

Special Exclusive Contract for Solid Waste Collection and Disposal Services

This Special Exclusive Contract for Solid Waste Collection and Disposal Services (the “Special Contract”) is entered into this ^{25th} day of July, 2014 (but effective as of August 1, 2014) (“Effective Date”), by and between the City of San Angelo, a municipal corporation of the State of Texas (“City”) and Republic Waste Services of Texas, Ltd., a Texas limited partnership (“Provider”).

RECITALS:

A. Pursuant to Texas Health and Safety Code, Chapter 363, the State of Texas declares that this state’s policy is to safeguard the health, general welfare, and physical property of the people and to protect the environment by encouraging the reduction in solid waste generation and the proper management of solid waste, finds that the control of solid waste collection and disposal should continue to be the responsibility of local governments and finds that local governments should be encouraged to contract with waste management firms for the proper management of solid waste consistent with the provisions of state law.

B. Pursuant to Texas Health and Safety Code, Chapters 363 and 364, a municipality is authorized to enter into contracts to enable it to furnish or receive solid waste management services on the terms considered appropriate by the City Council, contract with a private contractor to furnish solid waste collection, transportation, handling, storage or disposal services through the private contractor’s system and provide in its contract that the private contractor has the right to use the streets, alleys, and public ways and places in the municipality during the term of the contract.

C. Pursuant to San Angelo Code of Ordinances, Article 11.400, City is authorized to enter into a special exclusive contract with an established garbage collection company for the collection of garbage and trash of residential and commercial customers, require that under such special contract, fair and reasonable charges for such collection services for residential and

commercial customers shall be charged as provided for in the fee schedule approved by City Council and that such contract shall be in lieu of the permit required under San Angelo Code of Ordinances, Article 11.400.

D. City is in need of solid waste collection and disposal services for its residential and commercial customers effective August 1, 2014, in that City's current special exclusive contract between City and Provider will expire on July 31, 2014.

E. In accordance with San Angelo Code of Ordinances, Article 11.400, City intends to maintain fair and reasonable rates for efficient and reliable collection, transportation and disposal of solid waste and recyclable material in an environmentally sound manner within the city by entering into a special exclusive contract with an established garbage collection company.

F. Accordingly, City issued a request for proposals ("RFP") No. OP-01-14 "Landfill and Waste Collection Services", and various addenda to RFP, for a solid waste collection services contract and a contract for lease and operation of City's landfill, soliciting proposals for either or both contracts.

G. City staff and the evaluation committee evaluated and ranked the proposals, in response thereto, based on evaluation criteria set out in RFP, consisting of operational experience and qualifications, adherence to specifications, financial impact, financial qualifications and stability and additional beneficial criteria.

H. After consideration of Provider's proposal and the responses of the other proposer, City staff and the evaluation committee recommended, on April 1, 2014, Provider to City Council as the most highly ranked offeror for the provision of solid waste collection services and on April 1, 2014, City Council authorized City to negotiate a contract with Provider.

I. City wishes to engage the services of Provider, and Provider wishes to perform the services for City.

J. On July 1, 2014, City Council determined that this special exclusive contract for Solid Waste Collection and Disposal Services (“Special Contract”) is in City’s best interest and shall result in significant economic benefits, additional revenues and better services for residential and commercial solid waste customers and authorized the City Manager to enter into this Special Contract for solid waste collection and disposal services (“Services”) with Provider, under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Parties agree as follows:

TERMS:

1. **RECITALS:** The recitals are true and correct and are hereby incorporated into and made a part of this Special Contract.
2. **DEFINITIONS:** Whenever any term used in this Special Contract is defined by San Angelo Code of Ordinances, Article 11.400, the definition of such term set forth therein shall apply, unless the term is otherwise defined in this Special Contract. Except as provided in Section 1, words beginning with lower case letter are being used with their common ordinary meanings, not as defined terms. Otherwise, the capitalized words and terms not otherwise defined in this Special Contract shall have the meanings set forth in Exhibit A attached hereto, which by this reference is incorporated into and made a part of this Special Contract.
3. **TERM:** The term of this Special Contract shall be ten (10) years commencing on Effective Date, August 1, 2014, and ending July 31, 2024 (“Initial Term”), unless terminated or extended as provided for in this Special Contract.
4. **OPTION TO EXTEND:** The parties shall have two (2) options to extend Initial Term hereof, the first extension being for a period of eight (8) years and the second extension being for a period of two (2) years on terms as agreed to by the parties, by entering into an amendment to

extend this Special Contract at least ninety (90) days before the expiration of the initial or extended term as applicable. Any and all extensions or amendments to this Special Contract shall require City Council approval, except as otherwise stated herein.

5. CHANGE IN LAW:

A. Provider acknowledges that San Angelo Code of Ordinances, Article 11.400 is in the process of being amended and that the current provisions of San Angelo Code of Ordinances, Article 11.400 shall continue to apply to this Special Contract until such time as the amendments adopted by City Council become law. Notwithstanding the foregoing, the parties agree that rates for Services set forth in this Special Contract and in the amended Appendix A Fee Schedule to the San Angelo Code of Ordinances, Article 11.400 shall apply as of Effective Date.

B. Provider acknowledges that this Special Contract shall be interpreted to be consistent with all applicable local, state and federal laws, now in effect and adopted during Term of Special Contract, and Services shall be limited by all applicable current and developing ordinances, laws and regulations and that in the event that future interpretations of current law or future enactments limit the ability of City to lawfully grant to Provider a special exclusive contract for Services as specifically set forth herein, Provider agrees that the scope of this Special Contract shall be limited to those services and materials which may be lawfully provided, and that City shall not be responsible for any lost profits claimed by Provider as a result thereof.

C. The parties agree that any changes in federal, state or local laws or regulations that result in a detrimental change in circumstances or a material hardship for Provider in performing this Special Contract may be the subject of a request by Provider for a rate adjustment, subject to review and approval by City Council, which will not be unreasonably withheld. If City requires review of financial or other proprietary information in conducting its rate review, at the request of Provider, City shall retain a third party to review such information at Provider's expense provided

that (a) such third party signs a confidentiality agreement with Provider and (b) the results of such rate review remain confidential. Any rates, including adjustments set forth herein, shall not otherwise increase unless as required by Change In Law, subject to review and approval by City Council.

6. **SPECIAL CONTRACT:**

A. This Special Contract is in lieu of the permit required under San Angelo Code of Ordinances Article 11.400 and constitutes a special exclusive contract between City and Provider for Provider to collect, transport, haul, handle, store and dispose of residential and commercial garbage, trash and debris generated or accumulated within the City Limits, present and future, and provides Provider the right, with additional related obligations, to use the streets, alleys, and public ways and places in the city during Term of this Special Contract; which the parties agree includes the exclusive right to collect residential and Non-Residential Acceptable Waste and temporary Construction & Demolition Waste, as defined herein.

B. Provider shall be responsible for enforcing the exclusivity of this Special Contract. City shall have the right, but not the obligation to enforce the exclusivity hereof, including by instituting appropriate legal proceedings, and/or to request that Provider do so on behalf of City; provided, however that City shall reasonably cooperate with Provider in any legal proceeding, including any actions to enforce the San Angelo Code of Ordinances. Provider shall have an affirmative obligation to enforce such exclusivity provisions when requested to do so by City. If Provider requests assistance from City in any enforcement action pursuant to this Section, Provider shall reimburse City for its reasonable legal costs, administrative costs, or other expenses incurred in connection with City's actions to either enforce the exclusivity hereof, or to assist Provider in doing so.

7. **EXCLUSIONS:** Notwithstanding any other provisions set forth in this Special Contract to the contrary, Services provided by Provider under this Special Contract shall exclude collection,

transportation or disposal of any Solid Waste otherwise within the scope of this Special Contract which is collected and transported by commercial, institutional or industrial business authorized to haul its own Solid Waste, by and in accordance with the requirements of San Angelo Code of Ordinances, Article 11.400, Section 11.405 (e).

8. **DUTIES OF PROVIDER:** Provider shall maintain the highest industry standard of service for the protection of the health and welfare of the public and in the performance of this Special Contract and agrees that it is obligated to perform all Services under this Special Contract in strict accordance with the terms, conditions and provisions provided herein.

A. Implementation of New Services.

i. Acceptable Waste. Provider shall implement residential Acceptable Waste Collections from twice per week to collection once per week of Acceptable Waste plus once per week Recyclables via automated cart collections within nine (9) months of Effective Date of this Special Contract. However, if necessary equipment is delayed by the manufacturer of such equipment or is not in acceptable operating condition upon delivery, then Provider may request, and City shall grant extensions of three (3) months each to such implementation time should Provider substantiate additional time is necessary, but in no event shall the implementation time extend eighteen (18) months beyond Effective Date.

ii. Recyclables. Provider shall implement to once per week collection of Acceptable Waste plus once per week collection of Recyclables, which shall occur in phases on a route-by-route basis with a new route added every fourteen (14) days. Provider shall advertise and provide residential customers with collateral materials about the opportunity to recycle. For Non-Residential customers, Provider shall inform customers of the availability of collection of Recyclables through outreach materials and one-on-one interaction with such customers. All expenses incurred by such processes shall be the responsibility of Provider. Provider shall align with

Butts Recycling & SAFE Recycling Center as reasonable and appropriate for the initial execution of the processing of Recyclable commodities. Upon construction of a materials recycling facility (the “MRF”), Provider shall involve Butts Recycling and SAFE Recycling Center, as reasonable and appropriate, in the transition to utilization of the MRF.

iii. Bulk Waste. Bulk Waste collections shall be implemented within sixty (60) days of Effective Date.

iv. Containers. Provider shall manage the initial delivery of Solid Waste and Recyclables carts. Within the first twelve months of Effective Date, Provider shall refurbish or replace Non-Residential containers in need of an upgrade or repair, at no extra charge to the customer.

B. Collecting Waste and Recyclables.

i. Provider shall collect and dispose of all residential and Non-residential garbage, trash and debris, including residential Recyclables, generated or accumulated from premises within the City Limits, present or future, at the disposal facility designated by City.

ii. Provider shall provide all labor, supervision, vehicles and equipment necessary to provide for the collection and disposal of Acceptable Waste, for the consideration set out in this Special Contract.

Any vehicles or equipment required for the performance of this Special Contract shall be provided by Provider and maintained in a safe and sanitary condition. Location, placement and removal of any containers shall be placed in accordance and shall comply with City ordinances and shall be conducted in a systematic, efficient manner to keep the entire City in clean and sanitary condition.

iii. Residential Acceptable Waste and Recyclables Service. Provider shall collect and dispose of all Acceptable Waste and Recyclables of the residences of the City of San Angelo,

predominantly from the streets (curbside) and from alleys in subdivisions with homes with rear-entry garages within the City Limits, for Term of this Special Contract as follows: once per week for automated collection of Acceptable Waste with ninety-six (96)-gallon carts (contents only) and once per week for automated commingled Recyclables in 96-gallon carts (contents only). If a customer desires additional cart(s) beyond one for Acceptable Waste and one for Recyclables, then City may charge such customer for the carts in accordance with the fee schedule approved by City Council. The types of carts that Provider uses shall be in accordance with Section "8.H.i" herein of this Special Contract.

iv. Non-Residential Acceptable Waste Service. Provider shall collect and dispose of all Acceptable Waste of the Non-Residential customers of the City of San Angelo, from the streets and alleys within the City Limits, for Term of this Special Contract. Provider shall provide collection of Acceptable Waste from Non-Residential customers in two, three, four, six and eight-yard bins and Non-Residential pick-up in 96-gallon carts and shall also provide permanent and temporary roll-off services (which shall include temporary construction debris services).

v. Disabled Persons Service. Provider shall offer special pick-up service for Acceptable Waste and Recyclables to single family residential customers qualifying as a disabled person and lacking the ability to place containers at the curb, at no additional charge. A disabled person shall be determined by City in accordance with Applicable Laws. Provider shall retrieve the cart, service the cart and then return the cart to the location from where it was originally placed. Provider shall not enter any buildings or fenced areas to retrieve the cart and must have unobstructed access to the cart.

C. Hours of Operation.

i. Schedule. Provider shall perform Services Monday through Saturday between the hours of 7:00 am and 6:00 pm for residential Service and 4:00 am and 7:00 pm for

Non-Residential Services; provided, however, that Provider shall not provide Non-Residential Services before 7:00 am or after 6:00 pm for any Non-Residential bins within 175 feet of a residence.

Provider shall provide collection services based on the following schedule:

ii. Residential. Automated once per week with a 96-gallon cart for Solid Waste and automated once per week with a 96-gallon cart for Recyclables; and quarterly collection of Bulk Waste from residential customers of up to a maximum of five (5) cubic yards per quarter per residence.

iii. Non-Residential. Minimum of once per week for Solid Waste and Recyclables, if applicable, with 2, 3, 4, 6, or 8 cubic yard bins (dumpsters) and Non-Residential automated pick-up in 96-gallon carts, and on demand for roll-off containers and compactors.

iv. Holidays. Provider may observe the following holidays: New Year's Day, Independence Day, Memorial Day, Labor Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a day scheduled for trash pickup, the residential garbage scheduled for pickup on that day shall be picked up on the next day following the holiday and the remaining collections of the holiday week shall all be pushed forward by one day. For example, if the holiday is on a Monday, those residents shall be serviced on Tuesday, and those residents who are normally scheduled on a Tuesday shall be serviced on Wednesday.

v. Bad Weather Days. Provider may also alter the schedule for inclement weather or other emergency situation that makes it reasonably impossible to transport waste to City-designated disposal facility, with the approval of the City's Solid Waste Administrator. Provided, however, no residential or Non-Residential customer shall be deprived of garbage collection for a period exceeding eleven (11) days. When service is suspended for any of the reasons set forth in this Special Contract, Provider shall notify the radio, television and print news media as soon as possible after such decision is made.

D. Prohibited Waste. Provider shall not be required to pick up and/or haul any Unacceptable Waste. In the event Unacceptable Waste is found, Provider shall not provide pick up of the same and/or of the containers in which the waste and/or waste products are located and shall notify City within one business day of discovery of same. Title to and liability for Unacceptable Waste shall at no time pass to Provider and are further governed by applicable city, county, state and federal laws, ordinances or regulations.

E. Recycling Services. City shall and does hereby grant Provider permission to perform services for residential and Non-Residential customers located in the city for Recyclables (as defined on Exhibit A). Selection of materials to be recycled, locations of recycling containers and selection of markets for the sale of such materials shall be at the sole discretion of Provider. Such service shall not be exclusive as to Provider. If any federal or state law, rule or regulation now in effect or that may become effective in the future mandates or regulates recycling, Provider shall comply with any such law, rule or regulation.

F. Disaster Debris. Provider shall supply immediate aid to City in case of a natural disaster or emergency as appropriate subject to Section 13.D of this Special Contract.

G. Commingling. Provider shall not commingle Acceptable Waste collected with Recyclables nor with waste generated from other sources outside the City Limits, present or future, under this Special Contract. Provider shall ensure that it has sufficient controls in place, including disciplinary actions for any employees who violate this subsection to prevent commingling of the Acceptable Waste and Recyclables collected under this Special Contract in the collection vehicles.

H. Equipment. In providing Services pursuant to this Special Contract, Provider shall comply with the following equipment requirements:

i. Residential Carts.

1. All carts shall be manufactured in the United States.

2. All carts shall be 90-100 gallon carts of uniform color, design, and emblems.

3. Solid waste and Residential recycling carts may differ as approved by City.

4. Provider shall deliver carts to new customers, deliver additional carts to existing customers, and retrieve carts from cancelled accounts.

5. Provider shall use due care in managing the initial delivery of the carts as well as the ongoing exchange of carts. Provider shall maintain, at Provider's facility in the city, a sufficient inventory of such containers at all times.

6. Costs of maintenance and replacement of carts due to normal use or theft (as verified with a police report) shall be the responsibility of Provider. Costs of repair or replacement resulting from customer abuse, neglect, or theft (without a police report) shall be the responsibility of the customer.

ii. Non-Residential Containers.

1. Provider shall provide to Non-Residential customers 90-100 gallon carts or 2, 3, 4, 6, or 8 yard frontload (dumpsters) or roll-off bins. All carts and bins must be of uniform color, design, and emblems. Additionally, all front-load and roll-off bins must be manufactured of heavy gauge steel and shall meet all applicable ANSI safety specifications.

2. Provider shall use due care in managing the initial delivery and ongoing exchange of Non-Residential containers. Provider shall deliver containers to new customers, deliver additional containers to existing customers, and retrieve containers from cancelled accounts. Provider shall maintain, at Provider's facility in the city, a sufficient inventory of such containers at all times.

3. Costs of maintenance and replacement of containers due to normal use shall be the responsibility of Provider. Costs of repair or replacement of containers resulting from customer abuse, neglect, or theft (without a police report) shall be the responsibility of the customer.

iii. Collection Vehicles. Provider shall utilize vehicles that shall accommodate the streets and alleys in the city, are appropriate for the type of collection service, and ensure minimal loss of collected materials during collections and travel as required by city, county, state and federal laws, ordinances or regulations. Collection vehicles used in the performance of this Special Contract shall not exceed twelve (12) years in age and shall be of uniform color and labeling. Each vehicle must display, in easily identifiable lettering, Provider's name, customer service phone number, and vehicle identification number. All vehicles, including collection vehicles and administrative vehicles, shall include communication devices linked to Provider's office and spill kits. All vehicles shall be maintained to ensure a safe operating condition. Provider shall maintain an appropriate number of vehicles in its reserve fleet to provide uninterrupted collection services.

iv. Advertising. Provider shall not display any advertisements on the carts, bins or collection vehicles utilized in providing Services pursuant to this Special Contract.

I. Personnel. In providing Services pursuant to this Special Contract, Provider shall comply with the following personnel requirements:

i. General. Provider warrants that all personnel employed by Provider shall: (1) conduct and present themselves in a professional and courteous manner; and (2) have a legal right to work in the United States and must adhere to Provider's professional personnel policy especially concerning training, safety, and alcohol and drug abuse. Employees in regular contact with the public must be identified using name badges or other acceptable methods.

ii. Positions. Provider is obligated to maintain the following positions: a 24-hour contact person for City; an operations manager with all required certifications and qualifications; an operations supervisor; a division controller; a customer service/sales supervisor; a billing supervisor; a maintenance supervisor; and personnel appropriate and adequate to perform Services of this Special Contract.

iii. Customer Service Center. Provider shall maintain within the city a Customer Service Center to adequately perform customer services. The Customer Service Center shall be staffed by a minimum of three (3) customer service representatives whom are adequately trained to address customer inquiries and concerns in a professional and thorough manner. Provider shall monitor peak customer service hours and schedule staff to adequately maintain an appropriate level of service.

iv. Customer Services. Provider shall establish and adhere to a Standard Operating Procedure for common customer requests, collection services complaints and concerns, and container issues. All calls concerning complaints shall be documented in Provider's database and reported to City as per Section "8.O.iv".

J. Bi-Annual E-Waste Event. Provider shall work with City and SAFE Recycling (or another local recycler acceptable to both City and Provider) to staff and host a bi-annual (spring and fall) drop-off event for residents to dispose of electronic waste. Provider and SAFE Recycling (or another local recycler acceptable to both City and Provider) shall provide materials to residents outlining the electronic waste that is acceptable for disposal at such bi-annual events.

K. Goodfellow Air Force Base. Provider agrees that should City and/or the Air Force elect to add services to the Goodfellow Air Force Base, located in the city, that Provider shall provide services for Acceptable Waste and Recyclables in accordance with the rates set forth in

City's fee ordinance. If the Goodfellow Air Force Base is added, Provider may provide Services seven days per week.

L. Compliance with Laws and Permits. Provider shall do all work under this Special Contract and incidental thereto and perform all collection and disposal of waste in compliance with any and all city, county, state and federal laws, ordinances or regulations which are now in effect or that may become effective in the future. This Special Contract is expressly made subject to the provisions of all pertinent municipal ordinances which are hereby made a part of this Special Contract with the same force and effect as if specifically set out in this Special Contract. Any costs necessitated by compliance with such laws, ordinances or regulations shall be paid entirely by Provider except as otherwise provided in this Special Contract.

M. Acts or Omissions/CERCLA. Provider covenants and agrees that it shall not cause, suffer, allow or permit the occurrence of any act or omission in the execution and performance of this Special Contract which act or omission may be or could result in or give rise to any violation of any federal, state or local law, regulation, ordinance or licensing or permitting requirement or which act or omission might give rise to any action at law or equity for personal injury or wrongful death or for damage to property. Specifically, Provider shall comply with the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") and, in addition, with pertinent provisions of both the Texas Water Code and the Texas Acceptable Waste Disposal Act.

N. City Intervention. If the Solid Waste Administrator for City has reason to believe that Provider shall be unable or unwilling to timely comply with any city, county, state or federal law or regulation, or any permit requirement, or any directive of any nature from a state or federal regulatory agency, City may take whatever reasonable steps are necessary to comply with said law, regulation, permit requirement or directive up to and including taking over or subcontracting the

collection of waste for whatever period of time it deems necessary. City shall give Provider forty-eight (48) hours written notice of its intention to intervene prior to any intervention unless the delay would compromise City's ability to effectively comply with said law, regulation, permit requirement or directive. Within that forty-eight (48) hour period, Provider may present an alternative plan (the "Alternative Plan") to the Solid Waste Administrator for Provider to avoid the scheduled intervention and to avoid being deemed in breach of this Special Contract. If any local, state or federal regulatory agency initiates a compliance action of any nature, the Alternative Plan must meet the requirements and comply with any schedule or deadline imposed by such agency. The Solid Waste Administrator shall have full discretion to accept or reject the Alternative Plan and shall reevaluate Provider's performance in fulfilling the Alternative Plan and complying with the law, regulation, permit requirement or directive as often as he shall deem necessary and expedient.

In the event that the Solid Waste Administrator determines, after implementation of the Alternative Plan, that it shall not effectively resolve the compliance problem, he shall again issue forty-eight (48) hours written notice to Provider of City's intention to intervene.

City shall have the right to assess all reasonable costs of such interventions to Provider and if Provider fails to pay, City may draw against the Letter of Credit. Intervention by City shall not relieve Provider of its duty to indemnify City for the results of such noncompliance.

O. Reports. To the extent possible, Provider shall, at City's request, provide monthly reports, unless otherwise noted below, for each customer type served, including residential and Non-Residential units. All records shall be available to City at reasonable times and places throughout Term of this Special Contract and shall be retained in accordance with all applicable laws. Provider shall submit electronic reports, using software and formats approved by City, on a monthly basis. Provider shall furnish to City, or make available to City for review within twenty (20) calendar days of a request by City to do so, reports as follows:

- i. Solid waste tonnage delivered to the disposal facility designated by City;
- ii. Recyclable materials tonnage collected, in total and by route, and unaccepted loads by date collected;
- iii. Residential bulk waste delivered to the disposal facility designated by City;
- iv. Complaints including the address, time, and date for each complaint and the reason, resolution and other information as requested by City;
- v. Current maps detailing the days and types of collection and number of customers for each route upon commencement of any changes to the routing;
- vi. Revenue report for Non-residential customers including the container type and quantity of each;
- vii. An exception report which indicates all missed roll off service commitment times;
- viii. Number of out-of-cycle bulk pickups; and
- ix. Such other documents and reports as City may reasonably require to verify compliance with this Special Contract or to meet City's reporting requirements.

P. Taxes, Licenses, Permits and Utilities. Provider shall obtain and/or promptly pay the cost of all taxes, state and federal fees, passthroughs and special charges, licenses, permits, and utilities other than those expressly provided by City under this Special Contract. Provider warrants and represents that it is qualified to engage in the business of waste collection and disposal. In the event that certain certification or licensing is necessary as a result of local, state or federal law to perform Services to be provided, Provider shall secure such certification or license within the prescribed time frame set by the certifying or licensing entity.

Q. Guaranty. The obligations of Provider under this Special Contract shall be guaranteed by Provider's ultimate parent company, Republic Services, Inc., in accordance with the

form of Guaranty attached as Exhibit B to this Special Contract, which Guaranty shall be executed simultaneously with this Special Contract.

R. Scholarships. During Term of this Special Contract, Provider shall annually provide ten (10) \$1,000 scholarships for a total of \$10,000 yearly to graduating high school students who participate in a written essay program on the environment. The program eligibility and criteria shall be determined and agreed upon by City, Provider and representatives of the San Angelo Independent School District. Students from Central, Lake View and Wall High Schools shall be eligible to participate in the scholarship program. The annual distribution of scholarships is as follows: four (4) to Central, four (4) to Lake View, and two (2) to students of Wall ISD residing within the City Limits.

S. Education.

i. During the implementation to automated waste and recycling services, Provider shall provide information to residences, businesses, special interest groups, and schools through two town hall meetings, newspaper, direct mail to residents, presentations to service clubs or organizations, and other applicable outlets on the plans and benefits of the changes in service including solid waste, recyclables, and bulk waste collections. Provider shall maintain throughout Term of this Special Contract a functional website which shall include a list of Acceptable Waste. Provider shall coordinate with the local and area schools to incorporate a recycling curriculum.

ii. In the event waste is not able to be collected, the driver of the collection vehicle shall provide the location with an informational flyer stating the reason why the collection did not occur and what the proper procedures are for set-out of waste. All information presented shall be coordinated and approved through the Solid Waste Administrator prior to dissemination.

T. Letter of Credit.

i. Provider shall within fifteen (15) days following Effective Date provide to City and maintain in force for Term of this Special Contract an irrevocable, direct pay Letter of Credit in substantially the form of Exhibit C as financial security for its true and faithful performance of this Special Contract. The Letter of Credit shall provide that City may draw upon the Letter of Credit for a material breach of this Special Contract by Provider. It shall be a condition to the right of City to draw on the Letter of Credit for a material breach that (1) City has given written notice of such material breach to Provider and has allowed Provider an opportunity to cure for a period of ninety (90) days or such longer period as may be agreed upon by the parties, and (2) City has given the Guarantor notice of a material breach of this Special Contract, and attached a copy of the good faith assessment of the damages City has suffered as a result of such material breach and (3) Provider has had an opportunity at a meeting scheduled by City to be held not earlier than fifteen (15) days nor later than thirty (30) days following delivery of such notice, to present to City evidence disputing City's assertion of material breach or assessment of damages. City shall be entitled to draw upon the Letter of Credit to provide for its damages (including Liquidated Damages) and other losses, costs or expenses resulting from a material breach as set forth herein. Failure to replace the Letter of Credit with another Letter of Credit or Letters of Credit (or provide evidence satisfactory to City of renewability of the existing Letter of Credit or Letters of Credit) at least ninety (90) days prior to the expiration of an existing Letter of Credit shall constitute a material breach for which City may draw upon that existing Letter of Credit or Letters of Credit. Upon such a draw for non- replacement the City shall place the proceeds of that draw in a separate fund. That fund shall constitute a guarantee fund, the amounts in which may be used by City to compensate itself for any damages (including Liquidated Damages) and other losses, costs or expenses resulting from any material breach under this Special Contract. The issuing financial institution(s) of the

Letter of Credit shall have a credit rating on its long-term debt in one of the three highest categories by a nationally recognized rating agency (e.g. Standard & Poor's rating of AAA, AA, or A).

ii. The Letter of Credit shall allow for multiple draws. If the credit rating of the issuing financial institution falls below the required credit rating set forth above, then Provider shall obtain a replacement Letter or Letters of Credit within sixty (60) calendar days of being notified from any source of the credit rating change. Any successor Letter or Letters of Credit shall be issued for a term of not less than one (1) year, and Provider shall provide a new Letter or Letters of Credit, or evidence satisfactory to City of the renewability of the current Letter or Letters of Credit at least ninety (90) days before the expiration date of the Letter of Credit then in effect. The Letter of Credit or Letters of Credit shall not require City to state or clarify to the issuing financial institution that City has made any demand upon, or taken action against, Provider as a condition to draw down on the Letter of Credit.

iii. The provisions of the Letter of Credit or Letters of Credit shall not modify any other right of City or any duty of Provider which arises under the provisions of this Special Contract.

iv. The sum amount of the Letter or Letters of Credit during the Initial Term of this Special Contract, in aggregate when combined with the Letter of Credit requirement pursuant to that certain Agreement for Landfill Lease and Operation between the Parties dated as of the date of this Special Contract shall be five million dollars (\$5,000,000.00). Thereafter in each year of Term, Provider shall maintain the Letter or Letters of Credit in an amount equal, in aggregate when combined with the Letter of Credit requirement pursuant to that certain Agreement for Landfill Lease and Operation between the Parties dated as of the date of this Special Contract, shall be five million dollars (\$5,000,000.00).

U. Liquidated Damages. The parties agree the Liquidated Damages for Provider's failure to perform are set forth on Exhibit D. Following the first five (5) years of the Initial Term of this Special Contract, the Liquidated Damages shall be adjusted upwards of five percent (5%). Adjustments for any renewal terms after the Initial Term shall be negotiated by City and Provider.

V. Nondiscrimination. Provider shall not discriminate against any person because of their race, sex, age, creed, color, religion, national origin, disability or any other impermissible basis.

W. Solid Waste Administrator. Provider shall be directly responsible to the Solid Waste Administrator of City in the performance of its obligations under this Special Contract. Provider shall direct all communication to the Solid Waste Administrator.

9. BILLING AND PAYMENT

A. Residential Service Billing. City shall bill residential customers and Provider shall be required to pay City for billing in accordance with Section 9 herein.

i. City shall submit along with its water bill each month, a bill to each residential customer based on rates established in accordance with City Ordinance of the City for Services. The customer shall then remit payment to City through its Water Department. The parties agree that the rates set forth on Exhibit F herein, subject to adjustments in accordance with this Special Contract, shall apply.

ii. City shall ensure that at all times during Term of this Special Contract that City shall charge a sufficient rate from its residential customers to pay the amounts due under this Special Contract and to otherwise operate City's solid waste collection system, including all applicable sales taxes and billing and collection costs and procedures for customers' services under this Special Contract. City shall adopt all ordinances and other promulgations required for City to comply with the requirements of this Special Contract. City shall provide to Provider a copy of all ordinances and other promulgations referenced by this paragraph within thirty (30) days of passing

each such ordinance or promulgation. The parties agree that all payments due by City under this Special Contract are to be made from revenues received by City for the operation of its solid waste collection system and that all payments to be made under this Special Contract shall constitute operating expenses of such waste collection system. Provider shall not have any right to demand payment of any obligation of City under this Special Contract from funds raised or to be raised by taxation. No obligations of City under this Special Contract shall be construed to be a debt of City of such kind as to require under the laws of the State of Texas the levy and collection of a tax to discharge such obligation.

iii. Payment to Provider. Subject to Section “9.A.i” and Section “9.A.ii”, herein, and the deductions set forth in Section 9.A.iii herein, and exclusive of any sales taxes collected for waste collection service, City shall pay to Provider within twenty-five (25) days of the first of the month, all sums billed by City for waste collection service in the previous month.

iv. Deductions. City shall take the following deductions from amounts due to Provider:

1. The month to month change in Accounts Receivables (A/R) for past due accounts greater than 90 days;

2. As a fee for billing and collection services, Provider agrees that City shall be entitled to withhold from payment to Provider the amount of five percent (5%) of the net amounts billed, as established by this Special Contract (the “Billing Fee”); and

3. As consideration for this Special Contract, Provider agrees that City shall be entitled to withhold from payment to Provider the amount of five percent (5%) of the net amounts billed, as established by this Special Contract (the “Contract Fee”).

Example:

(City A/R billed for the past month – month to month change in past due accounts >90 days) – (5% Billing Fee) – (5% Contract Fee) = check remittance to Provider

B. Non-Residential Service Billing.

i. At no cost to City, Provider shall be responsible for billing and collection of all charges for Non-Residential service in accordance with the rates for Non-Residential waste collection service established by City ordinance. Provider shall submit invoices directly to Non-Residential customers in substantially the form attached as Exhibit E herein.

ii. Provider Shall charge the rates for Non-Residential services only as provided for under Article 11.400 of the City of San Angelo Code of Ordinances and in accordance with the fee schedule approved, authorized and adopted by City Council. Provider agrees and warrants that Provider shall not charge any other rates except as specifically approved, authorized and adopted by City Council.

iii. Provider shall also charge an additional amount of five percent (5%) of the rates set forth in this Special Contract as consideration for this Special Contract and such amount shall be set forth as a separate line item on Provider's invoice.

iv. Provider shall also be responsible for billing and collection of all charges for any other special solid waste collection services it provides. Provider shall further collect from the customers it is responsible for billing and remit to City, sanitary inspection, landfill expansion and any other related add-on fees which may be hereinafter enacted by City Council.

v. As consideration for this Special Contract, Provider shall remit to City the amount of five percent (5%) of the net amounts billed to Non-Residential accounts less the month to month change in Accounts Receivables (A/R) for past due accounts greater than ninety (90) days.

C. Billing List. Upon execution of this Special Contract, and thereafter, on each October 1st during Term beginning with October 1, 2015, City shall provide to Provider a complete and current list of service addresses of residential waste disposal customers. Thereafter, City shall provide to Provider on a monthly basis, lists of additions and terminations of such residential customer accounts (by address only) from the previous month. It is understood and agreed to by the parties hereto that City shall use this list as a basis for determining the total amount billed for the previous month and such amount shall be paid to Provider less the deductions set forth in Section “9.A.iv”.

D. Annual Increase. Provider shall charge the rates for service set forth on Exhibit F for the first year, and beginning on October 1, 2015 and each October 1st thereafter during Term increase the rates charged by an amount equal to (i) 2.9% of the prior year’s rates for every year thereafter, ; and (ii) by the fuel surcharge adjustment set forth on Exhibit H.

E. Additional Adjustments in Rates by Provider. Other than the annual rate adjustment provided for under Sections 9.D and 9.G, or material changes in Provider’s costs of operations such as labor markets for which Provider seeks a rate increase from the City Council from time to time under this Section 9.E, no other increase in rates shall be authorized under this Special Contract unless such increase is the subject of a request by Provider for a rate adjustment subject to review and approval by City Council in accordance with Section 5.C.

F. Additional Adjustments in Rates by City. Provider agrees that City, upon agreement with Provider, shall be entitled to increase the amounts paid to City or to Provider or withheld from Provider as Special Consideration for this Special Contract, as approved and authorized by City Council. Provider agrees that City, upon agreement with Provider, shall be entitled to present to City Council a request to establish new fees not currently provided for in the current fee schedule

under the City of San Angelo Code of Ordinances or to adjust fees in the current fee schedule under the City of San Angelo Code of Ordinances.

G. Adjustment for Recycling Services. Six months after the full implementation of recycling services and on October 1st thereafter, Provider may add the following charge on a per home basis for Recyclables based on the volumes set forth below. Provider shall add these additional charges on the next billing cycle after evaluation: (i) \$.50 per home per month for less than 500 tons per month; and (ii) no additional charge for volume in excess of 500 tons. If Recyclables tonnage exceeds five hundred (500) tons per month for the following year after the year which it was below 500 tons per month and the additional charge implemented, such charge shall be removed from billing for the current year.

10. INDEMNIFICATION.

A. GENERAL INDEMNIFICATION. PROVIDER SHALL INDEMNIFY, DEFEND, AND HOLD CITY, ITS COUNCIL MEMBERS, BOARD AND COMMISSION MEMBERS, OFFICIALS, AGENTS, GUESTS, INVITEES, CONSULTANTS AND EMPLOYEES FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, PROCEEDINGS, SUITS, JUDGMENTS, COSTS, PENALTIES, FINES, DAMAGES, LOSSES, ATTORNEYS' FEES AND EXPENSES ASSERTED BY ANY PERSON OR PERSONS, INCLUDING AGENTS OR EMPLOYEES OF PROVIDER OR CITY, BY REASON OF DEATH OR INJURY TO PERSONS, OR LOSS OR DAMAGE TO PROPERTY, RESULTING FROM OR ARISING OUT OF, THE VIOLATION OF ANY LAW OR REGULATION OR IN ANY MANNER ATTRIBUTABLE TO ANY ACT OF COMMISSION, OMISSION, NEGLIGENCE OR FAULT OF PROVIDER, ITS AGENTS OR EMPLOYEES, OR THE JOINT NEGLIGENCE OF PROVIDER AND ANY OTHER ENTITY, AS A CONSEQUENCE OF ITS EXECUTION OR PERFORMANCE OF THIS CONTRACT OR

SUSTAINED IN OR UPON THE PREMISES, OR AS A RESULT OF ANYTHING CLAIMED TO BE DONE OR ADMITTED TO BE DONE BY PROVIDER HEREUNDER. THIS INDEMNIFICATION SHALL SURVIVE THE TERM OF THIS SPECIAL CONTRACT AS LONG AS ANY LIABILITY COULD BE ASSERTED. NOTHING HEREIN SHALL REQUIRE PROVIDER TO INDEMNIFY, DEFEND OR HOLD HARMLESS ANY INDEMNIFIED PARTY FOR THE INDEMNIFIED PARTY'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

B. ENVIRONMENTAL INDEMNIFICATION. PROVIDER SHALL INDEMNIFY, DEFEND AND HOLD CITY AND ITS COUNCIL MEMBERS, BOARD AND COMMISSION MEMBERS, OFFICIALS, AGENTS, GUESTS, INVITEES, CONSULTANTS AND EMPLOYEES FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, PROCEEDINGS, SUITS, JUDGMENTS, COSTS, PENALTIES, FINES, DAMAGES, LOSSES, ATTORNEYS' FEES AND EXPENSES ASSERTED BY LOCAL, STATE OR FEDERAL ENVIRONMENTAL AGENCIES OR PRIVATE INDIVIDUALS OR ENTITIES IN CONNECTION WITH OR RESULTING FROM OR ARISING OUT OF PROVIDER'S HANDLING, COLLECTION, TRANSPORTATION, STORAGE, DISPOSAL, TREATMENT, RECOVERY, AND/OR REUSE BY ANY PERSON UNDER PROVIDER'S DIRECTION OR CONTROL OF WASTE COLLECTED, TRANSPORTED OR LANDFILLED OR ANY CLEANUP ASSOCIATED WITH ENVIRONMENTAL CONTAMINATION, WHETHER SUCH CLEANUP IS OF AIR, SOIL, STRUCTURE, GROUND WATER OR SURFACE WATER CONTAMINATION. PROVIDER SPECIFICALLY SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS CITY AGAINST ALL CLAIMS, DAMAGES AND LIABILITIES OF WHATEVER NATURE ASSERTED UNDER CERCLA CAUSED BY ACTS OR OMISSIONS OF PROVIDER REGARDLESS OF

WHEN SUCH INCIDENT IS DISCOVERED. PROVIDER SHALL BE RESPONSIBLE AND LIABLE FOR ANY SPILL, UNDERGROUND POLLUTION OR ANY OTHER ENVIRONMENTAL IMPAIRMENT INCIDENT CAUSED BY ACTS OR OMISSIONS OF PROVIDER REGARDLESS OF WHEN SUCH INCIDENT IS DISCOVERED. IT IS THE INTENT OF THE PARTIES THAT THIS SECTION SHALL IN NO WAY LIMIT OTHER COVERAGE HEREIN AS IT MAY RELATE TO ANY ENVIRONMENTAL CLAIM, DAMAGE, LOSS OR LIABILITY OF ANY KIND.

C. PROSPECTIVE APPLICATION. ANY AND ALL INDEMNITY PROVIDED FOR IN THIS CONTRACT SHALL SURVIVE THE EXPIRATION OF THIS CONTRACT AND THE DISCHARGE OF ALL OTHER OBLIGATIONS OWED BY THE PARTIES TO EACH OTHER HEREUNDER AND SHALL APPLY PROSPECTIVELY NOT ONLY DURING THE TERM OF THIS CONTRACT BUT THEREAFTER SO LONG AS ANY LIABILITY (INCLUDING BUT NOT LIMITED TO LIABILITY FOR CLOSURE AND POST CLOSURE COSTS) COULD BE ASSERTED IN REGARD TO ANY ACTS OR OMISSIONS OF PROVIDER IN PERFORMING UNDER THIS SPECIAL CONTRACT.

D. RETROACTIVE APPLICATION. THE INDEMNITY PROVIDED FOR IN THIS CONTRACT SHALL EXTEND NOT ONLY TO CLAIMS AND ASSESSMENTS OCCURRING DURING THE TERM OF THIS SPECIAL CONTRACT BUT RETROACTIVELY TO CLAIMS AND ASSESSMENTS WHICH MAY HAVE OCCURRED DURING THE TERM OF PREVIOUS AGREEMENTS BETWEEN CITY AND PROVIDER.

E. APPLICATION TO SURROUNDING PROPERTY. THE INDEMNIFICATION PROVISIONS OF THIS CONTRACT EXTEND TO CLAIMS AND ASSESSMENTS RELATING TO RUNOFF, LEACHATE, OR OTHER INFILTRATION THAT MAY OCCUR OR HAS OCCURRED AT OR NEAR THE SITE OF LANDFILLS,

TRANSFER STATIONS, OR OTHER SOLID WASTE FACILITIES AND SURROUNDING AREAS WHICH ARE OR WERE USED BY PROVIDER, DURING THE TERM OF THIS CONTRACT OR PREVIOUS AGREEMENTS BETWEEN CITY AND PROVIDER. THIS SECTION DOES NOT MAKE PROVIDER LIABLE FOR ANY SITE IT HAS NEVER USED, CLOSED, MANAGED OR MONITORED.

11. INSURANCE.

A. General Conditions. The following conditions shall apply to all insurance policies obtained by Provider for the purpose of complying with this Special Contract.

i. Satisfactory Companies. Coverage shall be maintained with insurers satisfactory to City and with insurers licensed to do business in Texas.

ii. Named Insureds. All insurance policies required herein shall be drawn in the name of Provider or Provider's ultimate parent company, with City, its council members, board and commission members, officials, agents, guests, invitees, consultants and employees named as additional insureds, except on workers' compensation coverage (or equivalent).

iii. Waiver of Subrogation. Provider shall require its insurance carrier(s), with respect to all insurance policies, to waive all rights of subrogation against City, its council members, Board and Commission members, officials, agents, guests, invitees, consultants and employees.

iv. Certificates of Insurance. At or before the time of execution of this Special Contract, Provider shall furnish City's Risk Manager and Solid Waste Administrator with certificates of insurance as evidence that all of the policies required herein are in full force and effect and provide the required coverages and limits of insurance. The certificates shall provide that any company issuing an insurance policy shall provide to City not less than thirty (30) days advance notice in writing of cancellation of insurance. In addition, Provider and insurance company shall immediately provide written notice to City's Risk Manager and Solid Waste Administrator upon

receipt of notice of cancellation of any insurance policy, or of a decision to terminate or alter any insurance policy. Certificates of insurance and notices of cancellations, terminations or alterations shall be furnished to City's Risk Manager and Solid Waste Administrator at City Hall, 72 West College Avenue, San Angelo, Texas 76903.

v. Provider's Liability. The procurement of such policy of insurance shall not be construed to be a limitation upon Provider's liability or as a full performance on its part of the indemnification provisions of this Special Contract. Provider's obligations are, notwithstanding any policy of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its activities conducted at or upon the premises. Failure of Provider to maintain adequate coverage shall not relieve Provider of any contractual responsibility or obligation.

B. Subcontractors' Insurance. Provider shall cause each subcontractor and sub-subcontractor of Provider to purchase and maintain insurance of the types and in the amounts specified below. Provider shall require Subcontractors and Sub-subcontractors to furnish copies of certificates of insurance to Provider's Risk Manager evidencing coverage for each Subcontractor and Sub-subcontractor.

C. Types and Amounts of Insurance Required. Provider shall obtain and continuously maintain in effect at all times during Term hereof, at Provider's sole expense, insurance coverages as follows with limits not less than those set forth below:

i. Commercial General Liability. This policy shall be an occurrence-type policy and shall protect Provider and additional insureds against all claims arising from bodily injury, sickness, disease or death of any person (other than Provider's employees) and damage to property of City or others arising out of the act or omission of Provider or its agents and employees. This policy shall also include protection against claims for the contractual liability assumed by Provider under Section 10 herein of this Special Contract ("Indemnification"), including completed

operations, products liability, contractual coverage, broad form property coverage, explosion, collapse, underground, premises/operations, and independent Providers (to remain in force for two years after final payment). Coverage shall not be less than:

\$ 5,000,000.00	General Aggregate
\$ 5,000,000.00	Products- Completed Operations
\$ 5,000,000.00	Personal & Advertising Injury
\$ 5,000,000.00	Each Occurrence
\$ 5,000,000.00	Fire Damage (any one fire)

ii. Business Automobile Liability. This policy shall be written in comprehensive form and shall protect Provider and the additional insureds against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles and shall cover operation on and off the premises of all motor vehicles licensed for highway use, whether they are owned, non-owned or hired. Coverage shall not be less than:

\$5,000,000.00	Combined Single Limit
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iii. Workers' Compensation (or Equivalent) and Employer's Liability. If Provider hires any employees, Provider shall maintain Workers' Compensation (or equivalent) and Employer's Liability insurance, which shall protect Provider against all claims under applicable state workers' compensation laws and employer's liability. The insured shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a workers' compensation law. Coverage shall not be less than:

Statutory Amount	Workers' Compensation
\$ 3,000,000.00	Employer's Liability, Each Accident
\$ 3,000,000.00	Employer's Liability, Disease – Each Employee
\$ 3,000,000.00	Employer's Liability, Disease - Policy Limit

iv. Workers' Compensation (or Equivalent) and Self-Insurer Qualification. The foregoing requirement shall not be applicable if, and so long as, Provider qualifies as a self-insurer under the rules and regulations of the commission or agency administering the workers' compensation program in Texas and furnishes evidence of such qualification to Lessor in accordance with the notice provisions of this Special Contract.

v. Environmental Liability. Provider shall maintain environmental liability insurance in force for the full period of this Special Contract that covers losses caused by pollution conditions including, but not limited to, any spill, underground pollution or any other environmental impairment. It shall apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; including, but not limited to, any costs required under CERCLA; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. If coverage is written on a claims made basis, Provider warrants that any retroactive date applicable to coverage under the policy precedes Effective Date, and continuous coverage shall be maintained or an extended discovery period shall be exercised for a period of two (2) years beginning from the time the Contract has expired.

\$10,000,000.00	Per loss
\$20,000,000.00	Annual aggregate

12. **TERMINATION:** This Special Contract may be terminated at any time by mutual agreement of the parties or as follows.

A. By City. This Special Contract may be terminated by City upon a breach by Provider of any of the conditions, covenants, or agreements contained in this Special Contract and the failure to cure such breach within ninety (90) days after City provides Provider with written notice of such breach. Such notice must define with specificity the alleged breach, act or omission. In the event the alleged breach, covenant, condition, violation or failure cannot be cured within the ninety (90) day time period, the City Council shall hold a public hearing to determine whether to extend the time to cure the matter or to terminate this Special Contract. If the City Council finds that Provider is making diligent efforts to cure the matter, and that an extension of time shall not be detrimental to the public health and safety, the City Council may allow such extension of time to cure the breach, covenant, condition, violation or failure as it deems reasonable.

B. By Provider. This Special Contract may be terminated by Provider upon the following occurrences:

i. A breach by City of the conditions, covenants, or agreements contained in this Special Contract upon one hundred eighty (180) days written notice to City by Provider to cure such breach, covenant, condition, or violation by City. Such notice must define with specificity the alleged breach, act or omission. In the event the alleged breach, covenant, condition, violation or failure cannot be cured within the one hundred eighty (180) day time period, Provider may extend the time to cure the matter or to cancel this Special Contract if it finds that City is making diligent efforts to cure the matter. Such extension shall not be unreasonably withheld; or

ii. If the City Council denies a rate adjustment duly requested by Provider pursuant to Section 5 or Section 9.E herein of this Special Contract.

iii. Such termination shall become effective upon one hundred eighty (180) days written notice provided by receipted hand delivery or certified mail, to City by Provider.

C. Amounts Due. Any termination of this Special Contract shall not relieve City or Provider from payment of any sum or sums that shall be due and payable to the other party.

13. MISCELLANEOUS PROVISIONS.

A. City Right of Audit and Inspection. Provider agrees to provide access to City or to any of its duly authorized representatives, to any books, documents, papers, and records of Provider, which are directly pertinent to this Special Contract (excluding any profit analyses), for the purpose of audit, examination, excerpt, and transcripts including the right to copy such books, documents, papers or records provided that any such copies may only be disclosed to third parties in accordance with City's normal processes, including its processes applicable to materials that Provider deems confidential. City may, at reasonable times, and for a period as required by Applicable Law following the date of final payment by City to Provider under this Special Contract, audit and inspect, or cause to be audited and inspected, those books, documents, papers, and records of Provider which are directly pertinent to Provider's performance under this Special Contract (excluding any profit analyses) including the right to copy such books, documents, papers or records provided that any such copies may only be disclosed to third parties in accordance with City's normal processes, including its processes applicable to materials that Provider deems confidential. Provider agrees to maintain any and all such books, documents, papers, and records at its principal place of business for a period as required by Applicable Law after final payment is made under this Special Contract and all pending matters are closed. Provider's failure to adhere to, or refusal to comply with, this condition, may result in the termination of this Special Contract by City in accordance with Section 12.

B. Cumulative Remedies. All rights, options, and remedies of the parties contained in this Special Contract or otherwise shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and the Parties shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Special Contract.

C. Waiver. No waiver or breach of any provision of this Special Contract shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.

D. Force Majeure. Neither City nor Provider shall be liable for the failure to perform their duties if such failure is caused by a catastrophe, riot, war, strike, accident, or act of nature beyond the reasonable control of Provider or City. If such circumstances persist for more than thirty (30) days, or if after their cessation, Provider is unable to render full or substantial performance for a period of thirty (30) days, City may terminate this Special Contract by giving Provider ten (10) days advance written notice. In the event Provider is required to perform additional services as a result of an occurrence as described above, Provider shall be compensated for the costs of materials, equipment, labor, and disposal fees based upon rates agreed to by City and Provider.

E. Independent Contractor Status. Provider has been procured and is being engaged to provide services to City as an independent contractor, and not as an agent or employee of City. Accordingly, Provider shall not attain, nor be entitled to, any rights or benefits under the Civil Service or Pension Ordinances of City, nor any rights generally afforded classified or unclassified employees. Provider further understands that Texas Workers' Compensation benefits available to employees of City are not available to Provider, and agrees to provide workers' compensation

insurance for any employee or agent of Provider rendering Services to City under this Special Contract.

F. Assignment. Provider may not assign this Special Contract or any rights, duties and obligations thereunder without the prior written consent of City and, in the event of an attempted assignment by Provider of this Special Contract without the express prior written consent of City, such attempted assignment shall be void and without effect. City may assign its rights and privileges under this Special Contract by giving Provider ninety (90) days' notice of the assignment.

G. Parties Bound. This Special Contract is binding on and inures solely to the benefit of the parties and their respective successors, legal representatives, heirs and permitted assigns, and no other person shall have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Special Contract or any provision contained in this Special Contract.

H. Construction. The language of this Special Contract shall be construed according to its fair meaning and not strictly for or against either party. All words in this Special Contract refer to whatever number or gender the context requires. Headings are for convenience and reference and are not intended to define, limit or extend the scope of any provision of this Special Contract. All the terms and words used in this Special Contract, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number (singular and plural) or any other gender (masculine, feminine or neuter) as the context or sense of this Special Contract, or any section or cause hereof may require. The locative adverbs "herein," "hereunder," "hereto," "hereinafter," and like words wherever the same appear in this Special Contract, mean and refer to this Special Contract in its entirety and not to any specific paragraph, section or subsection hereof unless otherwise expressly designated in context.

I. Governing Law; Venue. This Special Contract is made and performable in Tom Green County, Texas, and shall be interpreted in accordance with the laws of the State of Texas.

Venue for any legal action arising out of this Special Contract shall lie in any court of competent jurisdiction in Tom Green County, Texas.

J. Incorporation by Reference. All permits, ordinances, agreements, exhibits, attachments or annexes referred to in this Special Contract, whether or not attached to this Special Contract, are incorporated by reference and made a part of this Special Contract for all purposes, the same as if written in full in this Special Contract.

K. Entire Agreement; Conflict. This Special Contract and the exhibits incorporated by reference in this Special Contract contain all of the covenants, statements, representations and promises agreed to by the parties and supersede any commitment, agreement, memorandum, understanding, stipulation or representation previously made by the parties or their agents or employees, including that certain Agreement for Waste Collection and Disposal and Landfill Lease and Operation between City and Provider effective as of July 6, 2004, which expired on July 31, 2014. No agent of either party has authority to make, and the parties shall not be bound by, nor liable for, any covenant, statement, representation or promise not set forth in this Special Contract.

L. Amendments. No amendment to this Special Contract shall be effective unless such is in writing and signed by both parties. This Special Contract constitutes the sole and entire agreement between the parties hereto. This Special Contract may be modified or amended only by a written instrument signed by City and Provider, without further approval of City Council, unless such approval is otherwise required by law. Such amendments shall not invalidate this Special Contract, nor relieve or release City or Provider from their respective obligations under this Special Contract.

M. Counterparts. This Special Contract may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute

one and the same instrument. This Special Contract shall not become effective until executed by both parties.

N. Severability. In the event one or more provisions of this Special Contract shall for any reason be held invalid, illegal, or unenforceable in any respect, as to any person or set of circumstances, such holding shall not affect the validity of any remaining provision of this Special Contract or that provision's application to other persons not similarly situated or to other circumstances, and this Special Contract shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in it.

O. Attorney's Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Special Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

P. Notice. Any formal notice required or permitted under this Special Contract shall be deemed sufficiently given if in writing and personally delivered or deposited in the United States mail, postage prepaid and sent by registered or certified mail (return receipt requested) to the party to whom said notice is to be given. Notices delivered in person shall be deemed to be served effective as of the date the notice is delivered. Notices sent by registered or certified mail (return receipt requested) shall be deemed to be served seventy-two (72) hours after the date said notice is postmarked to the addressee, postage prepaid. Until changed by written notice given by one party to the other, the addresses of the parties shall be as follows:

Provider:	General Manager
	Republic Waste Services of Texas, Ltd.
	1422 Hughes Street
	San Angelo, TX 76903

With a copy to: Deputy General Counsel – West Region
Republic Services, Inc.
18500 N. Allied Way
Phoenix, AZ 85054

City: Solid Waste Administrator
City of San Angelo
72 West College
San Angelo, Texas 76903

With a copy to: City Manager
City of San Angelo
72 West College
San Angelo, Texas 76903

Q. Survival of Covenants and Conditions. It is expressly agreed that all covenants and conditions regarding the rights and obligations of the parties subsequent to the termination of this Special Contract shall survive the termination and shall continue in full force and effect in accordance with the terms of the specific provision.

R. Payment. All sums payable under this Special Contract are payable in U.S. currency and shall be paid to Provider or City at the places provided in this Special Contract for service of notice to said party.

[Signatures on following page]

CITY OF SAN ANGELO

BY: *Alicia Ramirez*
Alicia Ramirez, City Clerk

BY: *Daniel Valenzuela*
Daniel Valenzuela, City Manager
Date: 07-25-14

REPUBLIC WASTE SERVICES OF TEXAS,
Ltd., a Texas limited partnership
BY: Republic Services of Texas GP, Inc., its
General Partner

ATTEST:

BY: *Myrna Chavez Owens*
NAME: Myrna Chavez Owens
Title: TX Notary

BY: *Keith Cordesman*
Keith Cordesman, Vice President
Date: 7-21-14



EXHIBIT A

DEFINITIONS

“Acceptable Waste” means Municipal Solid Waste, special wastes, and Class 2 and Class 3 industrial wastes, dead animals, regulated asbestos containing material (RACM), Non-RACM, empty containers, municipal hazardous waste from a conditionally exempt small quantity generator, Class 2 and Class 3 industrial waste, and wastes classified as Class 1 only because of asbestos content.

“Applicable Laws” means any Permits, issued for or with respect to the City of San Angelo Landfill (or any component thereof) and/or issued for or with respect to the performance by a Party of its obligations hereunder, and any statute, law, constitution, charter, ordinance, resolution, judgment, order, decree, rule, regulation, directive, interpretation, standard or similar legally binding authority, which in any case, shall be enacted, adopted, promulgated, issued or enforced by any Governmental Entity that relates to or affects City, Provider and/or the City of San Angelo Landfill (or any portion thereof) or City Collector, or the performance by a Party of its obligations hereunder.

“Bulk Waste” means solid waste that is too large, heavy or bulky to be collected during normal Garbage collection, including but not limited to refrigerators, stoves, water heaters, other large appliances, and materials resulting from minor remodeling by the householder except for roofing materials and materials generated by contractors.

“City” means the City of San Angelo, Tom Green County, Texas.

“City Fault” means any breach, failure, non-performance or non-compliance by the City with the terms and conditions of this Special Contract.

“City Collector” means the solid waste hauler and/or residential recyclables hauler who by contract, license or otherwise is authorized by City to collect waste or recyclables within the City Limits of the City of San Angelo.

“City Limits” means the outermost boundary of the City of San Angelo as reflected in the Official Zoning Map maintained by City in the office of the GIS Manager excluding any extra-territorial jurisdiction (ETJ).

“City of San Angelo Landfill,” “Landfill,” or “Premises” means the City-owned landfill, located at 3002 Old Ballinger Highway, San Angelo, Texas, and all other real property that may now or in the future be acquired for landfilling operations as designated by City, and all improvements and appurtenances thereto.

“City Waste” means all solid waste originating from residences, institutions, and all Non-Residential establishments within the City Limits of the City of San Angelo.

“Collect” means to collect and remove solid waste or Recyclables for transport elsewhere, or to cause such to be done.

“Commission” or “TCEQ” means the Texas Commission on Environmental Quality, its predecessor agency, the Texas Natural Resource Conservation Commission, and/or any other predecessor agency as the context may require.

“Construction and Demolition Waste” or “C & D” means waste resulting from construction or demolition projects; includes all materials that are directly or indirectly the by-products of construction work or that result from demolition of buildings and other structures, including, but not limited to, bricks and masonry, paper, cartons, gypsum board, wood, excelsior, rubber, and plastics.

“Day” means calendar day, unless otherwise specified.

“Disposal” or “Disposal Services” means the dumping or deposition of solid waste into or onto a Disposal Facility so that the waste or any constituent thereof is introduced into the environment.

“Disposal Facility” means a sanitary landfill or other solid waste disposal facility permitted by the Commission and/or other applicable regulatory agency with jurisdiction and utilized for the receipt or final disposition of Solid Waste.

“Environmental Laws” means all Local, State, and Federal statutes, regulations, orders, directives and common law concerning public health and safety, nuisance, pollution and protection of the environment.

“Garbage” means solid waste consisting of putrescible animal and vegetable waste materials resulting from the handling, preparation, cooking, and consumption of food, including waste materials from markets, storage facilities, handling, and sale of produce and other food products.

“Government Approvals” means all licenses, certificates, permits and approvals required from any Governmental Entity for operation or expansion of the City of San Angelo Landfill or the performance of Provider’s obligations under the Lease. [TO HERE]

“Governmental Entity” means, as appropriate, any one or several of any court of competent jurisdiction, the United States of America, the State of Texas and/or any appropriate jurisdiction over Provider or City or their activities relating to the City of San Angelo Landfill; or any agency, authority, regulatory body or subdivision of any of the above as may have jurisdiction over or power and authority to regulate City, Provider, the City of San Angelo Landfill or the operation thereof, the transfer, transportation, or disposal of Solid waste or any services or utilities related to any of the foregoing.

“Guarantor” means the Person guaranteeing the performance and payment obligations of Provider to City.

“Guaranty” means the Guaranty, a copy of which is attached to this Special Contract.

“Hazardous Waste” means any solid waste characterized, identified or listed as a Hazardous Waste by the administrator of the United States Environmental Protection Agency (EPA) pursuant to the Federal Solid Waste Disposal Act, as amended.

“Industrial Waste” means solid waste resulting from or incidental to any process of industry or manufacturing, or mining or agricultural operations.

“Liquidated Damages” means the liquidated damages for the occurrences set forth on Exhibit D.

“Medical Waste” means solid waste generated by healthcare-related facilities and associated with healthcare activities, not including garbage or rubbish generated from offices, kitchens, or other non-health-care activities. The term includes special waste from health care-related facilities which is comprised of animal waste, bulk blood and blood products, microbiological waste, pathological waste, and sharps as those terms are defined in 25 TAC §1.132 (Definition, Treatment, and Disposition of Special Waste from Health-Care Related Facilities) or any successor. The term does not include waste produced on farmland and ranchland as defined in Agriculture Code, §252.001(6) (Definitions--Farmland or ranchland) or any successor, nor does the term include artificial, nonhuman materials removed from a patient and/or requested by a patient, including but not limited to orthopedic devices and implants.

“Municipal Solid Waste” or “MSW” means Solid waste resulting from or incidental to municipal, community, Non-Residential, institutional, or recreational activities, and includes Garbage, Rubbish, ashes, street cleanings, and other Solid waste other than Industrial Waste.

“Non-Residential” is the designation for any waste generator beyond a private residence including but not limited to commercial businesses, industrial businesses, contractors, rental property, and multi-family residential property.

“Parties” means City and Provider.

“Pass-Through Expense” means fees, charges, or tariffs imposed by the Federal, State or local government, or their respective agencies, after Effective Date of the Special Contract that collectors of Solid Waste must collect from users of a waste collection service and remit to the appropriate government agency.

“Permits” means the applicable approvals, permits, authorizations, registrations, certifications, and licenses issued by Governmental Entities required by Provider for the performance of services under this Special Contract.

“Person” means any individual, partnership, co-partnership, firm, company, limited liability company, corporation, association, joint stock company, trust, estate, governmental entity, or any other legal entity; or their legal representatives, agents, or assigns. This definition includes all Governmental Entities.

“Processing Facility” means a Facility whose activities include, but are not limited to, the extraction of materials, transfer, volume reduction, conversion to energy, or other separation and preparation of solid waste for reuse, Recycling or Disposal, including the treatment or neutralization of Hazardous Waste, designed to change the physical, chemical, or biological character or composition of any Hazardous Waste to neutralize such waste, or to recover energy or material from the waste, or to render such waste non-hazardous or less hazardous; safer to transport, store, dispose of, or make it amenable for recovery, amenable for storage, or

reduced in volume. Unless the City determines that regulation of such activity under these rules is necessary to protect human health or the environment, the definition of “processing” does not include activities relating to those materials exempted by the Commission or the Executive Director of the Commission.

“Recyclables” means material that has been recovered or diverted from the non-hazardous Solid Waste stream for purposes of reuse, Recycling, or reclamation, a substantial portion of which is consistently used in the manufacture of products, which may otherwise be produced using raw or virgin materials including and excluding those items set forth on Exhibit G. Recyclables is not solid waste. However, Recyclables may become solid waste at such time, if any, as it is abandoned or disposed of rather than recycled, whereupon it shall be solid waste with respect only to the person actually abandoning or disposing of the material.

“Recycling” means a process by which materials that have served their intended use or are scrapped, discarded, used, surplus, or obsolete, are collected, separated, ground or processed and returned to use in the form of raw materials used in the production of new products or for any beneficial purpose. Except for mixed Municipal Solid waste composting, that is, composting of the typical mixed Solid waste stream generated by residential, Non-Residential, and/or institutional sources, Recycling includes the composting process if the compost material is put to beneficial use.

“Refuse” has the same meaning as Rubbish.

“Renewal Term” includes the any term of extension of this Special Contract beyond the Initial Term.

“Representative” means any person or organization, whether in a paid or voluntary status, working in conjunction with a particular Person to promote the interests of that Person.

“Residential Waste” means Municipal Solid Waste discarded by single-family homes, dwellings, or apartments.

“Rubbish” or “Refuse” means non-putrescible solid waste (excluding ashes), consisting of both combustible and noncombustible waste materials.

“Solid Waste” means any garbage, rubbish, sludge from a wastewater treatment plant, water supply treatment plant, and other discarded material, including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, municipal, Non-Residential, mining, and agricultural operations and from community and institutional activities. The term does not include: solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows, or industrial discharges subject to regulation by permit issued under the Texas Water Code; soil, dirt, rock, sand, and other natural or man-made inert solid materials used to fill land if the object of the fill is to make the land suitable for the construction of surface improvements; or waste materials that result from activities associated with the exploration, development, or production of oil or gas or geothermal resources and other substance or material regulated by the Railroad Commission of Texas under the Texas Natural Resources Code.

“Solid Waste Administrator” means the person designated by City to administer this Special Contract on behalf of City.

“State” means the State of Texas.

“Suspicious Waste” means waste which Provider reasonably suspects may be Unacceptable Waste.

“Term” means the Initial Term and any Renewal Term of this Special Contract.

“Ton” means a short ton of 2,000 pounds.

“Unacceptable Waste” means any and all waste, including but not limited to Hazardous Waste, Medical Waste (other than Treated Medical Waste) and asbestos, the acceptance and handling of which by Provider would cause a Violation of any Permits or Applicable Laws, cause substantial damage to all or any portion of the City of San Angelo Landfill or any improvements thereon or equipment used in connection therewith, Provider’s equipment or facilities, or present a substantial danger to the health or safety of the public or Provider’s or the City’s representatives, agents or employees. Exhibit G includes a non-exclusive list of Acceptable Waste and Unacceptable Waste.

“USC” means United States Code.

“Vehicle” means every device in, upon, or by which any person or property is or may be transported or drawn upon a public highway, or other rolling stock used in operation of collection services.

“Violation” means any determination by a Governmental Entity, after notice to and permitted contest by City, Provider or other operator under this Special Contract, that City, Provider or such other operator under this Special Contract is in violation of or not in compliance with any portion of Applicable Laws under its jurisdiction; however, an alleged Violation which is resolved shall not constitute a Violation.

“Yard Waste” means leaves, grass clippings, yard and garden debris, and brush, including clean woody vegetative material not greater than four inches in diameter, that result from landscaping maintenance and land-clearing operations. The term does not include stumps, roots, or shrubs with intact root balls.

EXHIBIT B

GUARANTY

[See Attached]

GUARANTY

THIS GUARANTY is made and entered into as of July 18, 2014 (but effective as of August 1, 2014), by Republic Services, Inc., a Delaware corporation (“Guarantor”), in favor of the City of San Angelo, a Texas home rule municipal corporation (the “Guaranteed Party”).

Recitals

A. Republic Waste Services of Texas, Ltd., a Texas limited partnership (“Subsidiary”), and the Guaranteed Party are parties to that certain Agreement for Landfill Lease and Operation effective August 1, 2014 (the “Agreement”).

B. As an inducement to the Guaranteed Party to enter into the Agreement, Guarantor has agreed to guarantee the performance of Subsidiary’s obligations under the Agreement.

In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Agreement

1. Guaranty. Guarantor irrevocably and unconditionally guarantees to the Guaranteed Party the due and punctual performance of each obligation of Subsidiary contained in the Agreements in accordance with its terms and conditions. Guarantor agrees that if Subsidiary shall fail to perform any of its obligations under the Agreements when due in accordance with the terms of the Agreements, it shall, upon demand made by the Guaranteed Party, immediately perform the obligation, to the extent that such performance is required to be made or performed by Subsidiary. Notwithstanding anything to the contrary contained in this Guaranty, this Guaranty pertains only to those obligations owed by Subsidiary under the Agreements, and shall in no way alter or expand any obligation owing under the Agreements or diminish any defense available to Subsidiary under the Agreements. This Guaranty in no way alters the respective obligations, rights, defenses, setoffs, counterclaims, or privileges of the parties to the Agreements, all of which shall be equally available to Guarantor as to Subsidiary in the event the Guaranteed Party makes a claim under this Guaranty. The Guaranteed Party, however, may commence any action or proceeding based upon this Guaranty directly against Guarantor without making Subsidiary a party defendant in such action or proceeding and it shall not be necessary for the Guaranteed Party to bring any action or proceeding first against Subsidiary to recover from the Guarantor.

Guarantor agrees that the obligations of Guarantor pursuant to this Guaranty shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any of the following (whether or not Guarantor shall have any knowledge thereof):

(a) any termination, amendment, modification or other change in the Agreements;

(b) any failure, omission or delay on the part of Subsidiary, Guarantor, any or any other guarantor of Subsidiary’s obligations to conform or comply with any term of the Agreements;

(c) any waiver, compromise, release, settlement or extension of time of performance or observance of any of the obligations or Agreements contained in the Agreements;

(d) any dissolution of Guarantor or any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshalling of assets and liabilities or similar events or proceedings with respect to Subsidiary, Guarantor or any other guarantor of Subsidiary's obligations, as applicable, or any of their respective property or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(e) any merger or consolidation of Subsidiary, Guarantor or any other guarantor of Subsidiary's obligations into or with any person, or any sale, lease or transfer of any of the assets of Subsidiary, Guarantor or any other guarantor of Subsidiary's obligations to any other person; or

(f) any change in the ownership of the capital stock of Subsidiary, Guarantor or any other guarantor of Subsidiary's obligations or any change in the relationship between Subsidiary, Guarantor or any other guarantor of Subsidiary's obligations, or any termination of any such relationship.

2. Representations and Warranties. Guarantor represents and warrants to the Guaranteed Party that this Guaranty has been duly executed and delivered by Guarantor and constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

3. Miscellaneous

(a) Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Texas without reference to the choice of law principles thereof. Any legal action, suit or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the state or federal courts of the State of Texas.

(b) No Third Party Benefits. Nothing in this Guaranty is intended, and it shall not be construed, to confer any rights or benefits upon any person other than the Guaranteed Party and no other third party shall have any rights or remedies hereunder.

(c) Notices. All notices and other communications to Guarantor under this Guaranty shall be sufficiently given for all purposes hereunder if in writing and: (i) delivered personally; or (ii) sent by documented overnight delivery service, in each case, to the following:

Republic Services, Inc.
18500 North Allied Way
Phoenix, AZ 85054
Attn: Treasury Department

or to such other address and/or to the attention of such other person as Guarantor may designate by written notice to the Guaranteed Party.

(d) Binding Effect; Assignment. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no party hereto may assign its rights or delegate its obligations under this Guaranty without the express written consent of the other party hereto.

(e) Headings. The headings contained in this Guaranty are inserted for convenience only and will not affect the meaning or interpretation of this Guaranty.

(f) Amendment; No Waiver. This Guaranty may not be modified or amended except by an instrument in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Guaranty. The waiver by any party hereto of a breach of any term or provision of this Guaranty shall not be construed as a waiver of any subsequent breach.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

Republic Services, Inc.

By: Marsha A. Lacy
Name: Marsha A. Lacy
Its: Vice President, Treasurer

EXHIBIT C

LETTER OF CREDIT

[To Be Attached]

EXHIBIT D

LIQUIDATED DAMAGES

City may withhold payment from Provider in the amounts specified below as administrative charges for failure to fulfill its obligations. Liquidated Damages are at the discretion of, and are to be assessed by, City's Solid Waste Administrator. Notwithstanding the foregoing, Liquidated Damages shall not be assessed for any reason during the period for implementation set forth in Section 8.A of this Special Contract and for ninety (90) days after the last route is implemented by Provider.

1. Missed Collection: \$25 for each missed collection above eight (8) misses per collection day, to be assessed at the end of each collection month. A missed collection occurs when a resident reports that their material was set at the curb by 7:00am, and was not collected.

2. Missed Residential Service Unit Block: \$250 for each incident of failing to pick up material on a block. A missed block is defined as one side of a street between cross streets or an entire cul-de-sac where residents from at least three households on that street report that they had their material out before 7:00am and the material was not picked up.

3. Failure to Provide Residential Services During Normal Hours of Operation: \$100 for each vehicle providing collection services on the streets in the city prior to or after the hours of operation.

4. Failure to Complete a Majority (50%) of the Collections on a Given Day: \$2,500 each incident.

5. Failure to Respond to Material Spilled or Littered by Provider within Two (2) Hours of Notification: \$250 each incident.
6. Failure to Maintain Vehicle in Manner Consistent with the Special Contract: \$100 each incident.
7. Failure to Acknowledge and Respond to Complaints within One (1) Business Day: \$100 each incident.
8. Failure to Provide Complete Monthly Reports: \$100 each incident.
9. Commingling Materials that are Prohibited to be Commingled: \$1,000 each incident, to be assessed at the discretion of the City's Contract Administrator.
10. Failure to Provide Temporary Construction Roll-Off Services on the next business day or on the customer's requested day if that day is later. \$175 each incident credited directly to the customer (excluding weekends, if the request was made before noon the day prior). Liquidated damages in the amount of \$100/day shall be paid to City after 48 hours if Services still have not been provided.

EXHIBIT E

FORM OF NON-RESIDENTIAL CUSTOMER INVOICE

[See Attached]

Example of Non-Residential Invoice

[See Attached]



1422 Hughes Ave
San Angelo TX 76903-334141

A division of REPUBLIC SERVICES

Account Summary

Account Number	3-0591-0000000
Invoice Date	March 31, 2014
Invoice Number	0591-000000000
Previous Balance	\$0.00
Payments/Adjustments	\$0.00
Unpaid Balance	\$0.00
Current Invoice Charges	\$173.90

Pay This Amount

\$173.90

Due By: 04/20/14

Contact Information

Customer Service (325) 481-7700

Important Information

Take control of your payments and protect your privacy. Use your financial institution's convenient online bill payment service to ensure timely payments to Republic Services. No checks to write, and no stamps to buy!

To pay on-line or sign up for convenient auto pay, go to: www.disposal.com

JOHN DOE'S GARAGE

Invoice
Page 1 of 2

Payments/Adjustments

Date	Description	Reference	Amount
------	-------------	-----------	--------

Current Invoice Charges

John Doe's Garage 4444 Anywhere Dr (L1)
San Angelo, TX

Contract: 9591011 (011)

1 - Front Load (4 Yd / 1xWk) Scheduled Service (\$1)

Date	Description	Reference	Quantity	Unit Price	Amount
03/25	Extra Pickup 03/25/14		1.0000	\$36.00	\$36.00
03/31	Basic Service 04/01/14-04/30/14		1.0000	\$117.00	\$117.00
	Total Contract Fee (5%)				\$7.65
	Total City Tax				\$2.41
	Total County Tax				\$0.80
	Total State Tax				\$10.04
	Current Invoice Charges				\$173.90

CURRENT	30 DAYS	60 DAYS	90+ DAYS
173.90	0.00	0.00	0.00

- C A
- Visit our website, www.disposal.com to make your payment electronically or to sign up for our convenient automatic payment plan.
 - Please see reverse side for terms and conditions.



1422 Hughes Ave
San Angelo TX 76903-334141

Return Service Requested

JOHN DOE'S GARAGE
4444 ANYWHERE DR
SAN ANGELO TX 76904

Please Return This
Portion With Payment

Total Enclosed

Pay This Amount \$173.90
Account Number 3-0591-0000000
Invoice Date March 31, 2014
Invoice Number 0591-000000000
Payment Due Date April 20, 2014

For Billing Address Changes,
Check Box and Complete Reverse.

Make Checks Payable To

REPUBLIC SERVICES #591
PO BOX 75829
PHOENIX AZ 85062-8829

30691240052200000004888070000063970000063970

Check Processing: In accordance with Federal Reserve Board guidelines, when you provide a check as payment, you authorize us to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution. For further information visit: www.electronicpayments.org and click on the Check Conversion tab.

If service is canceled during a billing cycle, the customer will remain responsible for all charges, fees and taxes through the end of the billing cycle. There will be no proration of billing, and the customer will not be entitled to a refund for the period between the notice of termination and the end of the current billing cycle. This provision will not apply if it is contrary to a current franchise agreement, municipal contract, or other written contract applicable to this account or is otherwise prohibited by law.

The Company reserves the right to require that payment for services be made only by check, credit card or money order, unless otherwise required by contract or applicable law.

BILLING ADDRESS CHANGE		
Address		
City	State	Zip
Phone	Alternate Phone	

Example of Industrial Invoice

[See Attached]



1422 Hughes Ave
San Angelo, TX 76903

A division of REPUBLIC SERVICES

Account Summary

Account Number 3-0691-222222
Invoice Date March 31, 2014
Invoice Number 0691-00222222
Previous Balance \$462.61
Payments/Adjustments -\$462.61
Unpaid Balance \$0.00
Current Invoice Charges \$449.16

Pay This Amount

\$449.15

Due By: 04/20/14

Contact Information

Customer Service (325) 481-7700

Important Information

Take control of your payments and protect your privacy. Use your financial institution's convenient online bill payment service to ensure timely payments to Republic Services. No checks to write and no stamps to buy!

To pay on-line or sign up for convenient auto pay, go to:
www.disposal.com

JOHN DOE'S REMODELING

Invoice

Page 1 of 2

Payments/Adjustments

Date	Description	Reference	Amount
03/19	Payment - Thank You	86556	-\$462.61

Current Invoice Charges

John Doe's Remodeling 6000 Royal Red Rd (L1)
San Angelo, TX

Contract: 9691011 (C21)

1 - Rolloff (30 Yr) On Call Service (\$1)

Date	Description	Reference	Quantity	Unit Price	Amount
03/21	Disposal/Recycling Basic Service	960309	4.0000 Tons	\$35.50	\$159.75
	Receipt Number 72050	Holly	1.0000	\$175.00	\$175.00
03/31	Rental 03/01/14-03/31/14		1.0000	\$90.00	\$90.00
	Rental 03/22/14-03/31/14		1.0000	\$90.00	-\$29.59
	Total Contract Fee (5%)				\$19.76
	Total City Tax				\$0.22
	Total County Tax				\$2.08
	Total State Tax				\$25.93

Current Invoice Charges

\$449.15

CURRENT	30 DAYS	60 DAYS	90+ DAYS
449.15	0.00	0.00	0.00

- S A
- Visit our website, www.disposal.com to make your payment electronically or to sign up for our convenient automatic payment plan.
 - Please see reverse side for terms and conditions



1422 Hughes Ave
San Angelo, TX 76903



Return Service Requested
004233-000001-000001-004233-2321192-22406T03_S 3 0
JOHN DOE'S REMODELING
6000 ROYAL RED RD
SAN ANGELO TX 76903-1111

Please Return This
Portion With Payment

Total Enclosed

Pay This Amount \$449.15
Account Number 3-0691-222222
Invoice Date March 31, 2014
Invoice Number 0691-00222222
Payment Due Date April 20, 2014

For Billing Address Changes,
Check Box and Complete Reverse

Make Checks Payable To:

REPUBLIC SERVICES #691
PO BOX 78829
PHOENIX, AZ 85062-8829

306912222220000000222222000022220000222222

Check Processing: In accordance with Federal Reserve Board guidelines, when you provide a check as payment, you authorize us to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution. For further information visit: www.electronicpayments.org and click on the Check Conversion tab.

If service is canceled during a billing cycle, the customer will remain responsible for all charges, fees and taxes through the end of the billing cycle. There will be no proration of billing, and the customer will not be entitled to a refund for the period between the notice of termination and the end of the current billing cycle. This provision will not apply if it is contrary to a current franchise agreement, municipal contract, or other written contract applicable to this account or is otherwise prohibited by law.

The Company reserves the right to require that payment for services be made only by check, credit card or money order, unless otherwise required by contract or applicable law.

BILLING ADDRESS CHANGE		
Address		
City	State	Zip
Phone	Alternate Phone	

EXHIBIT F

RATES FOR SERVICES

1. Initial Year Pricing
2. To be adjusted annually by Section “9D Annual Increase” of the Special Contract
3. Annual Disposal Rate adjustments shall be applied on October 1, 2015 and each October 1 thereafter during the Term as specified in Landfill Agreement with City.

Residential Collection Pricing	
	1X Week Garbage and 1X Week Single Stream Recycle collection both with 96 Gallon Cart (combined price)
Base Rate	\$13.47
Bulk Waste Fee/Mo. (4X per year collection)	\$0.50
Total	\$13.97
Apartment House (where large containers are not used) per unit	\$13.97
Two Family Duplex residence per Duplex	\$27.94
Additional Cart Fee	\$ 5.00 trash, \$1.25 Recycle
Replacement Cart Fee	\$65 per cart

Out of Cycle Bulk Pick Up Rates	
Trip Charge	\$75.00
Each yard collected	\$25.00

Rolloff Container Rates:					
Size	Haul Rate	Delivery	Plus Disposal Rate/Ton	Daily Rental	Installation and maintenance
20 CY Container	\$175.00	\$75.00	\$35.50	\$3.00/day	N/A
30 CY Container	\$175.00	\$75.00	\$35.50	\$3.00/day	N/A
40 CY Container	\$175.00	\$75.00	\$35.50	\$3.00/day	N/A
Compactors	\$225.00	\$75.00	\$35.50	Negotiated between customer and Republic	Negotiated between customer and Republic

Commercial Trash Rates:						
	1X per week	2X per week	3X per week	4X per week	5X per week	6X per week
96 Gallon Cart	\$23.00	\$46.00	\$69.00			
2 CY Container	\$73.00	\$120.00	\$152.75	\$187.00	\$217.00	\$253.00
3 CY Container	\$95.00	\$149.75	\$199.13	\$251.25	\$297.75	\$341.25
4 CY Container	\$117.00	\$179.50	\$245.50	\$315.50	\$378.50	\$429.50
6 CY Container	\$146.25	\$247.50	\$337.50	\$443.00	\$538.25	\$631.25
8 CY Container	\$175.50	\$315.50	\$429.50	\$570.50	\$698.00	\$832.75
Extra Pick-Up (each)						
96 Gallon Cart	\$15.00					
2 CY Container	\$22.50					
3 CY Container	\$29.50					
4 CY Container	\$36.00					
6 CY Container	\$45.00					
8 CY Container	\$55.00					

Container Movement Rates	
96 Gallon Cart Delivery	\$20.00
Commercial Container Delivery	\$50.00
Commercial Container Swaps/Exchanges	\$75.00
Commercial Container Removals	\$50.00
Commercial Container Relocates	\$50.00
Rolloff Container Delivery	\$75.00
Rolloff Container Relocate	\$75.00
Container Lockbar Rental	\$10.00
Container Lock Bar Installation	\$75.00
Rolloff Dry Run (Customer Called but Container Not Ready for Haul)	\$75.00
Daily rolloff Container Rental	\$3.00
Compacter rental, installation and maintenance cost	Negotiated between Republic and customer*

*Due to the various size and specifications, ownership, special installation requirements and maintenance agreements

Notes:

- Extra cart pricing for Commercial 96 gallon Trash Service is \$17.00 per cart
- The charts above entitled Commercial Trash Rates and Rolloff Container Rates refer to Non-Residential Waste.

**Recycle Processing Charges for Residential Customers to be Added Depending on Volumes:	
Below 500 tons/month	\$.50 per home/month
500 + Tons/month	no added processing charges

**Rates shall be applied in accordance with Section "9.G Adjustments for Recycling Services" herein.

Delinquent & Closed Accounts fees	
Non Sufficient Funds (NSF)	\$ 35.00
Late fees (past 30 days)	5% (\$5.00 minimum)
Service Interrupt	\$ 35.00

The chart above for Delinquent and Closed Accounts fees applies to all Non-Residential customers.

EXHIBIT G

ACCEPTABLE WASTE AND UNACCEPTABLE WASTE

ACCEPTABLE WASTES

Household-type wastes

Cardboard

Paper

Plastic

Food wastes

Yard wastes (as per guidelines)

UNACCEPTABLE WASTES

Chemicals of any kind

Paint or Thinners

Pesticides or Herbicides

Tires

Batteries

Oil & Oil filters

Antifreeze

Drums

Asbestos

Untreated Medical Waste

Contaminated Soils

Sludge or Liquids

Automobile /truck engine parts

RECYCLABLES

ACCEPTABLE RECYCLING ITEMS

Newspapers & Inserts

Magazines

Mail, mixed paper and catalogs

Corrugated Cardboard (flattened)

Boxboard, Cereal Boxes, Frozen Food Boxes Packing Materials

Plastic Containers #1-7 (Excluding Styrofoam) Chip Bags

Steel and Tin Cans

Aluminum Cans

Aerosol Cans

UNACCEPTABLE RECYCLING ITEMS

Batteries

Electronics

Flower Pots, Plastic Pots

Styrofoam Containers, Peanuts or

Packing Materials

Light Bulbs

Glassware, Ceramics

Metal Hangers

Food and wet waste, food-contaminated paper plates,

Paper towels & napkins

Hazardous or toxic product containers

BULK WASTES

ACCEPTABLE ITEMS (5-yard Limit)

Appliances
BBQ Grills without Propane Tank
Carpeting (small pieces)
Fencing

Furniture
Mattresses
Toilets
Wooden Pallets
Brush/Limbs
White Goods/Appliances if refrigerant
is removed by a licensed technician and
tagged as such

UNACCEPTABLE ITEMS

Household Trash
Tires
Concrete
Construction /Remodeling material (e.g. bricks,
sheetrock, insulation, flooring)
Glass
Hazardous materials (e.g. paint, household cleaners)
Metal hangers
Roofing material
Shingles
Soil & rocks
Propane/fuel tanks
White Goods/Appliances with refrigerant

EXHIBIT H

FUEL TABLE

San Angelo Fuel Surcharge Calculation				
July 2013 - June 2014 (12 Month Avg)*		\$	3.80	
Benchmark Price Per Gallon		\$	3.90	
Fuel Price	Price Change From Benchmark	Add'l Increase for Fuel	<u>Calculation Example</u>	
Benchmark	\$ 3.90		Hypothetical Diesel Fuel Price 12 Month Average (Aug thru July)	Total Rate Adjustment %
\$ 4.00	\$ 0.10	0.23%		
\$ 4.10	\$ 0.20	0.46%		
\$ 4.20	\$ 0.30	0.69%	\$4.20	
\$ 4.30	\$ 0.40	0.92%		
\$ 4.40	\$ 0.50	1.15%		
\$ 4.50	\$ 0.60	1.38%		
\$ 4.60	\$ 0.70	1.62%		
\$ 4.70	\$ 0.80	1.85%		
\$ 4.80	\$ 0.90	2.08%	\$4.75	
\$ 4.90	\$ 1.00	2.31%		
\$ 5.00	\$ 1.10	2.54%		
\$ 5.10	\$ 1.20	2.77%		
\$ 5.20	\$ 1.30	3.00%		
\$ 5.30	\$ 1.40	3.23%		
\$ 5.40	\$ 1.50	3.46%	\$4.15	
\$ 5.50	\$ 1.60	3.69%		
\$ 5.60	\$ 1.70	3.92%		
\$ 5.70	\$ 1.80	4.15%		
\$ 5.80	\$ 1.90	4.38%		
\$ 5.90	\$ 2.00	4.62%		
\$ 6.00	\$ 2.10	4.85%	\$4.36	
\$ 6.10	\$ 2.20	5.08%		
\$ 6.20	\$ 2.30	5.31%		
\$ 6.30	\$ 2.40	5.54%		
\$ 6.40	\$ 2.50	5.77%		
\$ 6.50	\$ 2.60	6.00%		
\$ 6.60	\$ 2.70	6.23%		
\$ 6.70	\$ 2.80	6.46%		
\$ 6.80	\$ 2.90	6.69%		
\$ 6.90	\$ 3.00	6.92%		
\$ 7.00	\$ 3.10	7.15%		
\$ 7.10	\$ 3.20	7.38%		
\$ 7.20	\$ 3.30	7.62%		
\$ 7.30	\$ 3.40	7.85%		
\$ 7.40	\$ 3.50	8.08%		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1-Aug-14 Residential Rate</p> <p>Annual Fixed Adjustment 2.9%</p> <p>Fuel factor (Aug 2014 thru July 2015) 0.69%</p> <p>Total Rate Adjustment (2.9% + (0.69%-0) = 3.59% * Current Rate)</p> </div> <div style="width: 45%;"> <p>Incremental Change 0.69%</p> <p>Total Rate Adjustment % 3.59%</p> </div> </div> <p style="text-align: right;">\$ 13.97</p> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1-Oct-15 Residential Rate</p> <p>Annual Fixed Adjustment 2.9%</p> <p>Fuel factor (Aug 2015 thru July 2016) 1.85%</p> <p>Total Rate Adjustment (2.9% + (1.85%-0.69%) = 4.06% * Current Rate)</p> </div> <div style="width: 45%;"> <p>Incremental Change 1.15%</p> <p>Total Rate Adjustment % 4.06%</p> </div> </div> <p style="text-align: right;">\$ 14.47</p> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1-Oct-16 Residential Rate</p> <p>Annual Fixed Adjustment 2.9%</p> <p>Fuel factor (Aug 2016 thru July 2017) 0.46%</p> <p>Total Rate Adjustment (2.9% + (-0.46%-1.85%) = 1.51% * Current Rate)</p> </div> <div style="width: 45%;"> <p>Incremental Change -1.38%</p> <p>Total Rate Adjustment % 1.51%</p> </div> </div> <p style="text-align: right;">\$ 15.06</p> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1-Oct-17 Residential Rate</p> <p>Annual Fixed Adjustment 2.9%</p> <p>Fuel factor (Aug 2017 thru July 2018) 0.92%</p> <p>Total Rate Adjustment (2.9% + (-0.92%-0.46%) = 3.36% * Current Rate)</p> </div> <div style="width: 45%;"> <p>Incremental Change 0.46%</p> <p>Total Rate Adjustment % 3.36%</p> </div> </div> <p style="text-align: right;">\$ 15.29</p> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>1-Oct-18 Residential Rate</p> <p>Annual Fixed Adjustment 2.9%</p> <p>Fuel factor (Aug 2018 thru July 2019) 0.92%</p> <p>Total Rate Adjustment (2.9% + (-0.92%-0.46%) = 3.36% * Current Rate)</p> </div> <div style="width: 45%;"> <p>Incremental Change 0.46%</p> <p>Total Rate Adjustment % 3.36%</p> </div> </div> <p style="text-align: right;">\$ 15.80</p>				
<p>Although example above is for Residential, the fuel calculation method applies to all RATES FOR SERVICES in EXHIBIT F with the exception of Delinquent Account Fees</p> <p>Look back Period: August - July</p> <p>*Source: Weekly Gulf Coast No 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Prices (Dollars per Gallon)</p>				

SPECIAL EXCLUSIVE CONTRACT FOR SOLID WASTE COLLECTION AND
DISPOSAL SERVICES

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Approved as to Form:



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Approved as to Insurance Requirements:



John Seaton, Risk Management