 0.14	12.02	\$ 0.19	7.96	\$ 0.12	9.03	\$ 0.14	6.98	\$ 0.11	12.13	\$ 0.19	\$ 9.48	\$ 0.15	\$ 7.90	\$ 0.12	\$ 8.23
1 10 gal. micro-can weekly w/ recycling	6	0.1%	\$ 13.56	13.02	\$ 0.01	\$ 13.79	\$ 0.01	\$ 11.82	\$ 0.01	\$ 9.03	\$ 0.01	\$ 6.98	\$ 0.01	\$ 12.13	\$ 0.01	\$ 11.13	\$ 0.01	\$ 11.31	\$ 0.01	\$ 11.78
1 20 gal. mini-can weekly w/ recycling	51	0.7%	\$ 13.56	13.02	\$ 0.10	\$ 13.79	\$ 0.10	\$ 11.82	\$ 0.09	\$ 11.27	\$ 0.08	\$ 10.57	\$ 0.08	\$ 16.84	\$ 0.12	\$ 12.89	\$ 0.09	\$ 13.25	\$ 0.10	\$ 13.80
1 32 gal. can weekly w/ recycling	4732	68.4%	\$ 16.53	15.87	\$ 10.85	\$ 16.01	\$ 10.94	\$ 13.91	\$ 9.51	\$ 13.33	\$ 9.11	\$ 14.34	\$ 9.80	\$ 21.41	\$ 14.63	\$ 15.81	\$ 10.81	\$ 14.58	\$ 9.97	\$ 15.19
2 32 gal. cans weekly w/ recycling	1922	27.8%	\$ 22.70	21.79	\$ 6.05	\$ 21.36	\$ 5.93	\$ 19.61	\$ 5.44	\$ 19.00	\$ 5.27	\$ 22.83	\$ 6.34	\$ 30.35	\$ 8.43	\$ 22.49	\$ 6.24	\$ 21.20	\$ 5.89	\$ 22.09
3 32 gal. cans weekly w/ recycling	100	1.4%	\$ 30.67	29.44	\$ 0.43	\$ 27.84	\$ 0.40	\$ 25.31	\$ 0.37	\$ 24.55	\$ 0.35	\$ 31.52	\$ 0.46	\$ 39.53	\$ 0.57	\$ 29.70	\$ 0.43	\$ 27.82	\$ 0.40	\$ 28.98
4 32 gal. cans weekly w/ recycling	5	0.1%	\$ 35.37	33.96	\$ 0.02	\$ 35.65	\$ 0.03	\$ 31.15	\$ 0.02	\$ 29.89	\$ 0.02	\$ 40.21	\$ 0.03	\$ 48.75	\$ 0.04	\$ 36.60	\$ 0.03	\$ 34.45	\$ 0.02	\$ 35.88
Total Customers:	6923	100.0%																		
Weighted Ave. Residential Monthly Rate - Prior Year (WAMR)					\$ 21.35		\$ 20.33		\$ 18.80		\$ 18.42		\$ 19.62		\$ 23.99		\$ 20.42			
Present value adjustment ((WAMR x (CPI x 70% - from Line B - Exhibit B)					\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -			
Adjusted Weighted Ave. Residential Monthly Rate					\$ 21.35		\$ 20.33		\$ 18.80		\$ 18.42		\$ 19.62		\$ 23.99		\$ 20.42		\$ 20.42	
Adjusted Weighted Ave. as a % of Pierce Co.ave.					104.56%		99.57%		92.07%		90.21%		96.09%		117.49%	Rate %	100.00%		100.0%	

Actual Rates Effective 7-1-03

SCHEDULE 2. - Rate Class 2. - Automatic Rate Ceiling - Rate Modifier Percentage - Example

Commercial Garbage Containers and Cans

Note: The Rate Modifier Percentage in this schedule is applied to all Rate Class 2. rates per Line E of Exhibit 'B'.

		Actual		4/9/2003																				
Rate Effective Date	Annual Revenue per Container	% of Size Level	Cust. 6/19/2002	37426	City of Lakewood		Murrey's Disposal		Pierce Co. Refuse		City of Steilacoom		City of Puyallup		City of Fircrest		Pierce Co. Average Rate (PCAR)		Ceiling Adjusted Rate (CAR)		U.P. Refuse New Rate with 4% Agreement Fee Effective 7/1/2003			
					Rate less 4.00% (% of Agreement Cust. X Rate)		Rate Cust. (% of 3/1/2003 X Rate)		Rate Cust. (% of 3/1/2003 X Rate)		Rate Cust. (% of 3/1/2002 X Rate)		Rate Cust. (% of 8/7/2000 X Rate)		Rate Cust. (% of 3/1/2003 X Rate)		Rate Cust. (% of 3/1/2003 X Rate)		Rate Cust. (% of 3/1/2003 X Rate)					
					3/1/2003 Fee																			
Column #	a	b				c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	v	w	x	
Formula		(a/\$78,504)				(c-(c*4.0%)		(b*d)		(b*f)		(b*h)		(b*i)		(b*l)		(b*n)	((d+f+h+j+l+n)/6)	(b*p)	(s + u)	(b*v)	(v*1/(1-.04)	
		% of Revenue																						
1 Cubic Yard Container	6653.6428	8.5%				66.24	63.59	\$ 5.39		67.99	\$ 5.76	67.57	\$ 5.73	60.95	\$ 5.17	70.23	\$ 5.95	74.06	\$ 6.28	\$ 67.40	\$ 5.71	\$ 74.30	\$ 6.30	\$ 77.39
2 Cubic Yard Container	26731.465	34.1%				\$ 88.20	84.67	\$ 28.83		\$ 94.29	\$ 32.11	\$ 94.68	\$ 32.24	\$ 84.93	\$ 28.92	\$ 91.87	\$ 31.28	\$ 97.61	\$ 33.24	\$ 91.34	\$ 31.10	\$ 97.25	\$ 33.11	\$ 101.30
2 Cubic Yard Container	20400.007	26.0%				\$ 116.38	111.72	\$ 29.03		\$ 116.26	\$ 30.21	\$ 123.54	\$ 32.10	\$ 111.10	\$ 28.87	\$ 121.61	\$ 31.60	\$ 119.86	\$ 31.15	\$ 117.35	\$ 30.49	\$ 120.21	\$ 31.24	\$ 125.22
3 Cubic Yard Container	7437.2549	9.5%				\$ 157.74	151.43	\$ 14.35		\$ 188.59	\$ 17.87	\$ 173.75	\$ 16.46	\$ 155.49	\$ 14.73	\$ 168.98	\$ 16.01	\$ 193.92	\$ 18.37	\$ 172.03	\$ 16.30	\$ 166.12	\$ 15.74	\$ 173.04
4 Cubic Yard Container	6843.7279	8.7%				\$ 209.75	201.36	\$ 17.55		\$ 219.01	\$ 19.09	\$ 222.61	\$ 19.41	\$ 198.94	\$ 17.34	\$ 232.64	\$ 20.28	\$ 239.72	\$ 20.90	\$ 219.05	\$ 19.10	\$ 212.03	\$ 18.48	\$ 220.87
6 Cubic Yard Container	10438.341	13.3%				\$ 304.13	291.96	\$ 38.82		\$ 297.87	\$ 39.61	\$ 335.45	\$ 44.60	\$ 300.81	\$ 40.00	\$ 335.20	\$ 44.57	\$ 359.58	\$ 47.81	\$ 320.15	\$ 42.57	\$ 303.86	\$ 40.40	\$ 316.52
Totals	78504.438	100.0%																						
Weighted Ave. Residential Monthly Rate - Prior Year (WAMR)								\$ 133.97		\$ 144.65		\$ 150.54		\$ 135.03		\$ 149.69		\$ 157.75		\$ 145.27				
Present value adjustment ((WAMR x (CPI x 70% - from Line B - Ex						0		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -				
Adjusted Weighted Ave. Residential Monthly Rate								\$ 133.97		\$ 144.65		\$ 150.54		\$ 135.03		\$ 149.69		\$ 157.75		\$ 145.27		\$ 145.27		
Adjusted Weighted Ave. as a % of Pierce Co.ave.								\$ 0.92		\$ 1.00		\$ 1.04		\$ 0.93		\$ 1.03		\$ 1.09	Rate %	\$ 1.00		\$ 1.00		

SCHEDULE 3. - Rate Class 3. - Automatic Rate Ceiling - Rate Modifier Percentage - Example

Multi-family Recycling

Note: The Rate Modifier Percentage in this schedule is applied to all Rate Class 3. rates per Line E of Exhibit 'B'.

4/9/2003

Rate Effective Date	Cust count	% of Cust.	City of Lakewood			Murrey's Disposal			Pierce Co. Refuse			City of Steilacoom			City of Puyallup			City of Fircrest			Pierce Co. Average Rate (PCAR)			Ceiling Adjusted Rate (CAR)			U.P. Refuse New Rate with 4% Agreement Fee Effective 7-1-03
			Rate	Agreement	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.	Rate	Cust.		
			3/1/2003	Fee	X Rate)	3/1/2003	X Rate)	3/1/2002	X Rate)	9/13/2000	X Rate)	8/7/2000	X Rate)	3/1/2003	X Rate)	3/1/2003	X Rate)	3/1/2003	X Rate)	3/1/2003	X Rate)	3/1/2003	X Rate)	3/1/2003	X Rate)		
Column #	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	v	w	x							
Formula		(a/6923)		(c-(c*4.0%)	(b*d)		(b*f)		(b*h)		(b*j)		(b*l)		(b*n)	((d+f+h+j+l+n)/6)	(b*p)	(s + u)	(b*v)	(v*1/(1-.04)							
		% of Revenue																									
Recycling	3480	90.6%	1.98	1.9	\$ 1.72	3.46	\$ 3.14	1.65	\$ 1.50	3	\$ 2.72	3.12	\$ 2.83	3.53	\$ 3.20	\$ 2.78	\$ 2.52	\$ 2.74	\$ 2.49	\$ 2.86							
Non-recycling	360	9.4%	\$ 2.91	2.79	\$ 0.26	\$ 4.21	\$ 0.39	\$ 2.40	\$ 0.23	\$ 3.00	\$ 0.28	\$ 3.12	\$ 0.29	\$ 3.53	\$ 0.33	\$ 3.18	\$ 0.30	\$ 3.57	\$ 0.33	\$ 3.72							
Totals	3840	100.0%																									
Weighted Ave. Residential Monthly Rate - Prior Year (WAMR)					\$ 1.98		\$ 3.53		\$ 1.73		\$ 3.00		\$ 3.12		\$ 3.53		\$ 2.82										
Present value adjustment ((WAMR x CPI x 70% - from Line B -		0.0%			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -										
Adjusted Weighted Ave. Residential Monthly Rate					\$ 1.98		\$ 3.53		\$ 1.73		\$ 3.00		\$ 3.12		\$ 3.53		\$ 2.82		\$ 2.82								
					\$ 0.70		\$ 1.25		\$ 0.61		\$ 1.06		\$ 1.11		\$ 1.25	Rate %	\$ 1.00		\$ 1.00								