

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

THE COUNTY OF SONOMA, AS SELLER

AND

REPUBLIC SERVICES OF SONOMA COUNTY, INC., AS
PURCHASER

DATED AS OF ~~SEPTEMBER 29~~OCTOBER 27, 2009

Fees shall be charged or payable with respect to such Tonnage. The County shall not receive credit for the first 100 Tons per day of such Waste described in this Section 6.17(q) towards the County's Waste commitment, but shall receive credit for amounts over 100 Tons per day. In consideration for this rate for such residual materials, the County shall cause Redwood Empire to deliver all residuals from any materials recovery facilities owned or operated by Redwood Empire or its Affiliates at any location within the County of Sonoma to the Landfill or Keller Landfill (prior to the resumption of disposal operations at the Landfill or during any cessation thereof) up to a maximum of 100 Tons per day (5 day week).

- (r) With respect to all Waste that consists of Construction and Demolition Wastes hauled by Redwood Empire and its Affiliates, which County has directed to the Central Transfer Station pursuant to the Redwood Empire Franchise Agreement, the tip fee, as set forth in Schedule 6.17, shall be \$50.00 per Ton. Such Construction and Demolition Wastes shall be transported directly by Redwood Empire and its Affiliates. The foregoing rate of \$50.00 per Ton is as of the Execution Date (and is inclusive of the "Disposal Component", the "Fuels Component", the "Government Fee Component" and the "Other Public Agency Host Fee Component", as such terms are used in Schedule 6.17). Such rate shall be subject to annual adjustment as set forth in Section I and Section III of Schedule 6.17 and adjustments for Tip Fee Adjustment Events as set forth in Section V of Schedule 6.17, in each case, in an amount proportional to the adjustments to the tip fees set forth in Schedule 6.17. Purchaser shall pay to the County the full Royalty Payment in connection with such Waste, but no Program Fees shall be charged or payable with respect to such Tonnage. The Redwood Empire Franchise Agreement shall direct Redwood Empire and its Affiliates to deliver all such Construction and Demolition Wastes to Central Transfer Station. In exchange for the County directing Redwood Empire under the Redwood Empire Franchise Agreement to deliver all Construction and Demolition Wastes collected by Redwood Empire and its Affiliates throughout the County of Sonoma, including unincorporated areas and cities to the Central Transfer Station, the County shall receive credit for the Tonnage of such Waste described in this Section 6.17(r) towards the County's Waste commitment but only up to 25 Tons per day. In consideration for this rate for such Construction and Demolition Wastes and for the credit of 25 Tons per day for Construction and Demolition Wastes delivered to Purchaser towards the County's Waste commitment to Purchaser, County shall cause Redwood Empire to deliver all Construction and Demolition Waste collected by Redwood Empire and its Affiliates in the County of Sonoma and within all of its cities, except for the Town of Windsor, to the Central Transfer Station.

6.18 **Permitting; Capital Improvements; MRF**

- (a) From and after the Closing Date and during the period of operations of the Facilities, Purchaser shall, at its sole cost and expense, obtain and maintain all permits (including the Permits) and revisions, renewals and modifications thereof

necessary for the use, operation, development, maintenance and expansion of the Facilities.

(b) Purchaser anticipates that it will make the following capital investments related to the Facilities:

(1) New equipment related to the development and operation of the Facilities in an estimated amount of \$5 million, including the following equipment at the Landfill: D8R CAT Bulldozers, D6 CAT LGP Tractor, 627 CAT Scraper/Earthmover, 3000 gallon water truck, 836 CAT Compactor, 950 CAT Loader, 12H CAT Motor Grader and 325 CAT Excavator or Backhoe; and the following equipment at the Transfer Stations: five (5) CAT 950 Loaders, two (2) CAT Skid Steer Loaders and (2) Street Sweepers. All such equipment shall comply with the County's General Plan noise ordinance standards and other applicable Laws.

(2) Equipment and materials related to the development and operation of a materials recovery facility (“MRF”). The MRF, and all such equipment used therein or a part thereof, shall comply with the County's General Plan noise ordinance standards and other applicable Laws. Purchaser shall use Commercially Reasonable Efforts to process and obtain the necessary permits in order to undertake installation and construction of a MRF meeting the requirements set forth on Exhibit T during or before calendar year 2011 and make it fully operational as of July 1, 2012. Purchaser shall notify the County in writing promptly after the MRF is able to receive Waste and then again when substantially full scale operations have commenced. Subject to the provisions of this paragraph, Purchaser shall operate the MRF from the completion date thereof until the expiration of the term of the County's commitment of County-Controlled Waste and the term of the City Disposal Agreements. ~~However, if following construction and opening of the MRF it becomes not economically viable for Purchaser to continue operating the MRF (i.e., if Purchaser, in exercising Prudent Solid Waste Practices in operating the MRF, has to pay a buyer to take the commodities themselves in addition to paying transportation costs (which transportation costs Purchaser acknowledges it will bear at its cost)), Purchaser shall, during the period in which the MRF is not economically viable and subject to the terms of this paragraph, have the right to suspend operations of the MRF and dispose of Recyclable Materials in the Landfill rather than process them in the MRF; provided, however, that prior to any suspension or landfilling of Recyclable Materials, Purchaser shall (i) meet and confer with the County in order for the County to understand the economic and operational issues affecting the MRF; and (ii) provide the County with an indication of the nature and quantum of the issues and provide reasonable documentation and evidence thereof. If and to the extent that the County and the Committed Cities independently or jointly agree to make the operations of the MRF cost neutral to Purchaser, Purchaser shall continue operations of the MRF as~~

~~required hereunder. Further, if~~ Purchaser implements a new or different process or technology on the Property or on another site within the County of Sonoma after installation of the MRF that provides equal or better diversion and capacity as the MRF, Purchaser's obligation to operate and maintain the MRF shall be satisfied by the installation, operation and maintenance of such new or different process or technology. In no event shall Purchaser cease operation of the MRF as contemplated under the preceding sentence until Purchaser has installed and completed the new or different technology or process, has initiated operations thereof and has demonstrated that such new or different technology or process provides equal or better diversion and capacity as the MRF. The County shall not share in the value of any commodities received at or processed by the MRF or by any such new or different process or technology.

- (3) Other capital improvements to the Facilities in an estimated amount of \$1 million, including repairs to floors, loading bays/ports, roofing, lighting and building siding.
- (4) All values set forth in this Section 6.18 are for estimate purposes only and actual amounts may be higher or lower. Purchaser shall have no responsibility or liability if actual amounts expended on the items described in this Section 6.18 are lower than the foregoing estimates.

6.19 **AB 32 Obligations; Climate Protection.**

- (a) Purchaser shall participate with the County in, and assist in the funding of, a feasibility study to evaluate climate protection and renewable energy opportunities at the Landfill and Transfer Stations. Purchaser's funding obligation shall be on a reimbursement basis and shall be half of the cost of the feasibility study, but not to exceed \$75,000. The study shall be undertaken by a consultant selected by the County and acceptable to Purchaser, in its reasonable discretion. The County will manage and direct the consultant's work but will work with a project advisory committee comprised of both the County and Purchaser. The final report will, if acceptable to Purchaser and the County, in their reasonable discretion, be published under the name of both Parties. If there is not consensus regarding the recommendations of the report, each Party will be able to utilize data generated by the study and publish under their name only. Purchaser will not be required by the County, as a result of this study, to implement any programs or actions Purchaser deems, in its sole discretion, inappropriate; provided, however, that Purchaser shall remain fully obligated to comply with applicable Law. The study will be initiated within 6 months after the Closing Date and will proceed under a schedule developed by the consultant and agreed to by the project advisory committee.
- (b) The feasibility study will evaluate the feasibility of implementing potential projects, programs, and operational practices at the Facilities using evaluation