

**SOLID WASTE FRANCHISE AGREEMENT
BETWEEN
STOREY COUNTY, NEVADA
AND
WASTE MANAGEMENT OF NEVADA, INC.
D/B/A STOREY COUNTY SANITATION**

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

RECITALS

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

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

WHEREAS, to ensure the stability of service and rates, it is the intent of Storey County to displace or limit competition of the collection and disposal of garbage, rubbish, trash, C & D, commercial recycling in the Commercial Recycling Area and all other Solid Waste within Storey County; and

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

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

1.1 DEFINITIONS

- A. "Adjustment Date" means December 1, 2020 and the date, which occurs annually on each anniversary of the Adjustment Date thereafter.

- B. "Applicable Law" means any law, regulation, requirement, or order of any Federal, State or local agency, court or other domestic or foreign governmental body, or interpretation thereof by any court or administrative agency of competent jurisdiction, and requirements of all permits, licenses, and governmental approvals applicable to this Agreement.
- C. "Approved Landfill" means a site holding a valid permit to permanently deposit municipal solid waste in accordance with all applicable laws and regulations of the United States, the State of Nevada, the Nevada Environmental Commission and any other agency with lawful jurisdiction.
- D. "Bin" means a metal or plastic Container, with a capacity of one (1) cubic yard up to, and including, eight (8) cubic yards, designed or intended to be mechanically dumped into a loader packer type truck that is approved for such purpose by the Franchisor.
- E. "Bulky Wastes" means large household items that do not properly fit in the customer's Cart, or bundled or bagged Solid Waste, that do not exceed four feet by four feet by two feet (3'x3'x3') and weigh no more than fifty (50) pounds, which are attributed to the normal activities of a single-family or duplex premises. Such materials may include furniture, area and floor rugs properly prepared (cut and bundled), mattresses, appliances, and bagged clothing. Bulky Waste excludes any Unacceptable Waste.
- F. "Bundles" means tree, shrub and brush trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding four (4) feet in length or 50 lbs. in weight.
- G. "Cart" means a Franchisee-owned wheeled cart that is a plastic container with 64 or 96 gallons of capacity; designed for and used with a hydraulic lifting mechanism; weighing not over 150 pounds per 96 gallon capacity and 100 pounds per 64 gallon capacity when full; fitted with a sturdy handle and a cover; and which shall be rodent and insect resistant and be capable of holding collected materials without spilling when in an upright position.
- H. "Can" means a 32-gallon plastic or metal container fitted with a sturdy handle and a cover that is provided by the customer and which doesn't pose a safety hazard to Franchisee or its equipment. Franchisee is not responsible for normal wear and tear damage to customer provided containers.
- I. "Change in Law" means the following events or conditions that may have an adverse effect on the performance by the Parties of their respective obligations under this Agreement:
1. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation of any Applicable Law on or after the Effective Date; or,
 2. The order or judgment of any governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action,

error or omission or lack of reasonable diligence of the Franchisor or of the Franchisee, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

- J. "Container" means a Cart, Bin or other receptacle from which Franchisee performs collections hereunder.
- K. "Commercial Premises" means and person, partnership, or association located in Storey County and holding a Storey County business license; any business establishments, public buildings or places, and buildings of a commercial nature containing dwelling units or living accommodations of a temporary or transient nature, including, but not limited to motels, hotels, boarding houses and rooming houses; any apartment house, mobile home park except for individual residential service, recreational vehicle park, or campground, of three (3) or more units; and any not-for-profit associations or corporations, or from industrial sources. Persons holding a Storey County business license for a home occupation who generate no waste other than Residential Waste are not Commercial Premises. References herein to "commercial" shall refer to a commercial premises.
- L. "Commercial Waste" means any Solid Waste or other Waste generated by a Commercial Premises.
- M. "Commercial Recyclable Materials" means Recyclable Materials generated by a Commercial Premises.
- N. "Commercial Recycling Area" means the geographic area in Storey County that has been designated as an exclusive commercial recycling Area. This area runs along I-80 from the Tahoe Reno-Industrial Center to and including all of the McCarran Ranch. The "Commercial Recycling Area" is more fully described in Exhibit B.
- O. "Compactor" means a mechanical apparatus that compresses materials, the Container that holds the compressed materials, and/or the process of compressing materials or holding compressed materials. Compactors include Bin Compactors of no larger than 4 yards in size serviced by front-loading Collection vehicles and Compactors of any size serviced by Roll-Off Box Collection vehicles.
- P. "Construction and Demolition Waste" ("C& D Waste") as used in this Agreement shall mean Solid Waste of non-putrescible material, generated from the demolition, construction, or remodel of building structures.
- Q. "County" means Storey County, Nevada.
- R. "Effective Date" means December 1, 2019.
- S. "Franchise Area" means the entire area of Storey County. Unless otherwise agreed by the parties and the Canyon General Improvement District, "Franchise Area" shall not

include the Canyon General Improvement District, as it currently has a separate franchise agreement with Waste Management of Nevada, Inc.

- T. "Gross Revenues" means any and all revenue or compensation actually collected by Franchisee from customers under this Agreement for the exclusive collection, transportation, and disposal of Solid Waste within the Franchise Area, net of Franchise Fees. The term Gross Revenues, for purposes of this Agreement, shall not include any revenues generated from: a) County, or other federal, state, or local taxes or surcharges; b) any customer late fees, NSF charges, interest, or reactivation charges; or c) any revenues generated from the sale of Recyclable Materials or any recycling rebates received from the State.
- U. "Hazardous Waste" shall have the meaning set out in NRS 459.430.
- V. "Overage(s)" means (i) Solid Waste or Recyclable Materials exceeding its Container's intended capacity such that the Container's lid is lifted by at least 12 inches (or would be lifted by at least 12 inches if there were a lid), or (ii) Solid Waste or Recyclable Materials placed on top of or in the immediate vicinity of the Container. Franchisee may provide Overage service to Customers and charge the rates described in Exhibit A. Franchisee is not obligated to collect Overage, unless caused by Franchisee spillage of non-overloaded Containers during collection.
- W. "Contamination" or "Contaminated" means when a Recyclable Materials container has more than 5% non-Recyclable Materials or any amount of Unacceptable Waste as defined in this Agreement.
- X. "Recyclable Materials" has the meaning ascribed to it in NRS 444A.013 and means solid waste that can be processed and returned to economic mainstream in the form of raw material or products, and determined by the State Environmental Commission, as further limited to the material set forth in Exhibit C.
- Y. "Residential Premises" means any premises with less than three (3) dwelling units. References to "residential" shall refer to a residential premises.
- Z. "Residential Waste" means any Solid Waste or other Waste generated at a Residential Premises.
- AA. "Roll-Off Box" mean open-top Containers with a typical capacity of ten (10) to forty (40) cubic yard that are serviced by a roll-off Collection vehicle.
- BB. "Solid Waste" as set forth in NRS 444.490, means any and all putrescible and non-putrescible refuse in solid or semisolid form, including but not limited to, garbage, rubbish, junk vehicles, ashes or incinerator residue, street refuse, dead animals, C&D Waste, solid or semisolid Commercial Waste. The term "Solid Waste" shall not include Hazardous Waste or any other form of waste material the deposit of which would be in violation of Franchisee's permits or violation of Franchisee's own rules and regulations.

- CC. "Source-Separated Recyclables" means contained materials which are at least 95% recyclable materials and which are separated by the generator and which the generator self-hauls with its own employees or family, gives at no cost to a collector, or sells or is otherwise compensated by a collector in a manner resulting in a net payment to the generator (i.e., as long as the s/he is not paying someone to take the material). This term does not include any attempt to circumvent the Franchisee by "renting", "leasing", or in any fashion charging a customer a fee, then offering to provide a "discount", "rebate", or any other monetary charge to the generator, however labeled.
- DD. "Transfer Station" means a facility and/or building structure for the temporary collection, compactor, and/or transfer of Solid Waste, Recyclable Material so that an economical method of transportation of Solid Waste to an approved landfill is utilized.
- EE. "Unacceptable Waste" means any waste, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized, or listed under applicable federal, state, or local laws or regulations, any materials containing information protected by federal, state or local privacy and security laws or regulations (unless tendered to Franchisee pursuant to a separate agreement), or any material the acceptance or handling of which would cause a violation of any Applicable Law, damage to Franchisee's equipment or facilities, or present a substantial endangerment to the health or safety of the public or Franchisee's employees. Title to and liability for Unacceptable Waste shall remain with the generator at all times.
- FF. "Waste" means any unwanted or discarded material resulting from any activity, including but not limited to Solid Waste and Recyclable Materials.

1.2 EXCLUSIVE RIGHT, EXCLUSIONS, AND ENFORCEMENT

- A. **Exclusive Right; Exclusions; Enforcement.** The Franchisor does hereby grant to Franchisee the exclusive duty, right, and privilege to collect, transfer, dispose, recycle or otherwise handle all Solid Waste, Recyclable Materials and other Waste materials generated, deposited, accumulated, or otherwise coming to exist in the Franchise Area, including at Residential and Commercial Premises. However, with regard to Recyclable Materials at Commercial Premises, this duty, right and privilege shall only apply to the Commercial Recycling Area. Neither the Franchisor, nor Residential or Commercial Premises, shall make or enter into any other agreement or arrangement for the collection, transport, removal, or disposal of Solid Waste; Recyclable Materials within the Commercial Recycling Area; or other Waste from within the Franchise Area during the term of this Agreement, or of any extension or renewal thereof. For purposes of clarification, C&D Waste and non-putrescible Solid Waste generated at Commercial Premises, other than those Recyclable Materials hereinabove specifically excepted, shall be subject to Franchisee's exclusive rights under this Agreement.
- B. **Non-Mandatory.** Nothing in this Agreement shall mandate residential, multi-family, commercial, or industrial property or persons to utilize the Solid Waste collection services of the Franchisee. Storey County shall be considered a "non-mandatory" county.

However, if a residential, multi-family, commercial, or residential property or person desires solid waste services in Storey County, except exclusions listed in this Agreement, they are required to use the services of the Franchisee.

C. **Exclusions.** Notwithstanding the above, the categories of materials listed below may be collected, transported, disposed of or re-sold by others, provided all licensing and permitting requirements are met:

1. **Self-Haul.** Nothing in this Agreement shall prevent any owner, occupant, or tenant of premises from personally handling, hauling, or transporting Solid Waste or other Waste generated by or from his/her own residence or business operations for purposes of disposing of the same at an authorized disposal area or transfer station, provided the Solid Waste or other Waste being transported is contained or covered, or otherwise secured, to prevent spillage onto streets or highways. This exclusion shall not apply to Solid Waste or other Waste that is transported by persons or businesses, or by their employees or agents, who own, lease, control, operate, or manage vehicles or containers used for the purpose of transporting Solid Waste or other Waste for collection or disposal, or both, for compensation.
2. Baled cardboard which is not contaminated.
3. **Incidental Yard Rubbish.** Businesses such as yard clean up services, tree trimming, gardening, landscaping, and the like, where the collection and hauling of refuse is incidental to the labor necessary to provide the service.
4. **Source-Separated Recyclables.** This exception does not allow any attempt to cause a net charge to the generator, circumvent the Franchisee by “renting”, “leasing”, or in any fashion charging a customer a fee, then offering or providing a “discount”, “rebate”, or any other minor monetary charge to the generator, however labeled.

1.3 TITLE TO SOLID WASTE STREAM

The title to all materials collected by Franchisee hereunder (excluding Unacceptable Wastes) and the property rights associated therewith for the collection, recycling and disposal of Solid Waste and other Waste materials under this Agreement shall be the sole property of Franchisee. For purposes of this Agreement, the transfer of title occurs at the time that Solid Waste and other Waste is deposited by residential customers in containers and left at the street for collection by Franchisee, or is deposited by commercial customers in dumpsters or equivalent containers and left for collection by Franchisee. For self-haul customers, the title to Recyclable Materials transfers to Franchisee at the time such materials are placed into containers at the Transfer Station or landfill.

1.4 ENFORCEMENT

To the extent permitted by law, the County and/or Franchisee shall prohibit any person from providing the same or similar service for the collection, hauling, recycling and disposing of Solid Waste and other Waste materials within the County that is in violation of the terms of this

exclusive Franchise Agreement. The County shall use good faith efforts to protect and enforce the exclusive rights of Franchisee through appropriate ordinances and reasonable enforcement of those ordinances against third party violators. If, at the request of Franchisee, the Franchisor takes administrative, law enforcement, or other legal action against any person who infringes on the Franchisee's exclusive rights, Franchisee must reimburse Franchisor for its reasonable legal costs related to such action. Franchisee may independently enforce the exclusivity provisions of this Agreement against third party violators, including but not limited to seeking injunctive relief, and the Franchisor shall use good faith efforts to cooperate in such enforcement actions brought by Franchisee.

1.5 TERM OF AGREEMENT

The initial term of this Agreement shall be five (5) years, commencing on the Effective Date and, unless sooner terminated in accordance with the provisions of this Agreement, this Agreement shall expire five years after the Effective Date. The parties may extend the term of this Agreement for additional five (5) year terms by written mutual consent. Franchisee or Franchisor shall provide the other party written notice by USPS Certified Mail of its intent to exercise the extension option not later than the 18 months prior to the then-current Agreement expiration date, and the other party shall respond to that written notice by USPS Certified Mail within 6 months thereafter to indicate its desire to extend the Agreement or not to extend the Agreement.

1.6 FRANCHISEE SERVICES

- A. **Collection Services.** Franchisee shall furnish all labor, supervision, materials, supplies, equipment, and all other items required to collect and dispose of all Solid Waste, and other Waste within the scope of this Agreement. The work to be done by Franchisee as set forth in this Agreement shall be accomplished in a professional manner so that the residents within the Franchise Area are provided reliable, courteous, and high-quality collection of Solid Waste.
- B. **Collection Frequency and Method.** Franchisee shall collect Solid Waste from residential customers on a weekly basis. Franchisee shall collect Solid Waste from commercial customers on a weekly basis or more frequently as requested by the customer; commercial Recyclable Materials collections shall occur at a frequency determined by Franchisee and customer. All residential collections shall be made at the curb or street-side and shall be properly set out for collection, on the appropriate day, and by the appropriate time established by Franchisee for collection.
- C. **Collection Hours.** Franchisee shall perform collection services within residential areas only between 6:00 a.m. and 6:00 p.m., Monday through Friday and between 7:00 a.m. and 6:00 p.m. Saturday except Holidays; provided that the Parties may otherwise agree with respect to permitted times on Holidays.
- D. **High Country Service.** For operations in the Virginia City Transfer Station area, Virginia City and Gold Hill, and in the Virginia City Highlands, Highlands Ranches, and Virginia Ranches, Franchisee will assign two personnel to work out of Virginia City on a

weekly basis. These employees will be responsible for solid waste collection as well as operations of the Virginia City Transfer Station and the Virginia City Highlands Recycling bin. During inclement weather conditions, pickup scheduling will be adjusted expanded so as to accommodate the service needs, such as missed pickup service created by the inclement weather.

1.7 RESIDENTIAL SERVICE

A. **General Service.** Unless self-hauling, residential customers shall use one of the service levels established in Exhibit A.

1. Residents that use 32-gallon cans/bags/bundles or 64/96 gallon carts shall be serviced weekly, and residents may set out an additional one (1) cubic yard of containerized Waste material without extra charge, which is equivalent to six (6) thirty-two (32) gallon cans, bags, boxes or bundles. Each item shall not exceed fifty (50) pounds in weight or thirty-six (36) inches in length. Additional carts may be provided for a fee as set forth in the rate Exhibit A.
2. Franchisee will not service containers on private driveways unless the customer has requested yard service or drive-in service, paid the additional fees for such service as found on Exhibit A, and executed a Franchisee liability waiver form regarding any damage caused by Franchisee trucks. Franchisee will ultimately determine if the access is sufficient to safely service the property. If not, the customer will have to bring the container to a location per this Agreement that can be safely serviced by Franchisee.
3. Franchisee will service containers and provide other applicable services on private roads owned and/or managed by a local homeowners' association, property owners' association, general improvement district, or other such entity similarly as it does for public roads within the jurisdiction of this agreement. Franchisee is not responsible for any wear and tear damage that may occur to any roadway as described above. Such private roads must be accessible by Franchisee and Franchisee will make final determination if the road can be safely traveled on.
4. Franchisee agrees to service individual residential containers on east "Canyon Way" (the first east-west aligned street located south of and approximately parallel to Peri Ranch Road within the Lockwood Community Corporation [LCC]) upon the Franchisor's completion and maintenance of a trash truck turn-around area at the Franchisor's cost and which meets Storey County road standards for such a turnaround area. The turn-around area shall conform approximately to Exhibit D.

B. **Community Cleanup Residential Incentive.** Each household in the county may access the transfer station in Virginia City or Dayton, or the Lockwood Regional Landfill, or combination thereof, three (3) times per year to dump at no-cost for each arrival up to three cubic yards of accepted solid waste in this Agreement at any time that the facilities are open for business. Arrivals may be required to show the gate attendant identification

demonstrating Storey County residency. In addition to this, each Storey County household will be awarded three (3) vouchers per calendar year for this purpose. By January 1st of each year, Franchisor will be provided with 3,500 dump vouchers by Franchisee. As needed and upon written request by the Franchisor, Franchisee will provide Franchisor additional vouchers necessary to meet this section, but there shall not be more vouchers given than three for the number of households in the county. Franchisor will establish a process for distribution. New vouchers will be provided for each year of this Agreement, and those vouchers shall only be good for the respective year. Franchisee will have the right to reject customer usage at either facility in instances of a clear forgery or use by commercial customers. In addition to the locations stated herein, households may use their vouchers at the Dayton Transfer Station.

1. In addition to the provisions above for Community Cleanup Residential Incentive, Storey County residents may drop off acceptable Recyclable Materials at the Virginia City Transfer Station and the Lockwood Regional Landfill. Those recyclables will change from time to time, which will change the types of products that are accepted for recycling and the ability to find a vendor that will recycle all items, i.e. batteries, motor oil, etc.
 2. Franchisee will provide Holiday Tree collection as part of the base service, provided trees are cut in sections no larger than 3 feet. This service will be provided beginning the day after Christmas until January 15th.
- C. **Senior Rate.** The Franchisee shall charge a senior residential collection rate to eligible seniors, as set forth in Exhibit A. The senior residential collection rate shall have an eligibility age of 65 years old, or older, and include the collection of a thirty-two (32) gallon can (without additional yardage) or sixty-four (64) gallon Cart of Solid Waste, but does not include the one addition cubic yard of containerized Waste in the base level of service.
- D. **Low Income Senior Rate.** Low-income senior citizens upon request shall pay a rate set at 75% of the established solid waste rate as set forth in Exhibit A for the customer owned 32-gallon service that does not include the additional cubic yard of service. The qualification requirements for the low-income senior citizen rates include all the following: (i) head of household; (ii) minimum of 65 years of age; and, (iii) an adjusted gross income for the household at or below one hundred-fifty (150) percent of the current Federal Poverty Guidelines for the 48 Contiguous States and the District of Columbia for the applicable size of family unit.
1. To demonstrate conformity with the qualification requirements, the Franchisee shall require applicants to complete an application form provided by the Franchisee and provide copies of photo identification showing proof of age and the first and second pages of Form 1040, U.S. Individual Income Tax Return for the previous calendar year, or other suitable documentation to verify household income.

2. Eligibility shall be granted for a specified period not to exceed two (2) years after which the Franchisee shall require applicant to re-certify as to their continued eligibility. The Franchisee shall require approved applicants to provide notification if and when their eligibility qualification status changes.
- E. **Special Yard Service.** Franchisee shall charge a fee for Special Yard Service as set forth in Exhibit A. This yard service charge is allowed when service to the customer's container requires walk in or drive in service. Where yard service is provided, Franchisee shall not be responsible for damage to private roadways or adjacent property, and Franchisee may require a damage waiver agreement or decline to provide service on such private roads.
1. Special yard service will be provided free of charge to disabled or frail elderly customers that (1) are physically unable to move Carts as verified by medical certification, and (2) annually sign a sworn statement that they live in a residence with no other resident that is capable of moving the Cart to the street for service.
 2. In the event customer makes use of a locking, steel animal resistant enclosure, it shall be located within 20 feet of any roadway. It is the responsibility of customer to provide access to such enclosure and keep the area to and from the street clear for Franchisee. In the event access is not provided, or the Franchisee cannot get to the enclosure, Franchisee is not required to service the container. Customer using this service shall be charged the Special Yard Service rate as defined in Exhibit A in addition to their base service level.
 3. In the event customer selects a 96-gallon animal resistant container, the rate to be charged will be found in Exhibit A.

1.8 COMMERCIAL SERVICE

Unless self-hauling, commercial customers shall use one of the service levels established in Exhibit A for Solid Waste collection service and, if within the Commercial Recycling Area, Recyclable Materials collection service. Commercial Recycling provided to customers within the Commercial Recycling Area will be for Recyclable Materials, and for additional materials agreed upon between the customer and Franchisee. At a minimum, cardboard, paper, metals and plastics 1 & 2 will be recycled, provided there is an economically available market.

1.9 GENERAL PROVISIONS

- A. **Ownership of Carts and Containers.** All Carts, Bins and other containers provided by Franchisee shall remain the property of Franchisee. Customers shall not overfill Carts or containers; instances of Overage are subject to additional fees, as set forth in Exhibit A. Replacement Carts may be subject to a fee as set forth in Exhibit A.
- B. **Solid Waste Disposal.** Franchisee shall dispose of all Solid Waste collected under this Agreement or any Solid Waste residuals remaining after processing, at the Lockwood Regional Landfill in Storey County, Dayton Transfer Station, or Carson City Landfill.

C. **Transfer Station Operations.** Franchisee shall have the exclusive duty, right, and privilege to operate Transfer Stations within the County for the purpose of transferring Solid Waste and other Waste materials. Franchisee shall continue to operate its Transfer Station in Virginia City which shall normally be open a minimum of three days per week, including Saturday and two business days. Rates for accepting and transferring Solid Waste and other Waste materials shall be as set forth in Exhibit A. Annual adjustment of rates for the transfer operations shall be subject to rounding as agreed upon by the County and Franchisee so as to allow for the ease in making change at the transfer station.

1. **Recycling at Virginia City Transfer Station and Landfill.** The Franchisee shall provide and maintain self-haul Recyclable Materials drop off service at the Virginia City Transfer Station and Lockwood Regional Landfill at no charge. Franchisee shall be entitled to retain any revenues generated from the sale of the Recyclable Materials by Franchisee. Recyclable Materials acceptable for drop off at the Virginia City Transfer Station shall include cardboard, newspapers, magazines, office paper, plastics 1 & 2, aluminum, tin cans, glass, wet cell and dry cell batteries, used motor oil, antifreeze and metals; at the Lockwood Regional Landfill wet cell and dry cell batteries, used motor oil, antifreeze, and metals provided; however, if the Franchisee furnishes the Franchisor valid documentation that recyclable commodity markets for certain of the above listed materials are not viable or a vendor will no longer provide recycling services, Franchisee shall not be required to accept such materials for recycling drop off and processing.

2. **Recycling at Highlands.** Franchisee will provide and maintain a Bin of appropriate size for separated or mixed Recyclable Materials at the Virginia City Highlands Fire Station 72 or an agreeable adjacent location, in which residents may deposit recyclable materials at no charge. Material collected will change for time to time based on the market conditions for certain recyclables. Additionally, continuous findings of contamination in the recycling container will allow Franchisee to remove the container.

D. **Collection for County Facilities.** Franchisee will provide collection and disposal of all Solid Waste, without cost or charge, at all buildings, parks, "C" Street "B" Street boardwalks and other facilities owned by Storey County which are open to the public and operating under normal conditions. Included in this service is the biohazard waste generated from the EMS operations of Storey County, to the extent this material is permitted for disposal at the Transfer Station or Disposal Site. This complimentary service provided to Storey County shall not apply to the disposal of any form of Solid Waste from non-recurring services (e.g., construction projects), waste that requires special handling or equipment, Solid Waste resulting from natural disasters, businesses operating for profit on County properties under special licensing or franchise agreements, any special community event operated or sponsored by the County (except for "B" and "C" Street containers which shall still be collected), or any other types of extra-ordinary burdens for the removal of Solid Waste from property owned by the County. Included in this complimentary service will be to maintain the current service level at the four existing schools in Storey County (Hillside Elementary School, Hugh Gallagher

Elementary School, Virginia City Middle School and Virginia City High School) without charge. The cost of this service shall be considered as a normal cost of operations for determining collection rates. The County shall be responsible to prohibit individuals or businesses from using the free service containers provided by Franchisee at County facilities and along the streets of the County, and shall consider implementing an ordinance to enforce compliance with this prohibition. Franchisee shall have the right to bill any residential or commercial user who uses the public containers in lieu of the residential and commercial service provided under the agreement.

- E. **Illegal Dump Site Service.** On an annual basis, Franchisee will provide at up to six clean up services for Franchisor where illegally dumped waste in the County has been located. Each service will be limited to 30 yards. Items weighing more than 200 pounds are excluded, as are materials which may not be accepted for disposal at the Franchisee disposal facilities. Franchisor will make arrangements for clean up by providing Franchisee with at least seven days advance notice of the need for a cleanup. The area to be cleaned up must be accessible by Franchisee's equipment. If a location is discovered that covers a large area, the Franchisor will collect the material and deliver it to a dedicated location for clean up by Franchisee.
- F. **Disaster Relief.** In the event of a natural disaster or other County emergency, Franchisee shall use commercially reasonable efforts to provide assistance to Franchisor in the form of equipment, labor, and disposal services, at rates as identified in Exhibit A. Emergency contingencies may occur where in order to protect the health and safety of the public the County deems it necessary to permit and/or contract with other entities, companies or services to collect, transport or dispose of solid waste resulting from an emergency and/or disaster.
- G. **Collection Exclusions; Contamination.**
 - 1. **Unacceptable Waste.** It is understood that the Franchisee is not authorized and is not required hereunder to collect and transport Unacceptable Waste or restricted or other Waste that is not acceptable or permitted for disposal at a Transfer Station or disposal site. In addition, Franchisee shall not be required to collect Carts or containers that are not set out or filled in accordance with, or do not meet Franchisee's collection requirements.
 - 2. **Contaminated Recycling.** Franchisee is not obligated to collect Recyclable Materials containers which are contaminated. If Franchisee elects to not collect a contaminated container, it shall notify the customer explaining why. Such notice may be provided by container tag, email or other means of communication. Regarding commercial customers, if Franchisee elects to collect a contaminated container, it may charge the customer a contamination fee set forth in Exhibit A. Franchisee will provide photographic evidence of the contamination to customer upon their request. The contamination fee may be included on the customer's regular invoice or billed separately. Franchisee may dispose of the contents of a contaminated container it elects to collect. If there have been more than three instances of a contaminated container in any 12-month period (residential or

commercial), and Franchisee has photographic evidence of each instance, Franchisee may (i) discontinue such service and remove the container, (ii) deliver additional or larger Solid Waste container(s), and (iii) charge the customer the applicable Rate for the additional or larger Solid Waste container(s) described in Exhibit A. After one year, the customer may petition Franchisee to reinstate such service, in which case they must pay any activation and Cart or Bin redelivery fees set forth in Exhibit A.

H. Standards for Collection and Operation.

1. **Compliance with Law.** Franchisee shall comply with all laws and regulations applicable to Franchisee's operations, including laws, ordinance, rules, and regulations of the United States, the State of Nevada, and the County.
2. **Equipment.** Franchisee shall possess or demonstrate to the Franchisor's reasonable satisfaction that it has available to it adequate equipment and vehicles, including reserve or replacement vehicles and equipment, sufficient to perform the services required of Franchisee herein. Franchisee shall maintain all trucks and equipment used within the Franchise Area in good mechanical condition and the same shall be clean, numbered, and uniformly painted. All truck bodies used by Franchisee shall be constructed of metal and shall be watertight and leak proof. Each vehicle used by Franchisee shall carry at all times a broom and shovel or other item appropriate for use in the prompt removal of any spilled material. All vehicles used by Franchisee shall have adequate coverage at all times to prevent the spillage of Solid Waste.
3. **Collection Operations.** Franchisee shall conduct its operation so as to minimize as practicable any obstruction and inconvenience to public traffic or disruption of the peace and quiet of the area within which collection occurs. Franchisee shall replace at its cost Franchisee-owned containers damaged by the negligent acts or willful misconduct of its employees and through wear and tear of use, but shall not be responsible for free replacement of containers which become damaged or unusable as a result of the negligent acts or willful misconduct of other parties. Franchisee shall have the right to bill the parties whose negligence or misconduct causes damage for the replacement costs of the damaged containers.
4. **Containers.** Franchisee will provide customers with all containers to provide necessary services as more fully described in Exhibit A. Compactors may be provided by Franchisee or may be customer owned.

1.10 RATES, ADJUSTMENTS, AND BILLING

A. Rates; Adjustments; Billing.

1. **Service Rate Exhibit; Payment by Franchisor.** Franchisee shall provide the collection and disposal services required under this Agreement for the rates set forth in the Service Rate Exhibit attached hereto and incorporated herein as Exhibit A, as the same may be adjusted in accordance with this Section (the "Rates").
2. **Annual Adjustment to Rates.** Commencing on the first Adjustment Date and on every Adjustment Date thereafter, the Rates, as adjusted hereunder in Exhibit A, shall be automatically increased based on 100% of the percentage of change in the Consumer Price Index, All Urban Consumers, U.S. City Average-Item: Garbage and Trash Collection (1983 = 100) ("CPI") as published by the Bureau of Labor Statistics, for the 12- month period ending nearest, but at least sixty days prior to the Adjustment Date, should there be an increase in the CPI.
 - i. **Notice.** At least thirty (30) days prior to the Adjustment Date, Franchisee shall notify Franchisor of the CPI adjustment to take effect on the Adjustment Date and shall provide Franchisor with its computations therefor.
 - ii. **Other Adjustments.** The Franchisee's Rates set by this Agreement are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to any other adjustments provided by Section 1.10(A)(2) above, the Franchisee's Rates under this Agreement may, upon approval by Franchisor (which shall not be unreasonably withheld), be further adjusted on an interim basis for increased or decreased expenses associated with performance of the services hereunder due to any one or more of the following causes:
 - a. Changes in Franchisee's costs resulting from a Force Majeure (as defined below) event;
 - b. Changes in the scope or method of services provided by Franchisee, or other changes or fees required, initiated, or approved by the Franchisor;
 - c. Any Change in Law, including any new or modified statute, rule, regulation, ordinance, order or requirement of any foreign, federal, state, regional, or local government that is effective after the Effective Date of this Agreement, including but not limited to any increase in surcharges, fees, assessments, or taxes levied by federal, state, or local regulatory authorities or other governmental entities upon the collection or disposal of Solid Waste;
 - d. Any increase in fees for disposal of Solid Waste or processing of Recyclable Materials that applies across the board to all customers of the landfill;

- e. A material increase in the volume of Solid Waste or other materials collected by Franchisee hereunder, whether caused by customer growth and/or annexation, which causes cost increases that are disproportionate to the corresponding revenue increase; or
 - f. Any other extraordinary circumstances or causes or reasons that are not within the reasonable control of Franchisee.
 - iii. If Franchisee requests an adjustment due to the extraordinary circumstances set forth above, Franchisee shall prepare a rate adjustment request setting forth its calculation of the increased or decreased costs and accompanying rate adjustment necessary to offset such increased costs. The Franchisor may request any and all documentation and data reasonably necessary to evaluate such request by Franchisee, and shall act within ninety (90) days of receipt of the request from Franchisee to either approve or disapprove the request, provided that approval shall not be unreasonably withheld.
3. **Customer Billing and Customer Service.** The Franchisee shall be responsible for all billing of residential and commercial customers under this Agreement. Franchisor and Franchisee shall work cooperatively to respond to customer service complaints and issues raised by residents and customers. All single-family residential customers shall be billed at least quarterly, and multi-family complex and commercial customers shall be billed monthly. The Franchisee may bill to customers a late payment fee of 2.5% of balance or \$15.00 minimum charge, whichever is greater (per occurrence), interest, NSF check charges, as well as all costs associated with bad debt collection. Franchisee may suspend or terminate service to accounts that become more than sixty days past due, following fifteen days' written notice to the customer, and/or may place a lien upon the customer's property, in accordance with applicable law. If such service is reactivated, Franchisee may charge a reactivation fee and/or may require a deposit from the customer. In the event of any delinquent accounts, the County shall render reasonable assistance to Franchisee in collecting such delinquent fees.
 4. **Non-Disclosure.** The Franchisee will not disclose to any person other than the Franchisor any information identifying an individual customer, the composition or contents of a customer's discarded material, or a customer's trade secrets unless upon the authority of the law, or pursuant to written authorization by the customer.
 5. **No-Marketing.** The Franchisee will not market or distribute mailing lists with the name or address of customers. The Franchisor's obligations under this subsection are in addition to any other privacy rights accorded customers under applicable law.
 6. **Franchisee Customer Service.** All service inquiries and complaints shall be directed to the Franchisee. Any inquiries and complaints received by the

Franchisor will be directed to the Franchisee or the Franchisor will to the best of its ability provide the contact information to the Franchisee.

- i. Response Requirement. For those complaints related to missed collections that are received by 2:00 p.m. on a residential service work day, the Franchisee will return to the customer address and collect the missed materials before leaving the service area for the day. For those complaints related to missed collections that are received after 2:00 p.m. on a residential service work day, the Franchisee shall have until the end of the following residential service work day to resolve the complaint. For complaints related to repair or replacement of carts or bins, the Franchisee shall resolve complaints.
- ii. Emergency Contact. The Franchisee shall provide the Franchisor with an emergency phone number where the Franchisee can be reached by the Franchisor outside of required office hours.
- iii. Service Recipient Calls. During office hours, the Franchisee shall maintain a telephone answering system to the designated local ombudsman and the system shall be capable of handling at least 7 incoming calls at one time. The Franchisee shall document calls regarding inquiries, service requests, and complaints through the Franchise's ticket reporting system.
- iv. Response to Calls. All incoming calls shall be answered by a Customer Service Representative within five (5) rings. Customers shall not be placed "on-hold" in excess of one-and-one-half (1.5) minutes.
- v. Website. Franchisee shall develop and maintain a website dedicated to services provided in the Franchise that is accessible by the public. The website shall include answers to frequently asked questions pertaining to Storey County waste management services including, but not limited to; rates for collection services and self-haul services; pickup routes and Exhibits; days and hours of operation for the Virginia City Transfer Station and Lockwood Regional Landfill; notice of emergency closures of Virginia City Transfer Station and Lockwood Regional Landfill to self-haulers; Recyclable Materials specifications; proper Household Hazardous Waste disposal procedures; and other related topics. The website shall also include a portal from which customers may access billing information, billing notices and alerts, and phone and other contact information to the Storey County local customer ombudsman.
- vi. Automated Billing System. The Franchisee shall make available to its customers, except self-haul only customers, an automated billing and payment system at no additional charge. This system must be website based and must allow customers to view and pay bills through the Franchisee's website. Through the Franchisee's website, customers may request to cease paper billing and receive bills through e-mail and/or the

Franchisee's website. The Franchisee will ensure that the electronic billing and payment website and systems conform to industry-standard practices for electronic commerce security. The Franchisee must ensure that these customers are compiled in a list to ensure that billing inserts are mailed directly. The Franchisee shall promote the website-based billing and payment systems on all paper bills sent to customers.

- vii. **Ombudsman.** Franchisee shall designate and maintain a local Ombudsman in Storey County or the greater Reno, Sparks, Carson City area for the duration of this Agreement. The Franchisee shall notify the Franchisor of the name, title, and phone and email contact of the person serving as the Franchisee's Ombudsman. On an ongoing basis, the Franchisee shall immediately notify the Franchisor when an Ombudsman is replaced.

1.11 FRANCHISE FEE

Franchisee shall pay into the general fund of Storey County, as an annual fee for the exercise of this franchise, the total sum of eight percent (8%) of the Gross Revenues generated by Franchisee within the Franchise Area during the prior year, the sum to be payable on or the end of each calendar quarter. If this fee is passed on to the customers, it shall be an imbedded fee.

1.12 AUDITING, INSURANCE, BONDING, AND INDEMNIFICATION

- A. **Recordkeeping; Reporting.** Franchisee shall make available to Franchisor for review annual reports regarding the services provided under this Agreement. The Franchisor shall have the right, during normal business hours and upon reasonable (at least three (3) business days') advance notice given to Franchisee by the Franchisor, to inspect the records of Franchisee to ensure compliance with the services provided under this Agreement. Franchisee shall maintain billing records, customer lists, compliance records, and customer complaints for a period of two (2) years or as required by law, whichever is the greater.
- B. **Audit Requirement.** The Franchisee shall arrange for an independent audit of the Franchisee's payments, operations and financial records upon completion of the third year of the contract. The audit shall be completed before December 31, 2023. The Franchisee shall obtain approval from the Franchisor regarding the intended auditor prior to the start of the audit. All costs of the audit shall be paid by the Franchisee. The Franchisee shall permit the approved auditor and/or its representatives to ride in the Collection vehicles, to inspect records consistent with the terms of this Agreement and to review and inspect all other information and facilities necessary to conduct the audits. If the audit results in no findings, the next audit shall be conducted after five (5) years. The audit shall be conducted according to the requirements described above and shall be completed before December 31, 2028. However, if inaccuracies are found, the Franchisee shall remedy all such inaccuracies and the Franchisor may require a follow-up audit upon the completion of the subsequent contract year, to be completed before December 31,

2024, according to the terms described above, to confirm that all inaccuracies from the prior audit have been fully remedied and have not been repeated. Subsequent audits shall be conducted either the following year if inaccuracies persist, or after five years if there are no further findings, through the Term of the Agreement and during an extension of the initial Term.

C. Default; Termination.

1. **Default.** In the event of any material failure or refusal of Franchisee to comply with any obligation or duty imposed on Franchisee under this Agreement, the Franchisor and Franchisee shall meet and confer in good faith in an effort to agree on a resolution and cure of the breach. If the Parties are unable to agree on the informal resolution or cure of the breach within ten (10) business days, the Franchisor shall have the right to terminate this Agreement if:
 - i. following the ten (10)-day meeting period above, the Franchisor shall have given written notice to Franchisee specifying that a particular default or defaults exist which will, unless corrected, constitute a material breach of this Agreement on the part of Franchisee, and
 - ii. Franchisee fails to correct such default or fails to take reasonable steps to commence to correct the same within thirty (30) days from the date of the notice given by Franchisor under this Section 10.113.a and Franchisee thereafter fails to diligently continue to take reasonable steps to correct such default.
2. **Termination.** Upon the occurrence of a material breach, failure to cure, and the declaration of termination of this Agreement by the Franchisor as provided above, this Agreement shall be of no further force and effect unless the Franchisor elects to terminate only a portion of the services set forth herein and maintain the remainder of the Agreement.
3. **Indemnity.**
 - i. **Franchisee Indemnity.** Franchisee shall defend, indemnify, and hold harmless Franchisor and its employees, agents, and appointed and elected officials (collectively, "Indemnitees"), from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments, and costs and expenses incidental thereto, including reasonable attorneys' fees, (collectively, "Damages") which any or all of the Indemnitees may hereafter suffer, incur, be responsible for, or pay out with respect to claims by third parties for personal injury, property damage, or other loss to the extent caused by, or arising from or in connection with the negligent actions or omissions or willful misconduct of Franchisee, its employees, or subcontractors, in the performance of this Agreement. Such indemnity shall be limited to exclude Damages to the extent that they are caused by, arise from, or in

connection with any negligent actions or omissions or willful misconduct of Franchisor or its employees, agents, subcontractors, or appointed or elected officials. The extent of Franchisee's liability under this Section shall not exceed the amount of Franchisee's proportionate share of fault.

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

- 4. **Insurance.** If any claims indemnified against under this Section have the potential for coverage under any insurance, then the indemnity set forth in this Section shall be limited as provided in this Section 15. Before pursuing recovery under this indemnity, the Indemnitees shall exhaust all recovery available for such claim from insurance. Once the Indemnitees have exhausted all recovery under all available insurance, the Franchisee shall pay only the amount of the loss, if any, that exceeds the total amount that all insurance has paid for the loss. Nothing in this Agreement shall constitute a waiver or relinquishment of any claims which the parties may have against insurers, nor shall any provision of this Agreement waive or relinquish any subrogation or contribution rights that the parties or their insurers may have against another insurer or other potentially liable party. Notwithstanding anything in this Agreement to the contrary, the Franchisee shall not be obligated to pay for the defense of any claim or suit that any insurer has a duty to defend. If no insurer defends, however, then the Franchisee shall, to the extent obligated to do so by this Agreement, pay for the defense, but shall be entitled to the insured's rights against all insurers with a potential for coverage of such claim.

- i. **Coverage.** Franchisee shall secure and maintain continuously in full force and effect during the term of this Agreement, and any extensions hereof, insurance policies which will protect Franchisee and Franchisor from claims from bodily injury, death, or property damage which may arise from Franchisee's activities or operations under this Agreement. Said policies shall be for not less than the amounts listed below:

- a. Employer's Liability: \$1,000,000 per accident, per occurrence
 - b. Public Liability, Bodily Injury and Property Damage Insurance: \$5,000,000 per occurrence, with aggregate limits of \$6,000,000.
 - c. Automobile Liability Insurance: \$5,000,000 per accident, per occurrence, with aggregate limits of \$6,000,000
 - ii. **Additional Insured; Certificate.** The liability insurance policies shall name the Franchisor as an additional insured, except for Employer's Liability. Franchisee shall provide the Franchisor with a Certificate of Insurance duly executed by Franchisee's insurance carrier which shall serve as evidence of the continued existence of Franchisee's insurance policies required hereunder and which shall contain a provision that the coverage thereunder will not be canceled or materially reduced without thirty (30) days (ten [10] days for nonpayment premium) prior written notice given Franchisor.
5. **Performance Bond.** Unless waived by the Franchisor in writing, the Franchisee shall furnish to the Franchisor, and keep current, a performance bond in a form with language that is acceptable to the Franchisor, for the faithful performance of this Agreement and all obligations arising hereunder in an amount of \$200,000.00. In the event the performance bond is waived or allowed to be reduced by the Franchisor and the Franchisee takes any action, or allows any action to be taken, which falls under the provisions of Article 19 entitled "ASSIGNMENT," waiver of the performance bond as set forth in this article, is automatically and immediately rescinded and the Franchisee shall have ten (10) calendar days to obtain the performance bond required herein and provide proof of such performance bond to the Franchisor.
- i. **Requirements.** The performance bond shall be executed by a surety company that is: acceptable to the Franchisor; an admitted surety company licensed to do business in the State; has an "A:VII" or better rating by A. M. Best or Standard and Poor's; and included on the list of surety companies approved by the Treasurer of the United States.
6. **Subcontracting.** The Franchisee reserves the right to subcontract the services to be provided under this Agreement. In the event of a subcontracting, the subcontractor shall comply with the previously established rates and all terms and conditions of this Agreement.
7. **Dispute Resolution; Attorneys' Fees.** In the event of a dispute arising under this Agreement, the Parties shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner. If the Parties are unable to resolve the dispute, then, in addition to and

without waiving any rights and remedies under this Agreement or under civil or common law, the Parties may agree to arbitration pursuant to the terms of this Section. Within fifteen (15) days after agreement to arbitration has been reached, the Parties shall agree upon a single arbitrator selected from a panel of persons qualified by the American Arbitration Association (or other agreed upon local alternative dispute resolution organization) or, in case of a disagreement, each Party shall appoint an arbitrator and the two (2) arbitrators together shall agree on a single arbitrator to arbitrate the dispute. During such time that the arbitrator is being selected or appointed, the Parties shall continue to negotiate in good faith to resolve their dispute in a cooperative manner. The arbitrator shall apply applicable provisions of Nevada law in reaching his or her determination. The determination by the arbitrator shall be final and binding on the Parties, and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. Franchisee and Franchisor shall use their best efforts to conclude all arbitration proceedings involving fee and rate adjustment disputes within thirty (30) days following the commencement of such arbitration proceedings. The arbitrator shall have the authority, but shall not be required, to award to the prevailing Party in the arbitration proceedings reasonable attorneys' fees, expert and non-expert witness costs and expenses, and all other reasonable costs and expenses incurred directly or indirectly in connection with the proceedings provided, however, that the costs of the arbitrator shall be shared equally by the Parties. In the event of any litigation to interpret or enforce the terms of this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and costs from the non-prevailing Party, at trial and on appeal.

8. **Assignment.** Franchisee shall not assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person or corporate entity without the prior written consent of the Franchisor, which consent shall not be unreasonably delayed or withheld. Notwithstanding the foregoing, Franchisee shall have the right, without seeking or obtaining approval or authority from the Franchisor, to assign or transfer this Agreement to any affiliate of Franchisee or its parent corporation.
9. **Force Majeure.** Provided that the requirements of this section are met, Franchisee shall be excused from performance and shall not be liable for failure to perform under this Agreement if Franchisee's performance is prevented or delayed by acts of terrorism, acts of God, landslides, lightning, fires, storms, floods, typhoons, hurricanes, severe weather, freezing, earthquakes, volcanic eruptions, other natural disasters or the imminent threat of such natural disasters, pandemics, quarantines, civil disturbances, acts of the public enemy, wars, blockades, public riots, strikes, lockouts, or other labor disturbances, acts of government or governmental restraint, or other causes, whether of the kind enumerated or otherwise, and whether foreseeable or unforeseeable, that are not reasonably within the control of the Franchisee ("Force Majeure"). If as a result of a Force Majeure event, Franchisee is unable wholly or partially to meet its obligations under this Agreement, it shall give the Franchisor promptly written notice of the Force Majeure event, describing it in reasonable detail. The

Franchisee's obligations under this Agreement shall be suspended, but only with respect to the particular component of obligations affected by the Force Majeure and only for the period during which the Force Majeure exists.

10. **Independent Contractor.** Franchisee is an independent contractor and shall not be deemed an employee of the Franchisor.
11. **Captions.** Titles or captions of articles and sections contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision of it.
12. **Severability.** If any of the provisions of this Agreement are determined to be invalid or unenforceable, those provisions shall be deemed severable from the remainder of this Agreement and shall not cause the remainder of this Agreement to be invalid or unenforceable, unless this Agreement without the severed provision would frustrate a material purpose of either Party in entering into this Agreement.
13. **Waiver.** No waiver of any right or obligation of either Party hereto shall be effective unless in writing, specifying such waiver, executed by the Party against whom such waiver is sought to be enforced. A waiver by either Party of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.
14. **Counterparts.** This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute the same instrument.
15. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Nevada.
16. **Amendment.** This Agreement may be amended, altered, or modified only by a writing, specifying such amendment, alteration, or modification, executed by authorized representatives of both of the Parties hereto.
17. **Additional Fees.** Provided the franchise fee set forth in this Agreement is paid by Franchisee, no other general business license fees shall be imposed upon Franchisee, or any of its affiliated companies, by Franchisor during the term of this Agreement; provided however, that Franchisee shall pay, in the same manner as any other business, real and personal property taxes, building permit fees, and other such fees.
18. **Complete Agreement.** This writing constitutes the full and complete Agreement and understanding between the Franchisee and the Franchisor. All previous agreements are hereby superseded.

