

March 15, 2007

Waste Management of Carolinas, Inc.
C/O Mr. Randall L. Essick
10411 Globe Road
Morrisville, NC 27560

RE: Application for Preliminary Franchise
County Solid Waste Disposal Facility

Dear Mr. Essick:

The County is in receipt of Waste Management of Carolinas, Inc.'s ("Waste Management") application dated February 28, 2007 for a preliminary franchise for a municipal solid waste landfill within the County. As you know, the County and Waste Management have been negotiating the terms of a comprehensive "Host Agreement" for some time now. If such a franchise were to be issued, that Agreement addresses such things as: (i) the process for site selection and approval, (ii) host fees that would be paid to the County by Waste Management, (iii) the commitment of free disposal of solid waste generated within the County under a certain limit, (iv) the fees and rates to be applied to such waste, (v) the operations of the facility and (vi) the County's oversight of those operations. That Host Agreement would be very important for protecting the interests of the County and its residents. It was our expectation that the final terms of that Agreement would be finalized and presented to the Board before the first reading on a preliminary franchise ordinance.

We understand from recent discussions with our County Manager that, in light of possible changes in the state laws and rules applicable to such landfills, Waste Management is no longer prepared to finalize and execute a Host Agreement with the County at this time. I am sure you can appreciate our Board's reluctance to consider your company's application for a preliminary franchise until all terms of a Host Agreement or similar contract are agreed upon. Accordingly, please be advised that it is our intent not to act on your company's application at this time. The notice of public hearing on the preliminary franchise application will be withdrawn.

We will ask County staff to keep the application on file. If and when your company is prepared to complete the negotiations over the Host Agreement, we would be glad to reconsider the application for the preliminary franchise at that time.

Sincerely,

JD Willis
Chairman

CC: County Commissioners
Keith Johnson
Ed Johnston
John Crumpton