

NORTHWEST CONTAINER SERVICES INC / CITY OF TACOMA
RAIL SWITCHING RATE AGREEMENT

This Agreement is made and entered into this _____ of December, 2015, by and between Northwest Container Services Inc., a division of Waste Connections Inc., hereinafter referred to as the "NWCS", and City of Tacoma, Department of Public Utilities, Beltline Division (dba "Tacoma Rail"), hereinafter referred to as "Tacoma Rail".

RECITALS:

WHEREAS NWCS is a customer of Tacoma Rail with unique intermodal rail service and scheduling requirements; and

WHEREAS Tacoma Rail switching fees are paid directly by NWCS; and

WHEREAS the cost structure for NWCS traffic differs from that of typical intermodal traffic handled by Tacoma Rail; and

WHEREAS the parties agree that it is in the parties' best interests to establish a switching fee rate and escalation schedule that supersedes Tacoma Rail's Freight Tariff TMBL 8807 Item 1010.

NOW THEREFORE; for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NWCS and Tacoma Rail hereby agree as follows:

1. General Agreement

Tacoma Rail agrees to provide rail contract switching services over its rail network for each loaded or empty intermodal railcar as detailed in Tacoma Rail's 8807 Freight Tariff Item 1010 to NWCS in exchange NWCS agrees to pay Tacoma Rail, within 30 days of receipt of invoice, the following charges for such services:

- a.) A switch charge of \$20.00 per loaded and empty container interchanged between Tacoma Rail and the Union Pacific Railway in lieu of Tacoma Rail's 8807 Freight Tariff Item 1010 or as amended.
- b.) Commencing January 1, 2017 12:00 A.M., and each year thereafter, the switch charge referenced in Section 1.a. above shall be increased by \$1.00 per loaded and empty container.
- c.) Tacoma Rail's 8807 Freight Tariff Item 1220 related to fuel surcharge shall not be applied (when applicable) to switching charges referenced in Section 1.a above.

Payment of rates and charges under this Agreement are subject to all other applicable conditions and terms of Tacoma Rail's 8807 Freight Tariff.

2. Requests For Other Rail Services

All other rail services requested by NWCS from Tacoma Rail shall be subject to rates, conditions and terms of Tacoma Rail's Freight Tariff 8807 series as provided therein or as may be amended.

3. Term

The term of this Agreement shall commence on 12:00 A.M January 1, 2016, and shall terminate on December 31, 2018 11:59 P.M., unless extended by mutual agreement in writing. Either party may terminate this Agreement upon a minimum of 30 days written notice to the other party with the termination then effective on the first calendar day of the month after the 30 day written notice period has passed. In the event NWCS fails to pay any charges owed to Tacoma Rail for rail services provided under this Agreement or under Tacoma Rail's Freight Tariff 8807, Tacoma Rail may terminate this Agreement immediately and without prior written notice.

4. General Provisions

- a.) This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter. There are no terms, obligations, covenants, or conditions other than those contained herein, and any and all other agreements, understandings, or representations with respect thereto are of no force or effect. The provisions of this Agreement were negotiated by the parties hereto, each of whom had the opportunity to be and/or was represented by legal counsel. This Agreement shall not be deemed to have been drafted by either party and shall not be construed against either party as the drafter.
- b.) This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. The parties agree that the state and federal courts in the State of Washington shall have exclusive jurisdiction over all matters arising out of this Agreement.
- c.) This Agreement shall not be amended, altered, or changed except by written agreement signed by the parties hereto.
- d.) Neither party shall assign any rights or obligations under this Agreement without the prior consent of the other party.
- e.) Any notices required or permitted to be given under the terms of this Agreement, or by law, shall be in writing and may be given by personal delivery, or by registered or certified mail, return receipt requested, or by overnight courier, directed to the parties at the following addresses, or such other address as any party may designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law:

NWCS: Divisional Vice President
 11920 N. Burgard Road
 Portland, OR 97203

Tacoma Rail: Rail Superintendent
 2601 SR 509 N Frontage Rd
 Tacoma WA 98421

Any notice given shall be effective when actually received, or if given by certified or registered mail, upon the recipient's receipt of a notice from the U. S. Postal Service that the mailed notice is available for pick up.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate as of the day and year first hereinabove written.

ACCEPTED subject to said Terms and Conditions:

NORTHWEST CONTAINER SERVICES INC.

Name (Signature): _____

Name (Print): _____

Title: _____

Date: _____

Approved:
CITY OF TACOMA
Department of Public Utilities

_____ Date: _____
Dale W. King, Superintendent
Tacoma Rail

_____ Date: _____
Andy Cherullo, Finance Director
City of Tacoma

Approved as to Form:

_____ Date: _____
Bill Fosbre
Chief Deputy City Attorney