SOLID WASTE COLLECTION, RECYCLING & DISPOSAL AGREEMENT

This Solid Waste Collection, Recycling, and Disposal Agreement ("Agreement") is entered into by and between FERN BLUFF MUNICIPAL UTILITY DISTRICT, a political subdivision of the State of Texas operating pursuant to Chapters 49 and 54 of the Texas Water Code ("the District"), and CENTRAL TEXAS REFUSE, INC. and ROUND ROCK REFUSE, INC. (collectively, the "Contractor"), both Texas corporations. Each party described above is referred to herein as a "Party" and, collectively, as the "Parties."

Recitals

WHEREAS, the Parties mutually desire to contract for the provision of recycling and solid waste disposal services; and

WHEREAS, Contractor has agreed to provide exclusive recycling and solid waste disposal services to all single-family, residential customers within the service area of the District, pursuant to the terms and conditions set forth herein; and

WHEREAS, District has agreed to compensate Contractor for such services, pursuant to the terms and conditions set forth herein; and

WHEREAS, this Agreement is entered into by the District pursuant to the authority granted to the District by Sections 30.002 and 54.203 of the Texas Water Code and Section 364.034 of the Texas Health and Safety Code;

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

I. DEFINITIONS

A. Unless otherwise provided herein, terms used in this Agreement shall have their plain and ordinary meaning. Terms given particular meaning, as used herein, are as follows:

1. Bags – means plastic sacks designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of a bag and its contents shall not exceed 30 pounds.

2. Bulky Waste – means stoves, hot water heaters, washing machines, clothes dryers, furniture and other similar household waste materials that do not contain coolant or hazardous materials.

3. Brush Bundle – means tree, shrub and brush trimmings securely tied together, forming an easily handled package not exceeding 4 feet in length or 40 pounds in weight.

4. Cart – means a poly waste receptacle or a recycling receptacle provided by Contractor with a capacity of 95 gallon.

5. Container – means a receptacle with a capacity of less than 30 gallons, constructed of plastic, metal or fiberglass, having handles of adequate strength for lifting, and having a tight-fitting lid capable of preventing entrance into the container by vectors. The top of the container will have a diameter greater than or equal to that of its base. The total weight of a container and its contents may not exceed 40 pounds.

6. Customer – means an occupant of an Individual Residential Unit who generates Refuse.

7. Disposal Site – means a refuse depository licensed by the State of Texas, including sanitary landfills, transfer stations, incinerators, and waste processing/separation centers licensed by the State of Texas to receive refuse for processing or final disposal.

8. Force Majeure – means acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, or riots; epidemics or quarantine; landslides, lightning, earthquakes, fires, storms (including rain, hail, ice, snow or other), hurricanes, tornadoes, floods, droughts, or high-water washouts; arrests and restraints of government and people; civil disturbances; explosions or power failures or surges; pest damage; breakage, freezing or accident to machinery or lines of pipe (including utility lines), or failure of gas wells or gas supply; enactment of statutes, laws or regulations; acts of governmental or semi-governmental bodies; or inability on the part of a Party to perform due to any other causes not reasonably within the control or expectation of the Party claiming such inability.

9. Hazardous Waste – means any chemical, compound, mixture, substances or article designated by the United States Environmental Protection Agency or the Texas Commission on Environmental Quality to be "hazardous," as that term is defined by federal or state law.

10. Holiday – means Thanksgiving Day, Christmas Day or New Year's Day.

11. Landfill – means a permitted sanitary landfill of the Contractor's selection.

12. Refuse – means all residential solid waste generated by a Customer.

13. Residential Unit – means a single-family dwelling within the service area of District. After a Residential Unit is sold by a homebuilder, a Residential Unit will be considered occupied for purposes of this Contract if it receives water and wastewater utility services.

14. Recycling – means any process by which solid waste or materials that would otherwise become solid waste are separated, collected and processed for reuse or returned to use or to market in the form of raw materials or products.

15. Recycling Container – means a 95 gallon recycling cart.

II. SERVICES TO BE PERFORMED

A. The services specified in this Section II shall be provided to the District in exchange for the compensation specified in Section III, below.

1. Solid Waste Disposal. Contractor shall provide solid waste collection and disposal for all Customers within the service area of the District, once per calendar week. In addition, the District shall, at the end of each month, furnish Contractor with a unit count of all Customers located within the service area, along with any other information necessary for Contractor to identify all service locations.

Contractor shall collect Refuse from each occupied Residential Unit within the designated service area on a mutually agreed-upon day each week during the term of this Agreement. If the regular collection day falls on a Holiday, collection will occur on an alternate day of the week as noted by Contractor (to District). Unless expressly provided to the contrary herein, Contractor shall not be obligated to collect any Refuse that is not properly contained within a Cart. Notwithstanding the foregoing, however, Contractor shall also collect up to either (i) seven (7) additional bags or (ii) one (1) bulk item placed next to a Cart on the normal collection day, in the event such refuse exceeds the volume of the Cart.

All Refuse collected by Contractor will be disposed of at a Disposal Site.

2. Single-Stream Recycling. Contractor shall also provide recycling services to all Customers within the service area. Such recycling services shall occur every other week, on the same day of the week as normal collection for solid waste disposal. Details and terms regarding recycling services and materials collected are included on the attached Exhibit B and are incorporated herein for all purposes.

Contractor shall take recycling material collected to Wilco Recycling or other contractor-designated facility. That facility will receive, sort, process, and market the recyclable materials that are of marketable quality. Contaminated materials of no value will be transferred to the disposing Customer's solid waste trash container for disposal or left in the recycling bin with a tag to notify the Customer why the materials were not collected.

The recycling materials taken to Wilco Recycling or other contractor-designated facility that are of marketable quality will be marketed through existing national, regional, and local purchasing agreements arranged through Wilco Recycling or other contractor-designated facility.

Receptacles to be provided. Contractor shall provide one (1) 95-gallon Cart to each Customer for the collection of solid waste and shall also provide one (1) 95-gallon recycling Cart to each Customer for the collection of recycling materials. All receptacles will be in good condition, new or properly reconditioned, and Contractor shall replace any broken or damaged receptacles promptly upon request by the District Up to the agreed upon amount. Based upon the information provided by the District

pursuant to Section II.A.1, above, Contractor shall provide Carts and recycling containers to all new Customers (and retrieve receptacles from all terminated Customers) no later than the next regular collection day following receipt of notice from the District. Additionally, Contractor shall notify the District of any Customers who have requested initiation or termination of solid waste or recycling service and are not reflected on the written lists provided by the District.

3. Placement of Receptacles. All Carts and Containers shall be unobstructed and readily accessible to Contractor's crew. Unless there are unique circumstances approved by Contractor, Carts and Containers shall be placed at or within five (5) feet of the curbside adjoining that portion of the road or right-of-way for service locations agreed to by the District and Contractor. Additional Containers, Bags or Brush Bundles shall be placed as close to the roadway as practicable or within five (5) feet of the roadway, without interfering with or endangering the movement of vehicles or pedestrians. Following collection, Contractor shall place all emptied Carts and Containers upright and next to the curbside, with the lids closed. Contractor shall also provide 95-gallon carts for the collection of solid waste at all District parks, the water tower, and the District Community Center. Contractor shall also provide and shall also provide 95-gallon recycling carts for the District Community Center. Such containers shall be emptied once per week by the Contractor.

   When construction work is being performed in the right-of-way, Carts, Containers, Bags, and Bundles shall be placed as close as practicable to an access point for Contractor's collection vehicle.

   Where any Customer is maintaining improper or inadequate refuse containers or is otherwise in violation of rules and requirements with respect to the location or content of refuse containers, Contractor may in its sole discretion refrain from collecting all of a portion of such refuse and shall not be deemed to be in default hereunder as a consequence of such non-collection. In such case, Contractor shall notify the District and the Customer within a reasonable time of the reason for such non-collection and shall resume collection once Customer eliminates the issue and conforms to all rules and requirements.

4. "Clean-Up Weekend" Contractor, twice annually at times specified by the District and for the additional compensation expressed herein, shall provide curbside pickup for bulk items that are not normally disposed of by residents on normal garbage pickup days. Any items containing CFCs, such as refrigerators or air conditioners, must bear the proper tag the CFCs have been removed. Batteries, tires, paint and any type of hazardous or toxic waste may not be disposed of at any time. Clean-up weekend shall be designated to occur on any Saturday during the calendar year, excluding Holidays, starting at 7:00 a.m., and shall have no impact on regular collection for the following week. Contractor shall provide one clean up weekend in the spring at no additional cost to the District and shall provide one clean up weekend in the fall at a cost not to exceed $4,000.00.

III. COMPENSATION

A. Billing. Contractor shall bill the District monthly, on or before the last day of each month, for all solid waste disposal and recycling services to be rendered by Contractor during the coming calendar month. The District shall pay Contractor within ten (10) days of its receipt of such invoice. Late payments shall bear interest at the rate of five percent (5%) per annum.

Contractor shall calculate the amount due for each invoice by multiplying the Base Rate (as defined below) by the number of Residential Units to be serviced. The number of Residential Units to be serviced is indicated in Exhibit A and shall be amended by supplemental information supplied by the District at the end of each month, as required by Section II.A.1 above. The District and Contractor shall mutually agree on any such revised count, and Contractor's monthly invoices shall utilize the count derived from information supplied in the immediately preceding month.

Contractor shall also bill monthly for any services not included in the Base Rate. Contractor shall be entitled to payment for each invoice within ten (10) days of receipt by the District. Contractor shall be entitled to payment for each invoice regardless of whether or not the District collects payment from its Customers for services performed.

B. Base Rate. For collection, transportation and disposal of Refuse, Recycling Services, and for all other services set forth in this Agreement, other than services for which this Agreement provides an additional charge, the "Base Rate" shall be $18.66 per Residential Unit per month. The Base Rate shall include provision of a Solid Waste Cart and Recycling Container to each Residential Unit, as described in Section II.A.3, above.

1. The Contractor shall charge the District $7.00 per month for each additional Recycle Cart requested by Customers. The additional charge shall not be applicable to the replacement of a lost, damaged or stolen cart.

2. Unless adjusted as provided herein, the Base Rate set forth above shall remain fixed for the first year of the term of this Agreement. Contractor may adjust each subsequent year's Base Rate beginning on September 1st 2018, to address inflation costs ("Inflation Cost Adjustment") and disposal costs ("Disposal Cost Adjustment") pursuant to the conditions set forth in this Section III. B.

i. The Inflation Cost Adjustment shall be determined by the change in the Consumer Price Index for All Urban Consumers-South Region (the "CPI") for the preceding twelve (12) months (for which such data is available prior to issuance of the notice of adjustment) issued by the United States Department of Labor, the Bureau of Labor Statistics, or other agency succeeding to the function of computing the CPI; and

ii. The Disposal Cost Adjustment shall be based on the change to Contractor's most recent annual cost adjustment/increase in disposal at a landfill as of January 1st of the year of the adjustment relative to such cost from the preceding year.

However, the total of the proposed Inflation Cost Adjustment and Disposal Cost Adjustment shall not exceed three (3) per cent in any one year.

3. Contractor shall provide written notice to the District of all such rate adjustments to the Base Rate not later than sixty (60) days prior to the effective date thereof, and all rate adjustments by Contractor shall be implemented effective September 1st of each year that the Agreement remains in effect. Each notice of adjustment shall include the appropriate data to support the proposed adjustment.

IV. CONTRACTOR OBLIGATIONS

A. Vehicle and Property Condition. Contractor shall keep all vehicles utilized in the performance of its duties under the Agreement in proper operating condition. Contractor shall not operate vehicles that are leaking oil, hydraulic fluid or other substances or that are otherwise unsafe or in substantial disrepair. All vehicles will be properly and adequately covered, and no trash will be permitted to blow out of utilized vehicles.

B. Safety. All drivers utilized by Contractor for solid waste and recycling materials collection within the service area of the District shall be required to observe all safety laws, including without limitation, compliance with all speed limit and traffic control signs.

C. Supervision. Contractor shall provide adequate supervision to assure that all work will be done in accordance with the specifications and requirements of this Agreement and generally accepted solid waste disposal practices.

D. Performance Standards.

1. Residential collection areas shall be free of litter and debris within a ten-foot radius of Carts or Containers provided by Contractor. Provided, however, Contractor shall not be responsible for litter or debris caused or placed by Customers.

2. Contractor will undertake reasonable efforts to collect refuse and recycling materials regardless of barriers (e.g., blocked streets), except when the safety and health of Contractor's employees or the public may otherwise be negatively impacted.

3. Contractor will undertake reasonable efforts to maintain a consistent route schedule.

4. Contractor will avoid leaving loose trash during collection and will take reasonable precautions to prevent litter or debris resulting from its services.

5. Contractor will prohibit its drivers from using emergency brakes to stop a moving vehicle.

6. Contractor will maintain a 24-hour per day, seven day per week voice mail system to handle customer communications beyond regular business hours.

7. In the event of equipment breakdowns, Contractor will notify the District if services will be delayed or rescheduled for an alternate collection day.

E. Customer Relations. Customer complaints, such as calls for missed pick-ups, shall be first directed to Contractor for resolution.

V. COMPLIANCE WITH APPLICABLE LAWS

A. Contractor will comply with all applicable federal, state, county and city laws, ordinances and regulations and any and all policies and guidelines of Contractor. Contractor will also obtain any licenses and permits required in performing all services rendered by Contractor under this Agreement.

B. Contractor shall and does hereby defend, indemnify and holds harmless District from any alleged or actual violations of the matters addressed in Section V. A, above.

C. Prior to the time that the District approves this Agreement, Contractor shall comply with Section 2252 of the Texas Government Code and shall also execute the "No-Boycott" certificated provided by the District.

VI. INSURANCE AND INDEMNITY

A. Insurance Requirements. Contractor shall secure and maintain in effect insurance to protect Contractor, its subcontractors, employees and the District from claims for bodily injuries, death or property damage that may arise out of or result from Contractor's performance of its duties under this Agreement. The following minimum levels of coverage are required:

1. Public liability and property damage (no pollution exclusion endorsement shall be permitted):

i. General Liability: $500,000 per occurrence

ii. Property Damage: $500,000 per occurrence

2. Umbrella Liability: $1,000,000

3. Workers' Compensation: Statutory Limits

B. Indemnity. To the extent allowed by law, the Parties shall and do hereby mutually indemnify and hold harmless the other Party, as well as its officers, directors, agents and employees, from and against all claims, damages, losses and expenses, including without limitation, attorneys' fees, arising out of or related to this Agreement or the performance thereof, but only to the extent such claims, damages, losses or expenses are attributable to the negligent act or omission or other fault of the indemnifying Party. The indemnification obligations hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that would otherwise exist to any Party or person described in this Section. The indemnification requirements set out herein shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for either Party under any insurance policy, workers' compensation acts, disability benefits acts or other employee benefit acts.

VII. TERM AND TERMINATION

A. Term. The initial term of this Agreement shall be three (3) years, commencing on November 1st ,2017 , and ending on September 30, 2020. Upon expiration of the initial term, the Agreement may be extended for an additional term of three (3) year(s) provided that proper notice is given and both Parties have consented to extension of the term. The term of the Agreement may also be further extended upon the expiration of any subsequent term, in the same manner.

For the purposes of this section, proper notice of an intent to extend the term of the Agreement must be delivered in writing by the Party seeking to extend to the term and is ineffective unless received by the other Party no later than ninety (90) days prior to expiration of the term to be extended. Once notice to extend the term has been received, the receiving Party may object to extension of the term, in writing, such objection to be delivered and received no later than sixty (60) days prior to expiration of the term to be extended. If no objection is received, or if an untimely objection is received, the Parties shall be deemed to have consented to the extension, and the term shall be extended as provided herein.

B. Termination.

1. If, at any time, the District defaults in its obligations under this Agreement, including the obligation to make timely payment for services rendered as provided herein, and the District further fails to cure the default following three (3) days' written notice from Contractor, Contractor may terminate the Agreement for cause. In the event of such a termination, Contractor shall be entitled to payment for all services performed prior to the date of termination, as well as any additional costs or damages incurred as a result of the termination or available by law.

2. District may terminate this Agreement for any material breach if Contractor fails to cure any alleged breach within sixty (60) days of notice from District of such alleged breach.

VIII. FORCE MAJEURE

A. Force Majeure. If, by reason of Force Majeure, either Party is unable, in whole or in part, to carry out its obligation(s) under this Agreement, the Party whose performance is so affected shall give notice and full details regarding the impact of such Force Majeure to the other Party within a reasonable time after the occurrence of the instigating event or cause. Provided that proper notice is given, the obligation(s) of the impacted Party hereunder shall, to the extent impacted by the Force Majeure, be suspended for the duration of the impact, but in no event for a period longer than that period reasonably necessary for recovery from or mitigation of the impact caused by the Force Majeure event. To this end, the impacted Party shall take all reasonable measures necessary to overcome, remove or otherwise mitigate the impact of the Force Majeure event. During such period of suspension, any obligations of the non-impacted Party shall continue without interruption, except to the extent such obligations rely upon, or

are predicated by, the suspended obligations of the impacted Party.

IX. MISCELLANEOUS

A. Extra Work. Except as otherwise provided herein, all work outside the express terms of this Agreement must have prior written approval by both Parties. Charges for extra work will be submitted to the District for approval prior to commencement of the work.

B. Assignment. Except as otherwise provided herein, this Agreement may not be assigned by Contractor without the prior, written consent of the other Party. The use of any subcontractor shall be subject to the prior, written approval of the District, such approval not to be unreasonably withheld. Notwithstanding the foregoing, however, Contractor expressly reserves the right to assign this Agreement, including any and all rights, duties, responsibilities and/or obligations hereunder, as may be necessary or appropriate to effect any internal restructuring or other transfer of ownership between Contractor and any of its affiliates, partners, subsidiaries or other related business entities.

C. Venue & Choice of Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and the Parties expressly consent to the jurisdiction of the courts therein. All obligations of the Parties hereunder are performable in Williamson County, Texas, and venue for any claim or action arising hereunder shall lie exclusively in Williamson County, Texas.

D. Succession. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

E. Severability. If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, void or unenforceable in any respect, such provision(s) shall be reformed to the minimum extent necessary to cure the violation and render the clause fully valid and enforceable. In the event such revision is not possible, the Agreement shall be construed as if such invalid, illegal, void or unenforceable provision(s) had never been contained herein, and the offending provision(s) shall have no impact or effect on the validity or enforceability of the remaining provisions.

F. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the Parties with respect to same. The Agreement may not be amended or modified except by a written document signed by both Parties.

G. No Waiver. One or more waivers of any covenant or condition by either Party shall not be construed as a waiver of a subsequent breach of the same covenant or condition. The waiver or exercise of any legal right hereunder shall not be construed as a waiver of any other action or right either Party may have pursuant to the terms of this Agreement.

H. Notices. All notices, requests, demands or other communications required or permitted under this Agreement must be in writing and delivered personally or by certified mail, return receipt

requested or by overnight courier (such as Federal Express), and addressed to the Parties at the addresses set forth below the signature lines of this Agreement. All notices given in accordance with the terms hereof shall be deemed given upon placement with a carrier for delivery as provided herein, and shall be deemed received upon actual receipt by the other Party. Either Party may change the address for receiving notices, demands or other communication by written notice to the other Party sent in accordance with this section.

I. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed to be an original but together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of this 1st day of November, 2017.

CENTRAL TEXAS REFUSE, INC. &
ROUND ROCK REFUSE, INC.

By: _____

Name: Ben Bracher

Title: Sales Director

District

By: _____

Name: Janey Miller

Title: General Manager

Address: 320 Wyoming Springs Dr
Round Rock Tx 78681

Exhibit "A"
Map of Service Area



Exhibit "B"
Services to Be Performed by Contractor

Solid Waste Collection

Contractor shall provide curbside collection service for the collection of residential refuse to each residential unit one (1) time per week, as provided herein.

All residential units will make use of 95-gallon polycarts as provided by Contractor. Additional one-way containers (either plastic bags, 2 ml in thickness, boxes, or plastic bags in containers) used for trash, shall be no more than 42-gallons in volume and weigh not more than 30 pounds when full. Collection of refuse shall be made between 7:00 A.M. and 6:00 P.M. All acceptable containers shall be placed at curbside by 7:00 A.M. on the designated collection day, but no earlier than the evening before the regularly scheduled collection. Exceptions to collection hours shall be effected only upon mutual agreement of the District and Contractor, or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection due to unusual circumstances and notified and received approval from the District. No routine weekly collection shall be made on Saturday or Sunday.

Bundled brush will be picked up as part of the Contractor's normal service. It must be bundled in lengths not greater than four feet with a diameter of less than two feet and such bundles will be tied sufficiently so that the bundle can be lifted by the ties into Contractor's vehicle.

The Contractor, as part of its normal residential service, will provide curbside bulky item or "white good" collection service to residential units at least once annually. Any resident who, in the opinion of the Contractor and the District, abuses this privilege, shall pay an additional sum to Contractor, said sum to be agreed upon between the District and the Contractor on a case by case basis.

"White Goods" are further described as follows:

Appliances: Stoves, water tanks, washing machines, dryers, refrigerators, air conditioners, sinks, toilets, and like items. Refrigerators and air conditioners must have their Freon removed by a certified technician and be tagged. Units that are not certified will have a charge of $25.00 per unit. This will be billed directly to the resident. The Contractor is not required to pick-up bathtubs, shower stalls and like items.

Furniture: Couches, beds, mattresses, love seats, tables, chairs, TVs, lamps, microwaves, etc.

Tires shall not be accepted for collection as a bulky item from residential. Construction debris, dead animals, toxic or hazardous waste, batteries, stable matter, rubbish, rocks, dirt, concrete, ammunition, hot ashes, medical waste, auto parts, tires, special waste, stumps and any item containing CFCs are included as bulky items not collected as part of normal residential service. Bulky items, not defined as acceptable bulky items or "white goods", may be collected and disposed of by the Contractor through separate and independent arrangements at the resident's additional expense as identified by the Contractor. An example would be a resident's construction debris from a major renovation of their residence.

Recycling:

PAPER: All newspapers, including inserts such as ads or coupons, are recyclable. Please place in bottom of bins to prevent from being blown away. If raining, please cover with plastic to prevent damage, or wait until the next week as wet newspaper cannot be picked up or recycled. No phone book or envelopes are permitted.

GLASS: Due to safety concerns and the high percentage discarded in the landfills, Contractor does not recycle or handle glass.

ALUMINUM CANS: Beverage cans only (beer and soda). Please, no aluminum foil or pie pans.

STEEL AND TIN FOOD CANS ONLY: Please rinse and remove labels.

PLASTIC DRINK BOTTLES: Clear or opaque plastic drink containers with the number "1PETE" or "2 HDPE", which hold drinks like milk, soda water, etc. are recyclable. Colored plastic containers are recyclable, except containers which held laundry detergent or chemicals.