

CONTRACT FOR CITYWIDE SOLID WASTE COLLECTION

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF COLLINS

This Contract for Citywide Solid Waste Collection (the "Contract") is made by and between SANITATION SOLUTIONS, a Texas corporation, (the "Contractor") and the City of Blue Ridge, Texas, a Texas municipal corporation (the "City").

For and in consideration of the covenants, agreements and promises contained herein, the City grants to Contractor an exclusive franchise to conduct the business of providing Solid Waste collection to the Customers of the City of Blue Ridge, Texas, and the right to use the public streets, alleys, and thoroughfares within the corporate limits of the City for the purpose of engaging in the business of Solid Waste collection located within the City. More particularly, Contractor shall have the sole and exclusive franchise, license, and privilege to provide residential and commercial Solid Waste collection and removal within the corporate limits of the City. In addition, Contractor shall at all times have the right of first refusal to provide temporary Bins and roll-offs and the collection of dead animals, offal, and hazardous waste from Residential, Commercial, and Industrial Customers.

The Contractor shall furnish all personnel, labor, equipment, trucks, and all other items necessary and agrees to make such collections of Solid Waste available to all Customers within the City and agrees that such collections shall be performed pursuant to and consistent with the terms of this Contract, as well as all ordinances and regulations of the City governing or relating to the collection of Solid Waste. The parties agree that the Contract Documents shall consist of the following:

Section 1. Contract Documents and Order of Precedence

The Contract Documents shall consist of the following documents:

1. This Contract;
2. The Request for Qualifications and Proposals from the City (" City RFP");
3. The Contractor's Proposal including all applicable exhibits, as finally agreed;
4. The Performance bond; and
5. Any addenda or changes to the foregoing documents agreed to in writing and signed by the parties hereto.

These Contract Documents are incorporated by reference into this Contract as if set out herein in their entirety. The Contract Documents are intended to be complementary; what is called for by one document shall be as binding as if called for by all Contract Documents. It is specifically provided, however, that in the event of any inconsistency in the Contract Documents, the inconsistency shall be resolved by giving precedence to the Contract Documents in the order in which they are listed herein above.

Section 2. Basis and Method of Payment

Compensation paid to the Contractor during the initial fourteen (14) month period of the Contract shall be an amount equal to the "Net Rate to Sanitation Solutions" described in the attached **Exhibit "A"** per Customer as collected by City for Residential Customers and Commercial Hand Collect Customers in accordance Section 2.1(a) and as paid to Contractor for Commercial and Industrial Customers and Temporary Roll Off Customers in accordance with Section 2.1(b) ("Base Compensation"). Thereafter, the compensation paid to the Contractor shall be an amount equal to the Base Compensation plus such additional amount(s) as may be

authorized by the City pursuant to Section 2.4 ("Modified Compensation"). Base Compensation and Modified Compensation are collectively referred to hereinafter as "Compensation." In addition to the collection of the Net Rate to Sanitation Solutions, a charge of fifteen percent (15%) of gross receipts shall be collected from Customers by City and by Contractor, as applicable, based upon the Compensation described in **Exhibit "A" ("Franchise Fee")**, and shall be paid to City as a Franchise Fee for the use and benefit of the City

2.1 Billing and Collection:

a) **Residential and Commercial Hand Collect Customers:** On a monthly basis, City shall bill and process payments from all Residential Customers and Commercial Hand Collect Customers in an amount at least equal to the then effective Net Rate to Sanitation Solutions as provided for in **Exhibit A** for Municipal Solid Waste Collection Services and related Franchise Fee. City shall not be liable to Contractor for amounts not actually collected from Residential and Hand Collect Commercial Customers. Delinquencies shall be handled in accordance with subsection (c) of this Section. It is understood and agreed that the City may collect from Residential Customers and Commercial Hand Collect Customers in addition to the Contractor's Compensation and Franchise Fees such additional amounts as may be determined necessary by the City to cover the costs of billing and collection services, disposal fees, and other associated Municipal Solid Waste collection and disposal costs per Residential Customer and Commercial Hand Collect Customers per month. Contractor shall not bill any Residential Customer and/or Commercial Hand-Collect Customers within the City for any Municipal Solid Waste collection or disposal services. Any amounts collected in excess of the Compensation due to Contractor under this Section 2 that is paid by any Residential Customer or Commercial Hand Collect Customer shall be retained by the City to offset such additional costs of administering this program.

b) **Commercial and Industrial Customers and Temporary Roll-Off Customers:** On a monthly basis, the Contractor shall bill and process payments in an amount equal to the then effective Net Rate to Sanitation Solutions as provided in **Exhibit "A"** plus a fifteen percent (15%) Franchise Fee to be remitted to the City from all Commercial and Industrial Customers (including Commercial and Industrial Customers utilizing temporary roll-offs and Bins but excluding bins and roll offs used by Commercial Hand Collect Customers) (the "Commercial Billings"). Contractor agrees to pay to City a fifteen percent (15%) franchise fee as set forth in **Exhibit "A"** and in accordance with Section 2 of this Contract, on or before the last day of each month. Such Franchise Fee shall be based upon the gross amount collected from the Commercial Billings for all Municipal Solid Waste Collection Services rendered by Contractor pursuant to this Contract during the preceding month, excluding any sales taxes. Contractor shall quote rates for Commercial and Industrial Customers services in compliance with the rate structure set forth in **Exhibit A**. Contractor shall bill Commercial and Industrial Customers directly, and the City shall not be entitled to any compensation relating to such billing. Contractor shall have the right to suspend services to any Commercial and Industrial Customer that does not timely pay for the services after providing at least seven (7) days advance written notice to said Customer at the Customer's business and mailing addresses. If Contractor suspends service to a Commercial and Industrial Customer for failure to timely pay said invoices, Contractor has the right to charge a service reactivation fee and/or finance charges or late payment fees in such amounts as may be mutually agreed upon in writing by City and Contractor and approved by the City Council if such service to the Commercial and Industrial Customer is reinstated.

c) **Collection of Past Due Accounts:** No later than the tenth (10th) day of each month, City and Contractor shall each prepare and provide to the other party a report of its respective delinquent accounts for the preceding month. Contractor shall have all rights and remedies

available to it under Texas law to collect delinquent payment of fees from by Commercial and Industrial Customers. The City agrees to take all steps necessary and permitted by law to require Customers to comply with the terms of this Contract and collect payment from Residential Customers. If Contractor desires to pursue the collection of delinquent payments owed by one or more Residential Customers or Commercial Hand Collect Customers, Contractor shall notify City of such intent and City shall determine if it will continue to attempt to collect payment from such delinquent account(s) or allow Contractor to collect such delinquent accounts in order to prevent both City and Contractor from attempting to collect the same delinquent accounts. Contractor shall remit to City with Contractor's monthly payment a fifteen percent (15%) Franchise Fee on any and all amounts paid to or collected by Contractor on delinquent accounts including service reactivation fees and/or late payment fees but excluding attorney's fees and costs of court during the immediately preceding month. For any delinquent accounts that are paid to or collected by City, City shall remit to Contractor with City's monthly payment the Compensation due to Contractor on any delinquent accounts paid to or collected by the City during the immediately preceding month.

2.2 Regular Service for Municipally Owned or Operated Facilities: Contractor shall not charge the City to collect and dispose of Municipal Solid Waste accumulated by the City at City-owned or operated office buildings, facilities and sites, City Parks and other City-designated sites identified as follows (including the type and number of containers per location).

FACILITY NAME	LOCATION	SIZE OF DUMPSTER(S)	PICKUP
City Hall	200 S Main	Place Hand Collection - 2 toters	Once weekly
Fire Station	203 W FM 545	Place Hand Collection - 2 toters	Once weekly
Community Center	200 W Tilton	Place Hand Collection - 8 toters	Once weekly

Contractor shall add any additional City-owned or operated office buildings, facilities and sites, City Parks and/or other City-designated sites that may have been omitted from the foregoing list or which may hereafter be added by City. Service to any such new or omitted City-owned or operated office buildings, facilities and sites, including City parks and other City-owned and designated sites, shall be provided by Contractor at no charge to the extent only that such service is limited to Polycarts and/or Bins (not including Roll-offs) emptied no more than one (1) time per week and up to double capacity if necessary unless otherwise agreed by the parties in writing.

2.3 Contractor's Compensation and Franchise Fees: On or before the tenth (10th) day of each month, the City shall remit to the Contractor the Net Rate to Sanitation Solutions for the Municipal Solid Waste collection and disposal services collected by City for each Residential Customer and Commercial Hand Collect Customers account serviced by Contractor pursuant to this Contract during the preceding month Compensation shall be collected by City in accordance with Section 2.1(a). The City shall only be required to remit Compensation to the Contractor based on the number of Customer accounts actually collected by the City. If a Customer fails to pay the City for Municipal Solid Waste services provided by Contractor, the City will notify Contractor of such failure to pay and authorize Contractor to discontinue

providing Solid Waste service to such Customer. To the extent that City has previously obtained a deposit for Solid Waste services from a Customer ("Customer's Deposit Account") that thereafter fails to pay for such service in any given billing period, City will deduct from the Customer's Deposit Account such amount as is due and owing for Compensation first followed by the City's fees and expenses and Franchise Fees and forward Compensation for that month's services rendered by Contractor to such Customer, but not collected by City, to Contractor. City's responsibility to forward Compensation from a Customer's Deposit Account to Contractor shall be limited to the amount of money in such Customer's Deposit Account and not previously reduced by non-payment or amounts deducted by City pursuant to this Section. Contractor shall approve or deny all Residential Customer and Commercial Hand Collect Customer adjustment request forms sent by the City to the Contractor within twenty-four (24) hours of receipt thereof. All denied requests shall immediately include a detailed explanation by the Contractor.

The Contractor, on or before the twenty-fifth (25th) day of each month shall submit to the City a report providing a detailed list showing the Contractor's billing of all Commercial and Industrial Customers and Temporary Roll-Off Customers; the report shall be submitted in a format approved by the City. The fifteen percent (15%) franchise fee on such gross receipts shall be collected by the Contractor and paid to the City on a monthly basis contemporaneously with the submission of the detailed billing report required by this Section. Contractor shall comply with all policies set forth by City for billing of Commercial and Industrial Customers for Municipal Solid Waste Collection Services and with all requirements of this Contract. The Contractor shall only be required to remit payments to the City under this Contract based upon the amounts collected from the Customers.

In the event that any Commercial and Industrial Customers are in default, the Contractor reserves the right to stop service to those Commercial and Industrial Customers until they have paid their balance in full. The Contractor shall notify the City at least twenty-four (24) hours prior to initiating any stoppage in service to any Commercial and Industrial Customer.

2.4 Modification of Contractor Compensation: The rates set forth in **Exhibit A** shall not be adjusted during the first fourteen (14) months of the Primary Term of this Contract (See Section 6.1).

a) Any increases shall be based upon actual costs reflecting a loss in order to operate and provide services. Said costs shall be based on Contractor's ability to cover increases or decreases in documented costs resulting from (1) changes in any laws, ordinances, regulatory requirements or guidelines (including changes in construction or interpretation thereof or changes in the manner or method of enforcement thereof); (2) documented increased or decreased costs due to changes in location of disposal facilities and/or documented increases or decreases in disposal costs; or (3) documented increased or decreased direct costs of operations, including but not limited to changes in fuel costs. The Contractor shall provide the City with appropriate documentation outlining the need for such increase or decrease in the rates. The City shall approve or deny such petition before August 1 of the year in which the petition was received. All increases or decreases to the rates shall become effective October 1 of the year in which the petition was granted. Only one such petition shall be considered for any Contract Year. The Contractor must receive approval from the City for such Base Rate Increases, which approval shall not be unreasonably withheld.

b) **Additional Services:** If a Customer requests Solid Waste collection or disposal services that are not described on Exhibit "A", ("Additional Services" as defined herein) Contractor shall so advise City and propose a reasonable fee for such Additional Services. The City, or City's designee, shall authorize such Additional Services at a reasonable fee, as approved by the City,

for a time not to exceed forty-five (45) calendar days, or other time reasonably necessary to allow sufficient time to obtain City Council approval of and an amendment to the Blue Ridge Customer Rate provided for in **Exhibit "A"**.

c) **City Approval:** All changes in the Contractor's Compensation, which the Contractor may request or petition to receive, under this Contract shall require approval by the City Council. City approval shall be at the sole discretion of the City Council and will not be unreasonably withheld by the City.

d) **Base Compensation as Floor:** Notwithstanding any contrary provision contained in this Contract, in no event shall the Compensation payable to Contractor pursuant to this Contract be decreased pursuant to this Section 2.4, to an amount that is less than the Base Compensation described as the "Net Rate to SANITATION SOLUTIONS" in the attached **Exhibit "A."**

Section 3. Definitions

Unless otherwise specified herein the following terms shall have the following meanings:

3.1 Additional Service(s): Municipal Solid Waste Collection Solid Waste collection and/or disposal services that are not described on Exhibit "A" and which are provided in accordance with the terms of this Contract.

3.2 Agreement Year: A twelve (12) month period of time commencing upon the Contract Date (July 25, 2018) hereof and, thereafter, a twelve (12) month period of time commencing upon the anniversary of the Contract Date.

3.3 Bin (Commercial/Industrial): Metal receptacle designed to be lifted and emptied mechanically for use only at Commercial and Industrial Customers.

3.4 Brush/Bundle: Tree, shrub and brush trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding four feet in length or fifty (50) lbs. in weight.

3.5 Bulky Wastes: Stoves, water tanks, washing machines, furniture, refrigerators (with all CFCs [chlorofluorocarbons] removed and all CFCs properly certified as having been removed by a duly licensed individual), Construction Debris (generated by the Residential Customer only) and other similar waste materials. Bulky Waste shall not include Dead Animals, Hazardous Waste, or any single item measuring in excess of one hundred (100) pounds in weight.

3.6 Collect or Collection or Collection Service: The act of removing Solid Waste or Bulky Waste for transport to the Disposal Site or Landfill.

3.7 City: The City of Blue Ridge, Texas.

3.8 Commercial and Industrial Customer: An occupant, owner or tenant of a Commercial and/or Industrial Unit.

3.9 Commercial and Industrial Refuse: All Bulky Waste, Garbage, Rubbish and Stable Matter generated by a Customer at a Commercial and Industrial Unit.

3.10 Commercial and Industrial Unit: All premises, locations or entities, public or private, that generate and accumulate Municipal Solid Waste during, or as a result of, its operations and located within the corporate limits of the City, other than one (1) to four (4) family residential units, including hotels, motels, structures containing more than four (4) dwellings, and residential care facilities.

3.11 Commercial Hand Collect(ion) Customer: A Commercial and Industrial Customer that requires no more than four (4) Polycarts per week for the Collection of its Municipal Solid Waste.

3.12 Compactable Waste: Items that can be crushed under the weight of compaction equipment.

3.13 Construction Debris: Waste resulting from construction or demolition activities or that is directly or indirectly the by-product of such activities, including, but not limited to, cartons, concrete, excelsior, gypsum board, metal, paper, plastic, rubber and wood products. Construction Debris does not include Hazardous Waste, Municipal Solid Waste, or Bulky Wastes.

3.14 Contract Documents: The documents listed in Section 1 of this Contract, and any addenda or changes to the foregoing documents agreed to by the City and Contractor in accordance with the terms of this Contract.

3.15 Contractor: Sanitation Solutions, its officers, employees, agents, representatives, subcontractors and any other party with whom Sanitation Solutions contracts to provide services under this Contract.

3.16 Customer: Collectively, an occupant, owner, or tenant of a Residential, Commercial or Industrial Unit that generates Municipal Solid Waste.

3.17 Dead Animals: Animals or portions thereof equal to or greater than ten (10) pounds in weight that have expired from any cause except those slaughtered or killed for human use.

3.18 Disposal Site: A Municipal Solid Waste depository including, but not limited to, sanitary landfills, transfer stations, incinerators and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of Municipal Solid Waste.

3.19 Environmental Laws: Any and all state, federal, and local statutes, rules, regulations, and ordinances relating to the protection of human health or the environment including, without limitation, the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6901, et seq., the Comprehensive Environmental Response Compensation, and Liability Action of 1980, 42 U.S.C. § 9601, et seq., as amended by the Transportation Act, 49 U.S.C. § 6901, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f-300j, the United States Environmental Protection Agency's rules concerning Underground Storage Tanks, 53 Fed. Reg. 37082 (9/23/88), the Texas Solid Waste Disposal Act, the Texas Water Code and the Texas Clean Air Act, all as amended now and in the future, and any similar federal, state, and local environmental statutes and ordinances and the rules and regulations, orders and decrees now or hereafter promulgated thereunder.

3.20 Garbage: Any and all dead animals of less than ten (10) lbs. in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers; and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Bulky Waste, Construction Debris, Dead Animals, Hazardous Waste, Rubbish or Stable Matter.

3.21 Hazardous Waste: Waste, in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency or appropriate state agency by or pursuant to federal or state law, or waste, in any amount, which is regulated under federal or state law. For purposes of this Contract, the term Hazardous Waste shall also include motor oil, gasoline, paint and paint cans.

3.22 Landfill: Any facility or area of land receiving Municipal Solid Waste or Construction Debris and operating under the regulation and authority of the Texas Commission on Environmental Quality ("TCEQ") within the State of Texas, or the appropriate governing agency for landfills located outside the State of Texas.

3.23 Medical Waste: Treated and untreated special waste from health care-related facilities that is comprised of animal waste, bulk blood, bulk human blood, bulk human body fluids, microbiological waste, pathological waste, and sharps as those terms are defined in 25 TAC §1.132 (relating to Definitions) from the sources specified in 25 TAC §1.134 (relating to Application), as well as regulated medical waste as defined in 49 Code of Federal Regulations §173.134(a)(5), except that the term does not include medical waste produced on a farm or ranch as defined in 34 TAC §3.296(f) (relating to Agriculture, Animal Life, Feed, Seed, Plants, and Fertilizer), nor does the term include artificial, nonhuman materials removed from a patient and requested by the patient, including, but not limited to, orthopedic devices and breast implants. Health care-related facilities do not include: (A) single or multi-family dwellings; and (B) hotels, motels, or other establishments that provide lodging and related services for the public.

3.24 Municipal Solid Waste: Solid Waste (defined herein), including without limitation Garbage and Refuse and defined herein, resulting from or incidental to municipal, private individual, community, commercial, institutional or recreational activities, or manufacturing, mining, or agricultural operations. Municipal Solid Waste does not include Bulky Waste, Construction Debris, Non-compactable Waste, Dead Animals (except as otherwise provided), Stable Matter, Rubbish or Hazardous Waste.

3.25 Non-compactable Waste: Brick, concrete, dirt, composition shingles, ceramic tile and related like items that cannot be crushed under the weight of compaction equipment.

3.26 Overflow: All Municipal Solid Waste generated by a Commercial and Industrial or Residential Customer that does not fit inside the Customer's Polycart(s) with the lid(s) closed, or that does not fit inside the Bin or Polycart of a Commercial and Industrial Customer.

3.27 Party or Parties: The City and/or the Contractor

3.28 Polycart: A wheeled receptacle with a maximum capacity of approximately 96 gallons constructed of plastic, metal and/or fiberglass, designed for automated or semi-automated Municipal Solid Waste collection systems, and having a tight fitting lid capable of preventing entrance into the container by small animals. The weight of a Polycart and its contents shall not exceed 100 lbs. Polycarts will be provided to each Residential Customer and Commercial Hand Collect Customer, with ownership retained by Contractor.

3.29 Refuse: Rubbish, Bulky Waste and Stable Matter generated at a Residential Unit, unless the context otherwise requires, and Commercial and Industrial Refuse.

3.30 Residential Customer: An occupant, owner or tenant of a private residence or multi-family dwelling of not more than four (4) units located within the corporate limits of the City.

3.31 Residential Unit: A private residence or multi-family dwelling of not more than four (4) units located within the corporate limits of the City. Each separate unit in a multi-family dwelling shall be considered a separate Residential Unit for billing and all other requirements of this

Contract. A Residential Unit shall be deemed occupied when either water or domestic electric and power services are being supplied thereto.

3.32 Roll-Off or Temporary Roll-Off: A container providing between twenty (20) cubic yards and forty (40) cubic yards of capacity.

3.33 Rubbish: Non - putrescible solid waste (excluding ashes), consisting of both combustible and noncombustible waste materials; combustible rubbish includes all waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, excelsior, furniture, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible pulp, ashes, cinders, floor sweepings, and other products, such as are used for packaging, or wrapping; noncombustible rubbish includes crockery, glass, tin cans, aluminum cans, metal furniture, mineral or metallic substance, and any and all other waste materials which will not burn at ordinary incinerator temperatures (1,600 degrees Fahrenheit to 1,800 degrees Fahrenheit) or not included in the definition of bulky waste, construction debris, dead animals, garbage, hazardous waste or stable matter.

3.34 Solid Waste: All waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, stumps, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging, or wrapping, crockery and glass, ashes, cinders, floor sweeping, glass, mineral or metallic substances, and any and all other waste materials not included in the definition of Bulky Waste, Dead Animals (except as otherwise provided), Garbage, Hazardous Waste or Stable Matter.

3.35 Special Needs Residential Customer: Any Residential Customer that generates Municipal Solid Waste at a Residential Unit that is inhabited by any person(s) who are physically unable to place Municipal Solid Waste at the curbside for Collection by the Contractor, such status having been determined by the City

3.36 Special Waste: Solid Waste or combination of solid wastes that because of its quantity, concentration, physical or chemical characteristics, or biological properties requires special handling and Disposal to protect the human health or the environment. If improperly handled, transported, stored, disposed of or otherwise managed, it may pose a present or potential danger to the human health or the environment. Special waste includes waste defined by Texas law, rule or regulation as "Special Waste".

3.37 Stable Matter: All manure and other waste matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from keeping of animals, livestock or poultry.

3.38 Storm Event Debris: Solid Waste and other debris and waste materials that result from a hurricane, tornado, wind storm, flood, natural disaster, or other act of God the Collection of which falls outside the normal Collection Services set forth in this Contract.

3.39 Unacceptable Solid Waste: Any Municipal Solid Waste, the acceptance and handling of which by the Contractor would cause a violation of any permit or regulatory requirement, including, but not limited to, Hazardous Waste (except waste the Contractor is authorized to Collect and Process or Dispose), Special Waste (except as otherwise provided herein), untreated Medical Waste, Dead Animals (except as otherwise provided herein), solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit.

3.40 Yard Waste: Decomposable plant materials, including brush, leaves, grass, weeds and other vegetation.

3.41 White Good: Any item not measuring in excess of one hundred (100) pounds in weight and that is manufactured primarily from metal, including, but not limited to, a bath tub, heater, hot water heater, refrigerator, sink or washer and dryer.

Section 4. Scope and Nature of Operation

4.1 Residential Collection and Routes: Contractor shall undertake curbside Collection Service for the Collection of Municipal Solid Waste from each Residential Unit one (1) time per week; provided, that (i) such Municipal Solid Waste is placed in Polycarts provided by the Contractor, and (ii) such Polycarts are placed within five (5) feet of the curbside or right-of-way adjacent to the Residential Unit no later than 7:00 a.m. on the designated Collection day. The Contractor shall only be responsible for collecting, hauling, and disposing of Municipal Solid Waste placed inside the Polycarts provided by the Contractor plus Bulky Waste placed adjacent to the Polycart(s). Municipal Solid Waste in excess of the Polycarts' limits and/or one hundred (100) pounds of Bulky Waste allowed or permitted to be placed outside or adjacent to the Polycarts ("Excess or Misplaced Municipal Solid Waste"), will not be collected by the Contractor. However, any such Excess or Misplaced Municipal Solid Waste may be collected on occasion and within reason due to holidays or other extraordinary circumstances as agreed upon by the Parties or as expressly provided in City RFP. If the placement of Excess or Misplaced Municipal Solid Waste at a Residential Unit(s) occurs on more than three (3) times within a calendar year, the Contractor shall notify the City of such recurrent violation and the City agrees to take action(s) as authorized by City ordinance or policy and as the City deems reasonable, prudent and necessary to address such condition. Further, Contractor shall provide City a copy of maps indicating the routes used in the collection of Municipal Solid Waste from all Residential Customers. The City has the right to reject and require reasonable route modifications.

a) **Special Needs Residential Customers:** Notwithstanding any contrary term or provision of this Contract, the Contractor agrees to provide Special Needs Residential Customers with house-side collection of their Polycarts and Bulky Waste during the regular Municipal Solid Waste collection hours and days for other Residential Customers on the same route as the Special Needs Residential Customer; provided that the Contractor receives prior written notice from the City regarding the designation of such Special Needs Residential Customer. City shall have the discretion to designate a Residential Customer as a Special Needs Residential Customer provided Residential Customer submits to City a written request and provides documentation as required by City policy. City's determination shall be binding upon Contractor.

4.2 Commercial and Industrial Collection: Contractor shall collect and remove Municipal Solid Waste from the premises of Commercial and Industrial Customers at such frequency as shall be reasonably requested by the owner of the Commercial and Industrial Unit, such owner's agent or tenant, but no more than two (2) times per week, as provided for in **Exhibit "A"**, hereto, save and except for such Additional Service as may be approved by the City upon request of the Contractor and Customer. The Contractor shall only be responsible for collecting, hauling, and disposing of Municipal Solid Waste placed inside the Bins and Bulky Waste placed adjacent to the Bins provided by the Contractor. However, the Contractor shall be obligated to offer and provide sufficient service to Commercial and Industrial Customers and to increase or decrease the frequency of the collection and the size or number of the Bin(s). Collection Service shall be a minimum of one (1) time per week, but may be more if necessary to maintain Commercial and Industrial Customers' premises free of accumulation of Municipal Solid Waste. If collection is from a container, the container shall be located on a concrete pad to

accommodate Contractor's equipment. The City shall be the sole determinant regarding acceptable container pads, locations and screening; provided that the Contractor is able to access the Bin using reasonable equipment. To the extent not in conflict with the City's Code of Ordinances and the zoning or site plan on the Customer's premises. Upon Contractor's written request, City agrees to work with the Contractor to relocate an existing container pad sites to a more suitable location on the Customer's premises.

4.3 Commercial Hand Collection Customers and Routes: Contractor shall provide curbside Collection Service for the Collection of Municipal Solid Waste from Commercial Hand Collection Customers one (1) time per week; provided, that (i) such Municipal Solid Waste is placed in Polycarts provided by the Contractor, and (ii) such Polycarts are placed within five (5) feet of the curbside or right-of-way adjacent to the Commercial Hand Collection Unit no later than 7:00 a.m. on the designated Collection day. The Contractor shall only be responsible for Collecting, hauling, and disposing of Municipal Solid Waste placed inside the Polycarts provided by the Contractor plus Bulky Waste placed adjacent to the Polycart(s). Municipal Solid Waste in excess of the Polycarts' limits, or placed outside or adjacent to the Polycarts and/or in excess of one hundred (100) pounds of Bulky Waste allowed or permitted to be placed outside or adjacent to the Polycarts, will not be Collected by the Contractor. However, any such Excess or Misplaced Municipal Solid Waste (see Section 4.1) may be Collected on occasion and within reason due to holidays or other extraordinary circumstances as agreed upon by the Parties or as expressly provided in City RFP. If the placement of Excess or Misplaced Municipal Solid Waste at a Residential Unit(s) occurs on more than three (3) times within a calendar year, the Contractor shall notify the City of such recurrent violation and the City agrees to take action(s) as authorized by City ordinance or policy and as the City deems reasonable, prudent and necessary to address such condition.

Further, Contractor shall provide City a copy of maps indicating the routes used in the Collection of waste from all Commercial Hand Collection Customers. The City has the right to reject and require reasonable route modifications.

4.4 Brush/Bulky Wastes and White Goods Collection: Contractor shall provide a Collection Service for Brush/Bulky Wastes, White Goods and/or Bundles one (1) time per week to all Residential Customers, except as otherwise specified in this Contract. Contractor agrees to Collect such large objects and quantities of waste as described in definitions for Brush/Bundle and Bulky Wastes; provided, that the Bulky Waste or Brush/Bundles (A) are placed at the curbside no later than 7:00 a.m. on the scheduled Collection day, (B) are reasonably contained, and (C) do not exceed two (2) cubic yards. Contractor shall only be responsible for Collecting, hauling and disposing Bulky Waste, White Goods and Brush/Bundles in accordance with this Contract from Residential Units. White Goods containing refrigerants will not be Collected by the Contractor unless such White Goods have been certified in writing by a professional technician to have had all such refrigerants removed.

4.5 Services for Special Collection:

a) **Dead Animals:** Contractor may provide for the special Collection of Dead Animals at Residential Units, Commercial and Industrial Units upon such terms and conditions as are mutually agreed upon by Contractor and the City. Notwithstanding the foregoing, Contractor has no obligation to pick up Dead Animals.

b) **Storm Event Debris:** In the event of a major storm event, as determined by the City, the Contractor shall provide, at City's request, the ability to assist residents of the City in the disposal of such Storm Event Debris. The Contractor will be compensated for Storm Event Debris services provided, if any, in accordance with the rates and fees provided for in Exhibit 'A'.

Section 5. Collection Operation

5.1 Hours of Operation:

- a) Residential Customer Municipal Solid Waste Collection shall be conducted only between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday, except as provided in Section 5.4, "Holidays" of this Agreement.
- b) Commercial and Industrial Customer Municipal Solid Waste Collection for areas located adjacent to residential areas shall be conducted only between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday, except as provided in Section 5.4, "Holidays" of this Agreement.
- c) All other Commercial and Industrial Customer Municipal Solid Waste Collection not specified in subparagraph (b), above, shall be conducted only between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday, except as provided in Section 5.4, "Holidays" of this Agreement.
- d) Municipal Solid Waste Collection from public, institutional or governmental areas shall be conducted only between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday, except as provided in Section 5.4, "Holidays" of this Agreement.

5.2 Hours of Disposal: Contractor shall dispose of waste within the normal operating hours of the Disposal Site or Landfill.

5.3 Routes of Collection: Collection routes shall be established by Contractor but shall require City approval. The Contractor shall promptly provide City with a current copy of all route Collection maps and container locations.

5.4 Holidays: The following shall be holidays for purposes of this Contract:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

When a holiday falls on a week day (Monday through Friday), Contractor shall delay all routes by one (1) day from the day of the holiday, completing all routes on Saturday of the holiday week. For example, if New Year's Day falls on Wednesday, no routes will be run on Wednesday. The New Year's Day routes will be run on Thursday, Thursday's routes will be run on Friday, and Friday's routes will be run on Saturday. No routes shall be run on Sunday of any week.

5.5 Complaints: The Contractor shall assume responsibility for receiving and coordinating all Customer service requests and complaint management functions related to the services provided for herein. At a minimum, Customer complaint procedures shall provide that the Customer complaint be addressed within one (1) business day (Monday through Friday) of receipt of such complaint, and such complaint shall be promptly resolved. Contractor shall meet with the City (or his designee) at least quarterly, and more frequently as requested by the City, to discuss any complaints and Contractor's resolution of such complaints. Furthermore, Contractor shall provide to the City, upon request, all relevant background information related to such complaints, if any, and their respective resolution.

5.6 Collection-Equipment: Contractor, at its sole cost and expense, agrees to furnish all trucks, equipment, machines and labor which are reasonably necessary to adequately, efficiently and properly Collect and transport Municipal Solid Waste from Customers serviced by Contractor in accordance with this Contract. All Collection vehicles used for handling Municipal

Solid Waste and performing any part of the Contract shall be subject to the inspection of the City. Contractor shall provide Bins to all Commercial and Industrial Customers and Roll-Offs to any Customers that request such service at the beginning of this Contract, unless otherwise specifically approved by the City in writing. The equipment shall be maintained in a first class, safe, clean, and efficient working condition throughout the Primary Term of the Contract and any applicable Renewal Term. The Contractor shall establish a regular preventative maintenance program for all equipment. The Contractor shall clean the vehicles on a weekly basis or more frequently as may be necessary to maintain sanitary and safe working conditions. The equipment shall be used by the Contractor in such a manner as to minimize the risk of injury to employees, citizens and property. The Contractor shall be responsible for initiating, maintaining, and supervising all maintenance programs, safety precautions and programs, in connection with the work and services performed hereunder. The Contractor shall establish reasonable procedures and programs to prevent property loss or damage and personal injury to persons, including, but not limited to, employees performing such work and all other persons who may be affected hereby. The Contractor shall comply with all OSHA rules and regulations when conducting operations pursuant to this Contract. The Contractor shall maintain files and records of all citations for and violations of any laws, statutes, ordinances, or regulations in the ownership, title, maintenance, or operation of the equipment used in the performance of this Contract and such records shall be made available to the City within ten (10) days after the City's written request to the Contractor. The Contractor shall submit a complete written inventory of all equipment used in the performance of this Contract and shall make such other submissions as required to reflect the Contractor's current equipment inventory throughout the term of the Contract or any renewal period as requested by the City. Collection of Municipal Solid Waste shall be made using sealed packer-type trucks, and such equipment shall not be allowed to leak nor scatter any Municipal Solid Waste within the corporate limits of the City nor while en route to the Disposal Site or Landfill, where such accumulation shall be dumped.

The Contractor, at its sole cost and expense, shall provide and distribute new Polycarts to all Residential Customers; however, Contractor shall not be required to provide more than four (4) Polycarts per Customer's premises. The Polycarts shall be commonly colored and clearly marked with the Contractor's name. New Residential Customers shall initiate service with the City's Utility Billing Department and shall schedule delivery of Polycarts. The City shall notify the Contractor by 5:00 p.m. on each regular business day of all requests for delivery of Polycarts for new Residential Customers. The Contractor shall deliver new Polycarts, as scheduled by the City, on regular business days. However, the City shall provide at least twenty-four (24) hours' notice (or no sooner than the end of the regular business day after a Residential Customer requests service) to Contractor prior to the scheduled date to deliver new Polycarts.

All Municipal Solid Waste accumulated by a Residential Customer and/or a Commercial Hand Collect Customer shall be disposed of via the Polycart. The Contractor shall be responsible for the cost of providing new Polycarts and shall retain ownership of all Polycarts. The Contractor shall be responsible for the cost of replacing Polycarts damaged by ordinary wear and tear. Each Customer will be responsible to take reasonable care of the Polycart(s) provided by Contractor for such Customers use.

Customers will be responsible for safely storing Polycart(s) between Collection days and the proper placement and retrieval of the Polycart(s) on collection days. Customers that have a Polycart(s) stolen from the Customer's premises or otherwise damaged or destroyed by a third-party will promptly notify the City of Blue Ridge of such theft, damage or destruction and promptly request a replacement Polycart(s) from the City. If the Customer damages or destroys the Polycart(s) provided for Customer's use the Customer will promptly request a new Polycart(s) from the City. Contractor shall provide one (1) replacement Polycart per Residential

Customer at his/her then current service address for a Polycart that has been stolen during the Primary Term and one (1) replacement Polycart for one stolen during any Renewal Term of this Contract. Contractor shall provide one (1) replacement Polycart per Residential Customer at his/her then current service address for a Polycart that is intentionally, recklessly or negligently damaged or destroyed by Residential Customer or a third party during the Primary Term and one (1) replacement Polycart damaged during any Renewal Term of this Contract. Residential Customer shall thereafter be required to pay the then effective rate for replacement of the second and any subsequent Polycart(s) stolen from the Residential Customer's premises or damaged as provided herein. The Contractor shall provide Residential Additional Polycarts at the cost to the Customer as set forth in **Exhibit A**. Such Residential Additional Polycarts shall be Collected on the Residential Customer's regularly scheduled Collection day.

Due to street size variations in the City, Contractor shall provide equipment that will accommodate such public streets and alleys. Contractor shall utilize twenty-five (25) cubic yard, dual axle Collection trucks. Contractor recognizes City's concerns regarding the possible damage to City's streets caused by the wear and tear of heavy trucks traveling upon such streets; and Contractor agrees that it will upon the request of the City negotiate in good faith a modification of this Contract, including Compensation, to provide for the use of smaller twenty (20) cubic yard single axle Collection trucks or other then available smaller capacity Collection trucks. Contractor shall, if necessary, hand-clean all spillage resulting from any of its Collection activities.

All motor vehicles used in performance of the Contractor's obligations under this Contract shall be clearly marked with Contractor's name, telephone number and unit number legible from at least one hundred fifty feet (150'). No advertising shall be permitted on Contractor's vehicles. All Collection equipment shall be maintained in a first class, safe and efficient working condition throughout the term of this Contract. Such vehicles shall be maintained and painted as often as necessary to preserve and present a well-kept appearance, and all vehicles shall undergo a regular preventative maintenance program. At any time during the duration of this Contract, the City may inspect Contractor's vehicles to ensure compliance of equipment with this Contract, or the City may require an equipment replacement schedule to be submitted to the City upon request. Vehicles are to be washed on the inside and sanitized with a suitable disinfectant and deodorant a minimum of once a month. Determinations regarding condition of equipment and compliance with the terms of this Section shall be in the sole reasonable discretion of City. Contractor agrees to take all necessary action to bring Contractor vehicles and equipment into compliance with the requirements of this section up written notice by City.

The City reserves the right to inspect the vehicles and equipment (including Polycarts) to be used pursuant to this Contract on or after July 1, 2018, to affirm Contractor's ability to begin service on July 25, 2018.

5.7 Disposal: Contractor shall deliver Municipal Solid Waste Collected under this Contract to a licensed sanitary Landfill of its choice operated in compliance with rules stipulated by the Texas Commission on Environmental Quality (TCEQ) and/or the Environmental Protection Agency (EPA), or their successor agencies.

5.8 Spillage: Contractor shall not be responsible for scattered refuse, unless the same has been caused by its acts or those of any of its employees, third party contractors or agents, in which case all scattered refuse shall be picked up immediately by Contractor. Contractor shall not be required to clean up or Collect loose refuse or spillage not caused by the acts of its employees, third party contractors or agents, but shall report the location of such conditions to the City so that proper notice can be given to the Customer at the affected premises to properly contain Refuse. Contractor shall service Commercial and Industrial Refuse once the Customer

reloads the Bin. In the case of Commercial and Industrial Customers, Contractor shall be entitled to a reasonable extra Collection charge for each reloading of a Bin if the Collection is in addition to the regularly scheduled Collection. Should such Commercial spillage continue to occur, City shall require the Commercial or Industrial Customer and Contractor to increase the frequency of Collection of the Bin or require the Customer to utilize a commercial container with a larger capacity, and Contractor shall be compensated for such additional services.

5.9 Vicious Animals: Employees of Contractor shall not be required to expose themselves to the dangers of vicious animals in order to accomplish Municipal Solid Waste Collection in any case where the owner or tenants have animals at-large. Contractor shall promptly notify the City by telephone regarding any such vicious animals that are an immediate safety threat to Contractor's third party contractors, employees, or agents and shall also promptly notify the City of such condition and of Contractor's inability to make Collection due to such condition by electronic mail.

5.10 Protection from Scattering: Contractor's vehicles shall not be improperly loaded or overloaded so as to scatter Municipal Solid Waste; however, if Municipal Solid Waste is scattered from Contractor's vehicle for any reason, it shall be picked up immediately by Contractor.

Section 6. Term

6.1 Primary Term: The primary term of this Contract shall be for a period of five (5) years commencing July 25, 2018 (the "Contract Date") and, unless renewed according to the terms of Section 6.2, shall terminate on September 30, 2023 ("Primary Term").

6.2 Renewal: This Contract shall automatically renew for one (1) additional five (5) year term unless either party timely notifies the other party of the desire to not renew ("Renewal Term"). If either party desires not to renew this Contract, such party shall provide the other party written notice of its intent not to renew this Contract at least one hundred eighty (180) days prior to the expiration of the Primary Term.

Section 7. Indemnity and Non-Waiver of Immunity.

IT IS AGREED FOR ALL PURPOSES HEREUNDER, THE CONTRACTOR IS AND SHALL BE AN INDEPENDENT CONTRACTOR AND SHALL NOT, WITH RESPECT TO THEIR ACTS OR OMISSIONS BE DEEMED AN AGENT OR EMPLOYEE OF THE CITY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ANY AND ALL CLAIMS OF PERSONAL INJURIES OR DEATH, OR THE LOSS OF OR DAMAGE TO PROPERTY TO THE EXTENT CAUSED BY THE CONTRACTOR'S NEGLIGENCE OR ACTS OF WILLFUL MISCONDUCT OR THOSE OF ITS SUBCONTRACTORS OR AGENTS. FURTHER, CONTRACTOR SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY AND ITS COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, JUDGEMENTS AND COSTS, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES (INCLUDING ATTORNEY'S FEES AND EXPENSES INCURRED IN ENFORCING INDEMNITY), TO THE EXTENT CAUSED BY THE NEGLIGENT, GROSSLY NEGLIGENT, AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF THE CONTRACTOR, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY THIRD PARTIES FOR WHOM CONTRACTOR IS LEGALLY RESPONSIBLE, IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT AND/OR ARISING OUT OF GOODS AND/OR SERVICES PROVIDED BY CONTRACTORS PURSUANT TO THIS AGREEMENT

(HEREINAFTER "CLAIMS"). THE INDEMNIFICATION PROVISION AND THE USE OF THE TERM "CLAIMS" IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER CIVIL OR CRIMINAL, (I) BROUGHT AGAINST THE CITY BY ANY GOVERNMENT AUTHORITY OR AGENCY, TO THE EXTENT CAUSED BY THE VIOLATION BY THE CONTRACTOR OR ANY PERSON PROVIDING SERVICES ON ITS BEHALF UNDER THIS AGREEMENT OF ANY FEDERAL IMMIGRATION LAW AND (II) ANY AND ALL CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, TO THE EXTENT CAUSED BY THE CONTRACTOR'S VIOLATION OF ANY CONTRACT OR APPLICABLE LAW RELATING TO ANY EMPLOYMENT RELATIONSHIP BETWEEN THE CONTRACTOR AND ITS EMPLOYEES OR SUBCONTRACTORS, INCLUDING, BUT NOT LIMITED TO, THOSE CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION RESULTING FROM SUBCONTRACTOR'S OR EMPLOYEE'S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH THE CONTRACTOR; DISCRIMINATION CLAIMS BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE, OR LOCAL LAW, RULE, OR REGULATION; ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS' COMPENSATION ACT OR THAT WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS' COMPENSATION INSURANCE OR SIMILAR COVERAGE PROVIDED UNDER ANY OTHER APPLICABLE STATE-APPROVED PROGRAM; AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE RELATING TO THE CONTRACTOR'S VIOLATION OF EMPLOYMENT RELATED CONTRACTS OR APPLICABLE LAW. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT OR OTHERWISE, CONTRACTOR SHALL HAVE NO OBLIGATION TO INDEMNIFY, DEFEND OR HOLD HARMLESS THE CITY, OR ANY OTHER PARTIES INDEMNIFIED UNDER THIS AGREEMENT, FOR ANY SUCH LIABILITY OR CLAIM TO THE EXTENT RESULTING FROM THE NEGLIGENCE OR, WILLFUL MISCONDUCT BY THE CITY OR ANY OTHER PARTIES INDEMNIFIED UNDER THIS AGREEMENT.

THE CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, THE CITY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY THE CITY IS NOT TO BE CONSTRUED AS A WAIVER OF THE CONTRACTOR'S OBLIGATION TO DEFEND THE CITY OR AS A WAIVER OF THE CONTRACTOR'S OBLIGATION TO INDEMNIFY THE CITY PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN COUNSEL WITHIN A REASONABLE TIMEFRAME FOLLOWING CITY'S WRITTEN NOTICE THAT THE CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT; PROVIDED THAT SUCH TIME FRAME SHALL NOT EXCEED TEN (10) BUSINESS DAYS. IF THE CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, THE CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND THE CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY THE CITY. THE RIGHTS AND OBLIGATIONS CREATED BY THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

NOTHING ABOUT THIS SECTION OR ANY INDEMNIFICATION BY CONTRACTOR OF THE CITY SHALL SERVE AS AN EXPRESS OR IMPLIED WAIVER OF ANY RIGHTS OF

GOVERNMENTAL IMMUNITY OR SOVEREIGN IMMUNITY ENJOYED BY THE CITY, ITS OFFICERS AND EMPLOYEES AND/OR THE CONTRACTOR.

Section 8. Security for Faithful Performance

8.1 Performance Bond: As security for Contractor's performance of its obligation to provide Municipal Solid Waste Collection and other services under the terms of this Contract, the Contractor shall provide the City a One Hundred Thousand Dollar (\$100,000.00) performance bond in a form reasonably approved by the City Attorney guaranteeing the faithful performance of this Contract (hereafter "Performance Bond"). The Performance Bond shall be executed by a surety company in good standing and licensed to do business in the State of Texas and reasonably approved by the City Attorney, and shall be and remain in effect for and during the Primary Term of this Contract and any Renewal Term in the amount specified herein or as negotiated for any Renewal Term. The Performance Bond shall be furnished to the City by the Contractor within ten (10) days of the date of the execution of this Contract, and as applicable, any Renewal. Without limiting any other indemnity provisions herein, Contractor's Performance Bond shall guarantee full, satisfactory and complete performance of this Contract by the Contractor **and release, indemnify and hold harmless the City against any loss, expense, cost or damage resulting from any default by the Contractor hereunder or any failure of performance hereunder by the Contractor.**

The Contractor shall pay any and all premiums for the Performance Bond described above. A certificate from the surety showing that the bond premiums have been paid in full must accompany the bond and shall thereafter be provided annually during the Primary Term and any Renewal Term of this Contract.

8.2 Power Of Attorney: Attorneys-in-fact, who execute the Performance Bond required by Section 8.1, shall file with such bond a certified and effectively dated copy of their power of attorney.

Section 9. Termination of Contract

9.1 Notice and Cure by City: If at any time during the Primary Term or any Renewal Term of this Contract, Contractor fails to provide Municipal Solid Waste Collection Services as required under this Contract, fails to substantially perform any or all of its obligations, or otherwise breaches any one or more of the terms, covenants, or conditions herein set forth in this Contract, City shall notify Contractor by certified mail addressed to the Contractor at the address set forth herein of the basis of City's claim that Contractor has breached its obligation(s) under the terms and provisions of this Contract. Contractor shall be allowed thirty (30) days from the date of City's notice to remedy such breach.

9.2 Termination by City: If the City Council -determines that Contractor has breached its obligations hereunder and failed to timely cure such breach as required by this Section 9, the City Council may terminate this Contract by providing the Contractor at least one hundred twenty (120) days written notice of such termination. Upon the expiration of the one hundred twenty (120) day time period, this Contract shall terminate without any further obligation or liability to City save and except payment for services actually provided by Contractor, less the Franchise Fee, prior to the termination date of this Contract.

9.3 Notice and Cure by Contractor: If at any time City shall fail to substantially perform the terms, covenants, or conditions herein set forth, Contractor shall notify City by certified mail addressed to the City at the address set forth herein of specific reasons in support of Contractor's claim that City has substantially breached the terms and provisions of this Contract. City shall be allowed thirty (30) days from the date of receipt of notice to remedy any failure to perform.

9.4 Termination by Contractor for Non-payment: If the City fails to pay Contractor Compensation due and owing in accordance with and pursuant to the Texas Prompt Payment Act and fails to cure such failure within the time period established by Section 9.4, herein above, Contractor may thereafter promptly terminate this Contract.

9.5 Termination by Contractor for Reasons other than Non-payment: If the City fails to timely cure and remedy any substantial failure to perform the terms, covenants, or conditions of this Contract, other than the payment of Compensation then due and owing in accordance with and pursuant to the Texas Prompt Payment Act, the Contractor may terminate this Contract after providing the City two hundred seventy (270) days written notice of such termination. Upon the expiration of the two hundred seventy-day time period this Contract shall terminate without any further obligation or liability to Contractor save and except payment for services actually provided by Contractor, less the Franchise Fee, prior to the termination date of this Contract.

Section 10. Notices

Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid via certified mail, return receipt requested, and addressed to the respective party of the address set forth below:

If to the City:

City of Blue Ridge
205 S. Main Street
Blue Ridge, Texas 75424

If to the Contractor:

SANITATION SOLUTIONS, INC.
PO Box 6190
Paris, Texas 75461-6190
Attn: Josh Bray

Or such other addresses as the parties may hereafter specify by written notice delivered in accordance herewith.

Section 11. Roll-Off Containers and Services

11.1 Roll-Off Service: Contractor shall have the exclusive right to provide temporary Bins and Roll-off services to Customers within the corporate limits of the City of Blue Ridge, Texas. It is understood and agreed that the service provided under this Contract does not grant Contractor an exclusive franchise for the collection of Construction Debris, Bulky Waste, White Goods or other materials resulting from or arising out of remodeling and/or the preparation of property for construction and construction-related activities to the extent that such Construction Debris, Bulky Waste, White Goods or other materials have intrinsic value and/or are recyclable. However, the Contractor may negotiate an agreement on an individual basis with the Customer regarding the collection of such items by utilizing the Contractor's Roll-Off services. The Roll-Off services will be billed directly to such Customer in accordance with the Compensation then in effect and will be collected by the Contractor. The Roll-Offs provided pursuant to this Section 11.1 must be located within the City in accordance with City ordinances and policies.

11.2 Gross Vehicle Weight Limits: Contractor specifically reserves the right to adjust the size of a Roll-Off and the frequency of collections of such Roll-Off if Contractor determines that hauling an individual Roll-Off will cause Contractor to exceed its maximum license limits as approved by the State of Texas for gross vehicle weight ("GVW"). In such instances Contractor shall give sufficient notice to the Customer and adjust the size of said Roll-Off and/or the frequency of service to achieve compliance with GVW limits. For all GVW pounds in excess of 54,000 pounds Contractor may charge the Customer two and one-half (2.5) times the standard disposal fee.

11.2 Cleanliness: The Contractor shall, at its own expense, maintain all its commercial containers in a clean, presentable, and wholesome manner to prevent odors, unsightly conditions, public nuisances, insects, rodents, and possible health hazards. Contractor agrees to fully refurbish all commercial containers inside the City I within 120 days of the effective date of this Contract. The Contractor shall respond within twenty-four (24) hours to a request to maintain the structure, functionality and appearance of a container in need of attention ('Maintenance'). Routine cleaning shall occur often as may be necessary, to maintain to required appearance, however, the City may request Maintenance as determined necessary for specific containers. Collection containers that have been damaged shall be exchanged or repaired within seventy-two hours of notification. If an unsightly condition develops on the container due to fire, worn paint or other causes beyond the Contractor's control, the container shall be exchanged upon request of the Customer or the City. The Contractor shall exchange containers at reasonable intervals to maintain a good appearance considering type of refuse generated, normal wear, and weathering.

The Contractor shall maintain an inventory of containers sufficient to respond to the City's and Customers' needs in a prompt manner to accommodate replacements or new service starts. (This paragraph shall be applicable to Polycart containers for Residential Customers as well as Commercial and Industrial and temporary Roll-Off containers.)

Section 12. Special Request Brush/Bulky Collection

Contractor shall provide Residential Customers with a "special request" Collection of aggregate amounts of Bulky Waste and/or Brush/Bundles in excess of the normal amount Collected during the weekly Collection. The Contractor shall provide the Residential Customer with a price quote for the service within seven (7) calendar days of the request at the Compensation rate then in effect. The items Collected by the Contractor during a special request Collection shall consist of: (a) Brush (including tree stumps weighing in excess of 50 pounds but not exceeding 100 pounds), (b) Bulky Waste, and (c) Construction Debris (generated by the Residential Customer only) or (d) other items as agreed to by the City and Contractor. Contractor shall bill the Residential Customer directly for this service in accordance with the Compensation then in effect.

"Special request" collection is limited in capacity to a maximum often (10) cubic yards in size. The Customer shall be billed directly by Contractor at the rate as indicated in the "Special Haul" fee schedule.

Section 13. Ownership

Title to and liability for all Municipal Solid Waste, including without limitation, Bulky Waste, Compactable Waste, and any other Solid Waste required to be Collected by Contractor under the terms of this Contract, shall pass to Contractor when placed in Contractor's Collection vehicle, removed by Contractor from a Bin or container of any sort, or removed by Contractor from a Customer's premises, whichever last first.

Title to Hazardous Waste or any other wastes excluded from this Contract remains with the Customer who generates or provides such waste for Collection and neither Contractor nor shall have no responsibility or liability for such Unacceptable Solid Waste.

Section 14. Insurance

14.1 Proof of Insurance Required: Contractor shall be solely responsible for any insurance required under the terms of this Agreement, including, but not limited to, payment of premium and deductibles whether or not the City is an insured under the policy, and for any additional insurance it deems necessary. The City does not and shall not carry insurance policies covering

the Contractor. Contractor shall at all times during the Primary Term of this Contract and any Renewal Term hereof, at its own expense, procure, pay for and maintain the following insurance coverage written by companies approved by the State of Texas and reasonably acceptable to the City. The Contractor shall furnish to the City certificates of insurance executed by the insurer or its authorized agent stating the type of coverages, limits of each such coverage, expiration dates and compliance with all applicable required provisions. Contractor shall provide a copy of insurance policies to City upon request. Certificates shall reference the Contract for Citywide Solid Waste Collection Services and be addressed as follows:

City of Blue Ridge
200 S. Main Street
Blue Ridge, Texas 75424

14.2 Review and Modification of Coverage: The City shall retain the right, at any time, to review coverage, form, and amount of insurance coverage and require an adjustment in coverage by Contractor due to claims history, changes in statutory law, court decisions, or circumstances surrounding any of the foregoing. The Contractor shall notify the City in writing at least thirty (30) days prior to any non-renewal of or material change in the insurance coverage(s) required by this Agreement.

14.3 Minimum Insurance Coverages and Amounts Required: The Contractor shall obtain and maintain in full force and effect for the duration of the Primary Term and any Renewal Term of this Contract, at the Contractor's sole expense, insurance coverage written by companies approved by the State of Texas and acceptable to the City, in the types and amounts provided in this Section. Further, All such insurance policies will be primary and without the right of contribution from any other insurance coverage maintained by the City. All policies required herein shall be written by insurance carriers with a rating of A.M. Best's of at least "A" or "Excellent" and a financial size category of at least VII. Prior to the execution of this Contract, the Contractor shall furnish the City with an original certificate of insurance and a copy of the amendatory blanket form endorsements, including, but not limited to, the additional insured endorsement, evidencing that such coverages are in effect. Such certificate: (i) will also provide for thirty (30) days prior written notice of cancellation to the City (except for workers' compensation); (ii) shall show the City as an additional insured on all policies other than Worker's Compensation; and, (iii) shall contain waivers of subrogation in favor of the City (excluding Worker's Compensation policy) except with respect to the sole negligence or willful misconduct of the City. Upon the Contract Date, Contractor shall provide a current Certificate of Liability Insurance ("Accord Form") evidencing the coverage required by this Agreement. At least (30) days prior to the expiration of any coverage(s) provided hereunder, Contractor shall provide City an updated Accord Form evidencing current coverage as required by this Contract; each such updated Accord Form shall be incorporated into this Contract by reference and shall supersede the expired Accord Form.

Contractor shall provide:

	TYPE	AMOUNT
1.	Workers' Compensation and Employer's Liability	Statutory \$100,000/500,000/100,000

2.	Commercial General (Public) Liability insurance including coverage for the following: a. Premises Operations b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Advertising Injury f. Contractual Liability g. Medical Payments	Combined single limit for bodily injury and property damage in the amount of \$1,000,000 per occurrence.
3.	Comprehensive Automobile insurance, including coverage for loading and unloading hazards, for: a. Owned/Leased Vehicles b. Non-owned Vehicles c. Hired Vehicles	Combined single limit for bodily injury and property damage in the amount of \$1,000,000 per accident.
4.	Umbrella / Excess Liability following form and applying in excess of the above-indicated primary coverages (Item Nos. 1, 2 and 3).	\$5,000,000 limit per occurrence and annual aggregate for bodily injury and property damage.

14.4 Additional Policy Endorsements: The City shall be entitled, upon request, and without expense, to receive copies of the policies and all endorsements thereto and may make any reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any of such policies) to bring such coverage into compliance with the requirements of this Contract or any changes in state law. Nothing in this **Section 14.4** shall be interpreted to allow the City to require the Contractor to modify its insurance policies for any other reason than to be in compliance with the terms of this Contract. Upon such request by the City, the Contractor shall exercise reasonable efforts to accomplish such changes in policy coverages, and shall pay the cost thereof. All insurance certificates shall be received and approved by the City before the Contractor will be allowed to commence or continue Services under this Agreement.

14.5 Required Provisions: The Contractor agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain and state, in writing, on the certificate, or its attachment, the following required provisions:

a) Name the City and its officers, employees, and elected representatives as additional insured, (as the interest of each insured may appear) as to all applicable coverage;

b) Provide for thirty (30) days' written notice to the City for cancellation, nonrenewable, or material change in the policies;

c) The Contractor agrees to waive subrogation against the City, and its officers, employees, and elected representatives for injuries, including death, property damage, or any other loss to the extent same may be covered by the proceeds of insurance;

d) All copies of the certificates of insurance shall reference the project name or proposal number for which the insurance applies;

e) Provide that all provisions of this Contract concerning liability, duty, and standard of care, together with the indemnification provision, shall be underwritten by contractual liability sufficient to include such obligations within applicable policies;

f) Provide for notice to the City at the address shown below by registered mail.

g) The Contractor shall file proof of insurance meeting the requirements as set forth herein with the City. The Contractor shall be solely responsible for assuring that all proofs of insurance filed with the City are current. Failure of the Contractor to fully comply with the requirements set forth herein regarding insurance is a breach of this Contract and the City may terminate the Contract with the Contractor.

h) The Commercial General Liability policy must include Contractual Liability coverage specifically covering the Contractor's Indemnification of the City herein.

i) The City's approval of the insurance shall not relieve or limit the liability of the Contractor for any damages arising from the Contractor's performance or nonperformance of Services provided herein.

j) All policies required herein, unless specific approval is given by the City, are to be written on an occurrence basis and the insurers shall agree to waive all right of subrogation against the City.

k) Each policy provided hereunder shall apply separately to each insured against whom claim is made and suit is brought, except with respect to the limits of the insurer's liability.

l) The policy shall also contain a cross Liability/Severability of Interests provision assuring that the acts of one insured do not affect the applicability of coverage to another insured.

m) The cancellation clause on the Contractor's insurance certificate must conform to the endorsement. Any conflict between the endorsement and the certification is a breach of this Agreement and can result in retraction by the City of the award of the Agreement to the Contractor or termination of this Agreement.

n) Coverage must be provided for Products/Completed Operations.

14.6 Notices: For any notices required under the terms of this Contract, including without limitation, notices related to this section shall be provided to the Parties at the addresses listed below.

Further, the Contractor shall notify the City in the event of any change in coverage and shall give such notices in writing not less than thirty (30) days prior to the change. The notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the City at the following address:

City of Blue Ridge
205 S. Main Street
Blue Ridge, Texas 75424

Notices to Contractor shall be given to Contractor at the following address:

Sanitation Solutions
PO Box 6190
Paris, Texas 75461-6190
Attn: Josh Bray

14.7 No Waiver Regarding Insurance: Approval, disapproval, or failure to act by the City regarding any insurance supplied by the Contractor shall not relieve the Contractor of full responsibility or liability for damages and accidents as set forth in the Contract Documents. Neither shall the bankruptcy, insolvency, or denial of liability by the insurance company exonerate the Contractor from liability.

14.8 Contractor's Liability: CONTRACTOR SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS CITY FOR ANY MODIFICATION, DEVIATION, OR OMISSIONS IN THE INSURANCE PROVIDED HEREUNDER. Contractor's procurement of the required policy or policies of insurance shall not be construed to limit the Contractor's liability to fulfill the indemnification provisions and the requirements under this Contract. Notwithstanding policy or policies of insurance provided hereunder, Contractor shall be obligated for the full and total amount of any damages, injury, or loss caused by the action or inaction of the Contractor in connection with this Contract.

14.9 Notice of Accident: Contractor shall provide written notice of accident, incident, or occurrence or claim (collectively "claim(s)"), and all such claims shall be given to the insurance company and the City as soon as practicable after notice to the Contractor of any such claim.

14.10 Survival of Termination/Breach: The obligations of the Contractor pursuant to this Section shall survive the expiration or termination of this Agreement for a period of four (4) years. Failure to comply with any term of this Section is a breach of this Agreement and may result in City's termination of this Contract.

Section 15. Books and Records

The City and Contractor agree to maintain at their respective places of business adequate books and records relating to the performance of their respective duties under the provisions of this Contract, and such books and records shall be made available at any time during regular business hours for inspection by the other party, upon reasonable advance notice. The inspecting party shall be responsible for all of their own expenses, including travel and contractual services.

Section 16. Contractor as Independent Contractor of City

The relationship of the Contractor to the City shall be that of an independent contractor, and no principal-agent or employer-employee relationship between the Parties is created by this Contract. By entering into this Contract with the City, the Contractor acknowledges that it will, in the performance of its duties under this Contract, be acting as an independent contractor and that no officer, agent, or employee of the Contractor will be, for any purpose, an employee, representative or agent of the City, and that no officer, agent, or employee of the Contractor is entitled to any of the benefits and privileges of a City employee or officer under any provision of the statutes of the State of Texas or the Charter and ordinances of the City.

Section 17. Enforcement of Franchise and Collections

The City grants unto Contractor the right to seek an injunction against any third party which is believed to be infringing on the rights of Contractor to this Contract, including Contractor's franchise rights granted herein. By granting this right to Contractor, the City in no way reduces its right or obligation to enforce this Contract or any other City ordinance relating to the collection and disposal of Municipal Solid Waste. Furthermore, Contractor shall have all rights and remedies available to it under Texas law to collect delinquent payment of fees by the City and/or Commercial and Industrial Customers.

Section 18. LABOR FORCE

18.1 Personnel and Environment: The Contractor shall employ only such superintendents, supervisors, and workers who are reasonably careful and competent and fully qualified to perform the duties or tasks assigned. All employees of the Contractor and/or any approved subcontractors, if any, shall comply with all applicable laws and regulations, and shall have sufficient skill, ability, and experience to properly perform the work assigned to them and to operate any equipment necessary to properly carry out the performance of their assigned duties to provide services under this Contract.

The Contractor shall maintain a work environment free from the use, possession, distribution, and influence of controlled substances, alcohol, intoxicants, narcotics or other mind-altering substances (referred to hereafter as 'Drugs and Alcohol') and to prohibit employees from using, possessing, distributing or being under the influence of Drugs and Alcohol at any time within the course and scope of their employment. The Contractor shall file with the City a copy of its substance abuse policy, and shall provide future updates and revisions to said substance abuse policy to City. All drivers operating equipment requiring a commercial driver's license shall at all times maintain a valid, commercial driver's license (CDL).

18.2. Safety Equipment: The Contractor shall provide each employee with appropriate safety equipment.

18.3 Training: The Contractor shall assure that all employees are properly trained in safe operations and have sufficient skill, ability, and experience to properly perform the duties to which they are assigned.

18.4 Removal of Employees: The City shall have the right to request that an employee be barred from further work for the Contractor in connection with this Contract for reasons including: wanton, discourteous, belligerent, or unsafe behavior.

18.5 Personnel Changes: The Contractor shall notify the City of changes made in key management personnel fourteen (14) calendar days prior to changes becoming effective, or as soon as is otherwise reasonably practicable under the circumstances.

Section 19. RIGHT OF INSPECTION

City hereby reserves the right to inspect and evaluate the Contractor's field operations within the City's corporate limits to determine Contractor's continuous performance hereunder either on a continuing or random inspection basis.

Section 20. CUSTOMER COMPLAINTS

20.1 Complaints: The Contractor shall within thirty (30) days of the Contract Date establish a written procedure for handling all service complaints from Customers. A copy of such procedure shall be kept at the local office of the Contractor and shall be provided to the City within such thirty (30) day period. At a minimum, the Customer complaint procedure shall provide that all

Customer complaints shall be addressed within twenty-four (24) hours of receipt of such complaint and shall be promptly resolved. Further, the Contractor shall supply the City with copies of all complaints, at least weekly or as often as may be necessary to expedite resolution of each complaint, indicating the date and hour of the complaint, the nature of the complaint, and the manner and timing of its resolution. In addition, the Contractor shall keep a telephone log on all Customer-related phone calls, both incoming and outgoing calls, and shall supply the City with a copy at least weekly. The complaint log may be submitted via email to the City Secretary for efficiency and timeliness. The Contractor shall, in cooperation with the City, devise a mutually acceptable tracking procedure for complaints received by Contractor or City regarding Contractor's performance hereunder within sixty (60) days of the Contract Date.

Records of complaints handled by Contractor's customer service center shall be retained for a period of three (3) years from the date of each such complaint.

20.2 Non-Collection: Should a dispute arise between the City, Contractor, and/or a Customer as to whether the Contractor actually failed to make a Collection (whether the Contractor missed a pickup) the decision of the City shall be final, and the Contractor agrees to abide by such decision.

If the Customer at any premises 1) fails to place a container out, or 2) is otherwise in violation of the City's ordinances with respect to (a) the location of a Polycart, (b) the means by which the Municipal Solid Waste is containerized or non-containerized, or (c) the volume, weight, or composition of Municipal Solid Waste to be removed from the premises renders service impossible ("non-collection"), the Contractor may refrain from collecting all or a portion of such Municipal Solid Waste that is rendered uncollectible due to the aforementioned circumstances. The Contractor shall, prior to 4 p.m. of the business day upon which collection service was not provided by Contractor, notify the City and the Customer thereof, in writing of the reason for such non-collection. Additionally, at the Contractor's option, Contractor may also notify Customer of the reason for non-collection by telephone,

The Contractor shall collect such Municipal Solid Waste on the next scheduled Collection day after the Customer remedies the existing circumstances that caused the non-collection. The Contractor may charge for an extra Collection, as may be applicable, if the Customer requests Collection prior to Customer's next scheduled Collection day.

Where the City is notified by an owner or occupant that Refuse has not been removed from a subject premises on the scheduled collection day and where no notice of non-collection or a route change in collection schedule has been received from the Contractor, the City shall investigate. If the investigation discloses that the Contractor has failed to collect Municipal Solid Waste from the subject premises without cause, as supported by notice described herein, the Contractor shall collect the same within twenty four (24) hours after a "Request to Collect" is issued by the City. Contractor shall abide by the decision. Should the Contractor fail to honor a "Request to Collect", the Contractor shall be subject to such applicable penalty as described herein. It is expressly understood that these rules apply to any type of regularly scheduled service collections offered to a Customer, whether residential or commercial, as well as other waste collections as may be applicable.

20.3 Liquidated Damages: Except during force majeure events, in the event Contractor shall fail to perform any of the terms or conditions of this Contract, the City shall promptly notify Contractor in writing of the defect in performance. Thereafter, if Contractor does not correct or cure the defect in performance within five (5) business days after receipt of written notice, or in the case of defects that cannot be cured within five (5) business days, if Contractor has not taken reasonable steps to effectuate a cure within five (5) business days after receiving written notice, the same shall constitute an act of non-compliance. For each such act, the City may

deduct from the consideration to be paid Contractor, as liquidated damages, the sum of \$250.00 per day for each day that each such act of non-compliance shall continue. In addition to the damages listed above, if any such continuing failures to perform adversely affect the delivery of service to any particular customer or customers, the City may deduct from the consideration to be paid Contractor, as liquidated damages, the sum equal to one (1) monthly bill for that customer or customers, per adverse event reported that Contractor has not cured pursuant to this section. This remedy is hereby expressly made cumulative of all or any other remedies available to the City, at law or in equity, for the breach of this Contract.

The parties hereto agree that such liquidated damage amounts are fair and reasonable. The City or his designee has the right to waive any applicable liquidated damages or a portion thereof at his discretion.

Section 21. Miscellaneous Provisions

21.1 New Services: In the future, the City may wish to obtain new services that are not addressed under this Contract. By way of example only, the City may wish to expand its Solid Waste Collection program in ways that have not yet been identified. If the City and the Contractor are unable to agree upon the terms and conditions governing such services, including but not limited to the Rates for such services, the City shall have the right to procure such services from other Persons, notwithstanding the Contractor's exclusive franchise under this Agreement.

21.2 Licenses, Permits, Certificates and Taxes: The Contractor shall obtain, at its expense, any and all necessary licenses, permits and certifications required by the City, county, state, and federal government for the performance of the Collection Services under this Contract. The Contractor shall obtain certificates of compliance where required. The Contractor shall promptly pay all taxes required by the City, County, and State. Further, the Contractor shall comply with all conflict of interest and other requirements of Texas law and City procurement policies, including without limitation providing all documentation to evidence such compliance.

21.3 Construction of Contract Documents: Although the Contract has been drafted by the City, should any portion of the Contract be disputed, the City and Contractor agree that it shall not be construed more favorably for or against either party.

In this regard, Contractor specifically agrees the Contractor has been represented by legal counsel in the negotiation of this Contract and been advised, or has had the opportunity to have legal counsel review this Contract and advise Contractor, regarding Contractor's rights and obligations under this Contract as well as Texas and federal law.

21.4 Binding Effect: The Contract Documents are binding upon the City and Contractor and shall inure to their benefit and as well as that of their respective successors and assigns, if any, as provided in the Contract Documents.

21.5 Jurisdiction and Venue: The Contract is entered into subject to and is to be construed, governed and enforced under all applicable State of Texas and federal laws. The Contractor shall make any and all reports required per federal, state or local law including, but not limited to, proper reporting to the Internal Revenue Service, as required in accordance with Contractor's income. Exclusive venue of this Contract is agreed to and shall be Collin County, Texas, for all purposes, including without limitation, enforcement, performance and execution.

21.5 Bankruptcy: It is hereby agreed that if the Contractor files for protection under any Bankruptcy Statute (voluntary or involuntarily), then this Contract shall be regulated in accordance with applicable bankruptcy laws.

21.6 Non-discrimination: The Contractor, in the execution, performance, or attempted performance of this Contract, shall not discriminate against any person or persons because of sex, race, religion, color, or national origin. The Contractor shall be an equal opportunity employer in compliance with all applicable legal requirements.

21.7 Savings Clause: If any of the terms, provisions, covenants, conditions or any other part of this Contract are for any reason held to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants, conditions or any other part of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

21.8 No Waiver: No right or remedy granted herein or reserved to the parties is exclusive of any other right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder. No covenant or condition of this Contract may be waived without written consent of the parties.

Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Contract.

21.9 No Oral Modification: No alteration of or amendment to this Contract shall be effective unless given in writing and signed by the signatories hereto or their respective heirs, successors and assigns. Any requested modifications to these standards by the Contractor shall be submitted in writing to the City for approval and shall become part of this Contract following approval thereof by the City Council. Any City initiated modifications, agreed to by Contractor in writing, shall become effective upon thirty (30) calendar days written notice or as otherwise agreed upon by the parties.

21.10 Amendments Due to Changes in Law: The City and the Contractor understand and agree that changes in the Applicable Laws may require amendments to some of the conditions or obligations of this Agreement. In the event any future change in any Applicable Law materially alters the obligations of the Contractor or the City, then the provisions and Rates in this Agreement may need to be modified. The City and Contractor agree to enter into good faith negotiations regarding amendments to this Agreement, which may be required in order to implement changes for the public welfare or due to a Change in Law. The terms of this Agreement shall govern any adjustments to the Rates that result from a Change in Law.

21.11 Damage Claims/Repair/City Optional Repair: The Contractor shall take all necessary precautions to protect public and private property during the performance of this Contract. The Contractor shall repair or replace or compensate any private or public property which is damaged by Contractor. The Contractor shall notify the City of damage to private or public property within twenty-four (24) hours of the earlier of knowledge or notice to Contractor of such damage. In addition, the Contractor shall contact the Customer of the private or public property which is damaged within forty-eight (48) hours of the earlier of knowledge or notice to the Contractor of such damage. Such property damages shall be resolved by the Contractor either by repair or replacement or compensation, at no charge to the property owner, within a reasonable amount of time agreed upon by property owner, City and Contractor, and any replacement of property shall be accomplished with property of the same or equivalent value at the time of the damage. Each customer shall also provide unobstructed access to the equipment on the scheduled collection day. The Contractor shall not be responsible for any damage to customer's property, including pavement or other surfacing, subsurface or curbing resulting from customer's provision of services rendered. Notwithstanding the foregoing, Contractor shall not be responsible for any damages to the City's pavement, curbing or other driving surfaces resulting from normal wear and tear from Contractor's providing service under this Agreement. If the Contractor fails to address the repair or replacement or compensation of

damaged property within agreed upon timeframe, City may, but shall not be obligated to, repair or replace or compensate such damaged property, and the cost of doing so shall be deducted from any payment to be made to the Contractor by City.

21.12 Communications With Utility Billing: All correspondence between the Contractor and the City's Utility Billing Department concerning accounts (new, updated, changed, ended, etc.) shall be provided daily (except holidays), prior to 5:00 p.m., to expedite and document account activity by hand-delivered copy, fax, or electronic transfer. Any account actions after 5:00 p.m. may be sent on the following business day as early as is reasonably possible. All documentation shall contain accurate and pertinent information about each account to insure proper tracking and serviceability.

Contractor shall provide the City a list of all customers missed (did not have container out) at the end of each day's route before 8:30 a.m. of the immediately following business day.

21.13 Additional Services:

a) Upon approval of this contract, Contractor has offered three (3) House Demolition Services, with City paying for disposal charges of \$14.00 a yard. The house demolitions will be ordered by the City and not by individual property owners.

b) Contractor has also offered two (2) \$250.00 annual scholarships, one for a male and one for a female.

21.14 Entire Agreement: The Contract Documents sets forth the entire agreement of the Parties and supersede all oral or written previous and contemporaneous agreements between the Parties regarding or relating to matters herein, and except as otherwise provided herein cannot be modified without written agreement of the parties.

21.15 Headings: The headings of this Contract are for the convenience of reference only and shall not affect any of the terms and conditions hereof in any manner.

21.16 Force Majeure: If City or Contractor is unable to perform, or is delayed in its performance of any of its obligations under this Agreement by reason of an event of Force Majeure as defined below, such inability or delay shall be excused at any time during which compliance therewith is prevented by such event and during such period thereafter as may be reasonably necessary for City or Contractor to correct the adverse effect of such event of Force Majeure. An event of Force Majeure shall mean the following events or circumstances to the extent that they delay the City or Contractor from performing any of its obligations (other than payment obligations) under this Agreement:

- (a) Acts of God, tornadoes, hurricanes, floods, sinkholes, fires, and explosions (except those caused by negligence of Contractor, its agents, or assigns), landslides, earthquakes, epidemics, quarantine, and pestilence; and
- (b) Acts of public enemy, acts of war, terrorism, effects of nuclear radiation, blockades, insurrection, riots, civil disturbances, or national or international calamities.

In order to be entitled to the benefit of this Section, a Party claiming an event of Force Majeure shall be required to give prompt written notice, in no event shall such notice be later than two (2) business days, to the other Party specifying in detail the event of Force Majeure and shall further be required to use its best efforts to cure the event of Force Majeure. The Parties agree that, as to this Section, time is of the essence. Notice of using this Section shall also require that the Party making the claim provide an estimate of the amount of time needed to perform.

21.17 Taxes: Audit: As required by the Texas Property Tax Code, the Contractor shall render a list of all real and tangible personal property located and/or operated within the City, with a declaration that such property has a taxable status in City, to the Collin County Central Appraisal District, by April 15th of each year. Personal property includes, but is not limited to vehicles, Bins, Collection containers, office equipment, etc. The list shall include all personal property in use as of January 1st of each year. The list shall also be filed with the City by April 15th of each year throughout the term of this Contract. The Contractor shall bear the financial responsibility for the cost of any annual audit requested by the City up to a maximum cost of One Thousand Dollars (\$1,000.00) with the City being responsible for any costs in excess of such amount. The City, at its sole discretion and choosing, may utilize a private, independent third party auditor for such purposes. Any such audit requested by the City shall be limited to the billings and services performed under this Contract.

In addition to the amounts billed and collected by the City under Section 2.1 .a., the City shall also be responsible for billing, collecting, remitting and paying any and all sales, use and service taxes assessed or payable in connection with the services. The Contractor shall be responsible for billing, collecting, remitting and paying any and all sales, use and service taxes assessed or payable in connection with the services billed and collected by the Contractor.

21.18 Assignment: The Contractor agrees that it shall not, without prior written approval of the City, assign any rights or delegate any duties arising hereunder the Contractor further agrees that any such assignment or delegation of rights or duties shall not relieve the Contractor of its obligations to the City hereunder unless expressly agreed by the City in writing. The approval of any such assignment shall not be unreasonably withheld or denied by the City.

21.19 Compliance with Laws: The Contractor agrees to comply with, and shall cause its employees, agents, and subcontractors to comply with, all applicable laws, including state and federal laws and City ordinances. It is expressly agreed that nothing in this Contract shall be construed in any manner to abridge the right of the City to pass or enforce necessary police and health regulation for the protection of its inhabitants. It is further agreed and understood that if the City calls the attention of the Contractor to any such violations on the part of the Contractor, then the Contractor shall immediately desist from such activity and correct such violation.

21.20 Safety Regulations: The Contractor shall take all necessary precautions toward all safety issues and shall actively promote working conditions and work practices which will ensure all workers are safe and in a healthy work environment. Performance of Collection Services hereunder shall strictly comply with the U.S. Occupational Health and Safety Act (OSHA) of 1970, the Superfund Amendments and Reauthorization Act of 1986 (SARA Title 3), and all regulations imposed by any federal, state, or local authority having jurisdiction therefore.

21.21 Public Information: The Contractor understands and acknowledges that the City is subject to the Texas Public Information Act and therefore cannot assure the confidentiality of the terms or other information provided by the Contractor pursuant to this Agreement. The Contractor agrees to comply with the City's request for information under the Texas Public Information Act, as amended from time to time.

21.22 Severability: If any provision of this Agreement shall be invalid, illegal or unenforceable, it shall be modified so as to be valid, legal and enforceable, but so as most nearly to retain the intent of the Parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected thereby. Further, if a term, covenant, or condition in this Agreement is held to be invalid by any court of competent jurisdiction and the invalidity does not pertain to the exclusivity of Services, the invalidity shall not affect any other term, covenant, or condition herein contained. The Contractor must pay for any legal or consulting fees incurred by the City in connection with a lawsuit or claim related to the exclusivity of the Services.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have set their hands by their representatives duly authorized on the day and year first written above.

SANITATION SOLUTIONS

By:

Josh Bray

Title: _____

Date: _____

Sanitation Solutions, Inc.
PO Box 6190
Paris, Texas 75461-6190

CITY OF BLUE RIDGE, TEXAS

By:

RHONDA WILLIAMS, Mayor

Date: _____

City of Blue Ridge
200 S Main
Blue Ridge, Texas 75424-4463

ATTEST:

Edie Sims, City Secretary
City of Blue Ridge, Texas

THE STATE OF TEXAS,
COUNTY OF COLLIN

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared RHONDA WILLIAMS, MAYOR of the CITY OF BLUE RIDGE, a Texas Municipal Corporation, known to me to be the person who's name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE DAY OF _____,
2018.

Notary Public, Collin County, Texas
My commission expires _____

THE STATE OF TEXAS,
COUNTY OF _____

This instrument was acknowledged before me on the day of _____ day of _____, 2018, by Josh Bray, in his capacity as _____ of Sanitation Solutions, Inc., a _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same on behalf of and as the act of _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____ DAY OF _____, 2018.

Notary Public, _____ County, Texas
My commission expires _____

EXHIBIT "A"

City of Blue Ridge's Solid Waste Collection	2018 Net Rate to Sanitation Solutions	Blue Ridge Franchise Fee (15%)	2018 Blue Ridge Customer Rate
Residential Collection Rates Per Month	Monthly Charge	Franchise Fee	Total
Residential Trash Rate (once per week pickup)	\$12.94	\$1.94	\$14.88
Residential Additional Polycart	\$7.00		
Storm Debris Management Per Truck Hour			
Disposal Per Ton			
Commercial Cart Rates Per Month	Monthly Charge	Franchise Fee	Total
Hand Load Service (once per week) 1st Cart	\$25.00	\$3.75	\$28.75
Hand Load Service (once per week) Two Carts	\$38.00	\$5.70	\$43.70
Hand Load Service (once per week) Three Carts	\$46.00	\$6.90	\$52.90
Front Load Commercial Trash Container Services	Monthly Charge	Franchise Fee	Total
2 Cubic Yard Container			
Once per week	\$61.96	\$9.29	\$71.25
Twice per week	\$97.62	\$14.64	\$112.26
3 Cubic Yard Container			
Once per week	\$80.10	\$12.02	\$92.12
Twice per week	\$123.91	\$18.59	\$142.50
4 Cubic Yard Container			

Once per week	\$93.88	\$14.08	\$107.96
Twice per week	\$156.31	\$23.45	\$179.76
6 Cubic Yard Container			
Once per week	\$134.40	\$20.16	\$154.56
Twice per week	\$181.49	\$27.22	\$208.71
8 Cubic Yard Container			
Once per week	\$156.46	\$23.47	\$179.93
Twice per week	\$212.77	\$31.92	\$244.69
Open Top Rolloff Containers			
20 Cubic Yard (per haul)	\$315.00		\$315.00
30 Cubic Yard (per haul)	\$415.00		\$415.00
40 Cubic Yard (per haul)	\$515.00		\$515.00
Compactor			
30 Cubic Yard (per haul)	\$514.00	\$77.10	\$591.10
35 Cubic Yard (per haul)	\$582.00	\$87.30	\$669.30
42 Cubic Yard (per haul)	\$676.00	\$101.40	\$777.40
Other Charges			
Deliver & Exchange	\$100.00		\$100.00
Daily Container Rental	\$4.00	\$0.60	\$4.60
Polycart Replacement	\$25.00		\$25.00
Sludge Removal Once per year	\$547.00		\$547.00