RESIDENTIAL SOLID WASTE AND RECYCLING
COLLECTION FRANCHISE AGREEMENT
AREA “A”

This AGREEMENT is made as of this 29th day of April, 2011, by and between Santa Rosa County, Florida (the "COUNTY"), a political subdivision of the State of Florida, and Waste Pro of Florida, Inc., (hereinafter referred to as "FRANCHISEE"), a corporation duly organized and validly existing under and by virtue of the laws of the State of Florida and authorized to do business in the State of Florida.

NOW THEREFORE, in consideration of the mutual covenants, agreements, and considerations contained herein, the parties do agree as follows:

ARTICLE 1. DEFINITIONS

The following words and expressions (or pronouns used in their stead) shall, wherever they appear in this Agreement, be construed as follows unless a different meaning is clear from the context. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, all words shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.


"Agreement" shall mean this Agreement including all attachments and amendments thereto.
"Biomedical Waste" means any Solid Waste or wastes which may present a threat of infection to humans. The term includes, but is not limited to, non-liquid human tissue and body parts; laboratory and veterinary waste which contains human-disease-causing agents; used disposable sharps, human blood, and human blood products and body fluids; and other materials which, in the opinion of the Department of Health and Rehabilitative Services, represent a significant risk of infection to persons outside the generating facility.

"Biological Waste" means Solid Waste that causes or has the capability of causing disease or infection and includes, but is not limited to, Biomedical Waste, diseased or dead animals, and other wastes capable of transmitting pathogens to humans or animals.

"Board" shall mean the Board of COUNTY Commissioners of Santa Rosa COUNTY, Florida, which is the governing body of the COUNTY.

"Bulk Waste" shall mean any waste that requires additional management due to its bulk or weight and shall include, household furniture, treated lumber, electronics, bicycles, and White Goods. Bulk Waste does not include any form of matter or debris resulting from tree removal, land clearing, or land development.

"Bulk Waste Residential Collection Service" means the Bulk Waste collection services provided to persons occupying Dwelling Units within the designated Franchise Area, including Dwelling Units located in mobile home parks who receive Collection services at curbside.

"Collection" means the process whereby Solid Waste, Bulk Waste, Yard Trash, Recyclable Material, E-Waste or White Goods is removed and transported to a Designated Facility.

"Commercial Business Establishment" means any establishment other than a residential dwelling, apartment complex, condominium complex or trailer park and shall be and shall include, but not be limited to, all retail, professional, wholesale and industrial facilities, manufacturing facilities, non-profit enterprises, governmental/public agencies, and any other commercial enterprises offering goods or services to the public.
"Compactor" means any container that has compaction mechanism(s) whether stationary or mobile, all inclusive.

"Construction and Demolition Debris" means discarded materials generally considered to be not water-soluble and nonhazardous in nature, including, but not limited to, steel, glass, brick, concrete, asphalt roofing material, pipe, gypsum wallboard, and lumber, from the construction or destruction of a structure as part of a construction or demolition project or from the renovation of a structure, and including rocks, soils, tree remains, trees, and other vegetative matter that normally results from land clearing or land development operations for a construction project, including such debris from construction of structures at a site remote from the construction or demolition project site. The term also includes:

(a) Clean cardboard, paper, plastic, wood, and metal scraps from a construction project;
(b) Except as provided in s. 403.707(9)(b), Florida Statutes, unpainted, non-treated wood scraps from facilities manufacturing materials used for construction of structures or their components and unpainted, non-treated wood pallets provided the wood scraps and pallets are separated from other Solid Waste where generated and the generator of such wood scraps or pallets implements reasonable practices of the generating industry to minimize the commingling of wood scraps or pallets with other Solid Waste; and,
(c) De minimis amounts of other nonhazardous wastes that are generated at construction or destruction projects provided such amounts are consistent with best management practices of the industry.

"Contract Year" means the time from July 1, 2011 through June 30, 2012, and each year thereafter.

"COUNTY" shall mean Santa Rosa County, Florida, acting by and through its Board of County Commissioners.

"CPI" as used herein shall be the revised Consumer Price Index for All Urban Consumers South Urban for all items, not seasonally adjusted, published by the Bureau of Labor Statistics, U.S. Department of Labor, 1984-82 = 100. In the event the U.S. Department of Labor, Bureau of Labor Statistics ceases to
publish the CPI, the parties hereby agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may be then available.

"Curbside" means that portion of the street right-of-way paralleling any public thoroughfare between the curb line and abutting property line. If ditching bisects the property and thoroughfare, the Curbside then becomes the roadside of the ditch. This designated location shall be as near as possible to the traveled streets or alley. The intention of a Curbside designation is to allow Collection by the FRANCHISEE's personnel in a rapid manner with walking or reaching minimized.

"Curbside Residential Solid Waste Collection Service" means the Solid Waste Collection services provided to persons occupying Single-Family Dwelling Units or Multi-Family Dwelling Units within the designated Franchise Area, including Single-Family Dwelling Units located in mobile home parks who receive Collection services at Curbside.

"Curbside Residential Yard Trash Collection Service" means the Yard Trash Collection services provided to persons occupying Single-Family Dwelling Units within the designated Franchise Area, including Single-Family Dwelling Units located in mobile home parks who receive Collection services at Curbside.

"Designated Facility" means the facilities designated by the COUNTY for delivery of Solid Waste, Yard Trash, Recyclable Materials and Bulk Waste collected pursuant to this Agreement.

"Disposal" means the discharge, deposit, injection, dumping, spilling, leaking or placing of any Solid Waste or Hazardous Waste into or upon any land or water so that such Solid Waste or Hazardous Waste or any constituent thereof may enter other lands or be emitted into the air or discharged into any waters, including groundwater, or otherwise enter the environment.

"Dwelling Unit" shall mean any type of structure or building unit with kitchen facilities capable of being utilized for residential living other than a hotel or motel unit, including houses, condominiums, townhouses, apartments, efficiency apartments and mobile homes.

"Effective Date" means the date this Agreement becomes effective when executed by the parties.
"Electronics/E-Waste" means computers, monitors, keyboards, mice, terminals, printers, modems, scanners, cell phones, televisions and copiers, and other electronic equipment.

"Environmental Manager" means the COUNTY’s Environmental Manager or such other person as designated in writing by the Board to represent the COUNTY in the administration and supervision of this Agreement.

"Excluded Waste" shall mean any and all debris and waste products generated by land clearing, construction, demolition or alteration and hauled away by the respective contractor, public works type construction projects whether performed by a governmental unit or by a contractor, materials deemed by the Environmental Manager to be hazardous waste and items not allowed at the COUNTY landfill or other approved landfill. Yard waste produced by landscape maintenance contractors which is required to be hauled by same, is also considered excluded waste.

"Franchise Area" means the specifically described geographic areas exclusively assigned to a FRANCHISEE for the purpose of residential Solid Waste, Yard Trash, Bulk Waste Collection and Recyclable Materials Collection.

"FRANCHISEE" means the Waste Pro of Florida, Inc.

"Fuel Index" as used herein shall be the Lower Atlantic (PADD IC) No.2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Sales by All Sellers (Cents per Gallon), published by the US Department of Energy, Energy Information Administration. In the event the US. Department of Energy, Energy Information Administration ceases to publish the fuel prices, the parties hereby agree to substitute another equally authoritative measure of change in the purchasing power of the US. dollar as may be then available.

"Hazardous Waste" means Solid Waste or a combination of Solid Wastes, (even though it may be part of delivered load of waste), which, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible or incapacitating reversible illness or may pose a substantial present or potential hazard to human health or environment when improperly transported, disposed of, stored, treated, or otherwise
managed. Hazardous Waste shall include all such waste as defined by the Rules of the Florida Department of Environmental Protection Chapter 62-730 F.A.C., or 40 Code of Federal Regulations 261, or both, as either or both may be amended from time to time and to the extent either or both is applicable to the Disposal of waste in Florida. Hazardous Waste is not intended to include de minimus amounts of household hazardous wastes as defined by F.A.C. 62-701.100.

"Hotel or Motel" shall mean a structure or building units)-capable of being utilized for residential living where such unit or group of such units is regularly rented to transients or held out or advertised to the public as a place regularly rented to transients for periods of seven (7) days or less. "Transient" has the meaning as defined in Chapter 509, Florida Statues (1999), or its successor law.

"Household Furniture" means all movable compactable articles or apparatus, such as chairs, tables, sofas, mattresses, etc., for equipping a house.

"Infectious Waste" means those wastes that may cause disease or may reasonably be suspected of harboring pathogenic organisms. Included are wastes resulting from the operation of medical clinics, hospitals, and other facilities producing wastes which may consist of, but are not limited to, diseased human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, contaminated clothing, and surgical gloves.

"Multi-Family Dwelling Unit" shall mean Dwelling Units containing two (2) or more individual Dwelling Units under one common roof. For purposes of this contract, any multi-family unit or any apartment or townhouse development or complex currently utilizing dumpster services, as opposed to solid waste carts, shall not be governed by the terms of this agreement.

"Performance Bond" shall mean the form of security approved by the COUNTY and furnished by the FRANCHISEE, as a guarantee that the FRANCHISEE will execute the work in accordance with the terms of the Franchise and will pay all lawful claims.

"Recyclable Materials" means those materials which are capable of being recycled and which would otherwise be processed or disposed of as Solid Waste. Recyclable materials shall include newspapers (including inserts), corrugated cardboard, mixed paper (including brown paper bags, magazines,
phonebooks, junk mail, white and colored paper, shredded paper in a bag, and paperboard), aluminum cans, plastic containers and bottles marked with SPI codes 1-7, glass bottles and jars, tin and ferrous cans, polycoated cartons, and other Solid Waste materials added upon agreement between the COUNTY and the FRANCHISEE, when such materials have been either diverted from the remaining Solid Waste stream or removed prior to their entry into the remaining Solid Waste stream.

"Recycling Cart" means a wheeled container intended for automated collection of recyclable materials, which is a type approved by the COUNTY and has a capacity of at least 64-gallons with an attached, tight-fitting lid.

"Recycling Facility" means the facility located at the Santa Rosa County Central Landfill to which recyclable materials are delivered for processing, or other facility designated by the Santa Rosa County Board of County Commissioners.

"Residential Recyclable Materials Collection Service" means the Recyclable Materials Collection services provided to persons occupying Single-Family Dwelling Units, including Single-Family Dwelling Units located in mobile home parks who receive Collection services at Curbside, and Multi-Family Dwelling Units within the designated Franchise Area.

"Residential Unit" shall mean one single-family dwelling unit or a multi-family dwelling unit.

"Single-Family Dwelling Unit" shall mean Dwelling Units, including single-family residences, or any building or structure containing fewer than two (2) individual Dwelling Units under one common roof. Recreational vehicles not located in recreational vehicle parks and mobile homes shall be considered Single-Family Dwelling Units for the purposes of this Agreement.

"Solid Waste" means garbage, rubbish, refuse, trash, or other similar discarded material resulting from domestic, industrial, commercial, mining, agricultural, or governmental operations. It excludes Yard Trash, Bulk Waste, and Recyclable Materials.
"Solid Waste Cart" means a wheeled container intended for automated solid waste collection, which is a type approved by the COUNTY and has a capacity of either 64 gallons or 96 gallons with an attached, tight-fitting lid.

"White Goods" means discarded washers, dryers, refrigerators, ranges, microwave ovens, water heaters, freezers, small air conditioning units, and other similar domestic large appliances.

"Yard Trash" means vegetative matter resulting from landscaping maintenance, including accumulation of lawn, grass, shrubbery cuttings or clippings and dry leaf rakings, palm fronds, small tree branches (which shall not exceed six [6] feet in length, six [6] inches in diameter, and 50 pounds or less per bundle), bushes or shrubs, green leaf cuttings, fruits, or other matter usually created as refuse in the care of lawns and yards, except large branches, trees, or bulky or non-containerized material not susceptible to normal loading and Collection in loader packer type sanitation equipment used for regular Collections from domestic households. Yard Trash does not include treated wood or any form of matter or debris resulting from tree removal, land clearing, land development, building demolition, home improvement, or waste generated by tree surgeons. Additionally, Yard Trash does not include debris generated by landscapers or lawn maintenance services when removed from the origination site and placed on another property for pick-up by FRANCHISEE.

"Yard Trash Receptacle" means a rigid plastic container, plastic bag, Kraft paper bag, or other container type suitable for Collection of Yard Trash, which is provided by the customer and approved by the FRANCHISEE and the COUNTY. Such receptacle shall not weigh more than fifty (50) pounds including its contents.

**ARTICLE 2. EXCLUSIVE FRANCHISE**

**2.1 FRANCHISE AREA**

The Board does hereby grant FRANCHISEE the right, privilege, easement and exclusive franchise to provide collection service for Solid Waste, Yard Trash, Bulk Waste, E-Waste and Recyclable Materials to all Dwelling Units within the Franchise Area. Such right, privilege, easement and exclusive franchise shall not extend to the Collection of Biomedical Waste, Biological Waste, Construction and
Demolition Debris, Hazardous Waste, Infectious Waste, and Items for Special Pickup. The Franchise Area shall consist of the following areas within Santa Rosa County, Florida, known as Area “A”:

See Exhibit “A,” attached hereto.

2.2 EFFECTIVE DATE AND COMMENCEMENT DATE

This Agreement shall become effective when executed by both parties. The Service Commencement Date of service shall be July 1, 2011.

2.3 TERM

The term of this Agreement shall commence on July 1, 2011, and end on September 30, 2014. The term of this Agreement may be renewed for three (3) additional terms of three (3) years commencing at the end of the initial term by mutual agreement of both parties. In the event that the FRANCHISEE desires to renew the contract, the FRANCHISEE shall provide to COUNTY a written Notice of Intent to Renew no less than 180 days prior to contract expiration.

ARTICLE 3. COLLECTION SERVICES

3.1 CURBSIDE RESIDENTIAL SOLID WASTE COLLECTION SERVICE

3.1.1 Frequency of Collection: The FRANCHISEE shall collect all Solid Waste from Residential Units within the Franchise Area (exclusive of Navarre Beach) two (2) times per week, with collections at least three (3) days apart (i.e., Monday/Thursday, Tuesday/Friday, or Wednesday/Saturday). For Residential Units on Navarre Beach, one of the two collections shall occur on Saturday.

3.1.2 Point of Pickup of Solid Waste: The FRANCHISEE shall be required to pick up all Solid Waste generated from Dwelling Units which has been placed in a solid waste cart and placed Curbside or as such other single Collection point as may be agreed upon by the FRANCHISEE and the customer. For purposes of automated pickup, solid waste carts shall be placed within three (3) feet of the edge of pavement, back of curb, or edge of travel lane on dirt roads. In the event an appropriate location cannot be agreed upon, the Environmental Manager shall designate the location. The FRANCHISEE shall provide this service, without additional charge, at the rear or side of the residence for qualified handicapped persons. Application for such handicap services shall be made by the customer providing to the
FRANCHISEE, on a form approved by the COUNTY, proof of handicap status as required by Section 320.0848 (1)(b), Florida Statutes, and certifying that no able-bodied person over the age of eighteen (18) resides in the household.

The FRANCHISEE shall be required to pick up all Solid Waste generated from multi-family dwelling units placed in solid waste carts and placed at the curb or other such location as will provide ready accessibility to the FRANCHISEE's collection vehicle and crew.

3.1.3 Method of Collection: The FRANCHISEE shall provide Curbside Collection, except as noted above for multi-family dwelling units. The customer will place Solid Waste in the Solid Waste Cart and place it Curbside. No Solid Waste Cart, including the Solid Waste Cart and its contents, shall exceed 150 pounds. The FRANCHISEE will place the empty Solid Waste Cart Curbside.

3.2 CURBSIDE RESIDENTIAL YARD TRASH COLLECTION SERVICE

3.2.1 Frequency of Collection: The FRANCHISEE shall collect Yard Trash from Residential Units within the Franchise Area every other week.

3.2.2 Point of Pickup of Yard Trash: Collection of Yard Trash shall be at Curbside or other such locations as will provide ready accessibility to the FRANCHISEE'S collection crew and vehicle and agreed to by FRANCHISEE and customer. In the event an appropriate location cannot be agreed upon, the Environmental Manager shall designate the location.

3.2.3 Preparation of Yard Trash for Collection: The FRANCHISEE shall pick up Yard Trash generated from Residential Units which has been properly prepared and stored for Collection as follows:

(a) Residents are responsible for separating Yard Trash from all other Solid Wastes, Bulk Waste and Recyclable Materials. Grass clippings, leaves, pine needles, trimmings and other such materials must be in a Yard Trash Receptacle.

(b) Yard Trash shall be placed in Yard Trash Receptacles or bundles of less than fifty (50) pounds each. Items such as tree limbs, palm fronds, etc., shall be cut in lengths of no greater than six (6) feet, diameter less than six (6) inches, and be less than 50 pounds per bundle.

3.3 RESIDENTIAL RECYCLABLE MATERIALS COLLECTION SERVICE

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3.3.1 Frequency of Collection for Residential Units: The FRANCHISEE shall collect Recyclable Materials from Residential Units within the Franchise Area one (1) time per week.

3.3.2 Point of Pickup of Recyclable Material Residential Units: Collection of Recyclable Material shall be at Curbside or other such locations as will provide ready accessibility to the FRANCHISEE’s Collection crew and vehicle as agreed to by FRANCHISEE and customer. In the event an appropriate location cannot be agreed upon, the Environmental Manager shall designate the location. The FRANCHISEE shall provide this service, without additional charge, at the side of the residence and visible from the street for qualified handicapped persons. Application for such handicap services shall be made by the customer providing to the FRANCHISEE, on a form approved by the COUNTY, proof of handicap status as required by Section 320.0848 (1)(b), Florida Statutes and certifying that no able-bodied person over the age of eighteen (18) resides in the household.

3.3.3 Preparation of Recyclable Material for Collection: The FRANCHISEE shall pick up all Recyclable Materials generated from Residential Units which have been properly prepared and stored for Collection as follows:

(a) Residents are responsible for separating Recyclable Materials from all other Solid Wastes, Yard Trash and Bulk Wastes. Recyclable Materials to be collected by the FRANCHISEE include newspapers (including inserts), corrugated cardboard, mixed paper (including brown paper bags, magazines, phonebooks, junk mail, white and colored paper, shredded paper in a bag, and paperboard), aluminum cans, plastic containers and bottles marked with SPI codes 1-7, glass bottles and jars, tin and ferrous cans, and polycoated cartons. The COUNTY may add additional material types for Collection, with the approval of the FRANCHISEE.

(b) Recyclable Materials shall be placed in Recycling Carts.

3.3.4 Method of Collection: Recycling Carts shall be handled carefully by the FRANCHISEE, shall not be bent or otherwise abused, and shall be thoroughly emptied and then left at the proper point of Collection.
3.3.5 Public Awareness Program: The FRANCHISEE shall implement a promotional and public education program to inform and encourage residents to use the Recycling Collection Services.

3.3.6 For Residential Units on Navarre Beach, one of the two collections shall occur each Saturday between the hours of 7:00 a.m. and 10:00 a.m. subject to the provisions of Paragraph 3.6, below.

3.4 BULK WASTE RESIDENTIAL COLLECTION SERVICE

3.4.1 Frequency of Collection: The FRANCHISEE shall collect Bulk Waste from Residential Units upon the request of the customer. Such collection shall be limited to Bulk Waste generated at the said Residential Unit.

The FRANCHISEE shall collect Bulk Waste within three (3) days of receiving a request for such pickup. FRANCHISEE shall note all unreported Bulk Waste on all Collection routes and shall pick up such items within three days whether or not scheduled by the Customer, with the exception of individual items of household furniture or White Goods. Bulk Waste services is limited to two (2) cubic yards per pick up per Dwelling Unit.

3.4.2 Point of Pickup of Bulk Waste: Collection of Bulk Waste shall be at Curbside or other such locations as will provide ready accessibility to the FRANCHISEE’S Collection crew and vehicle. In the event an appropriate location cannot be agreed upon, the Environmental Manager shall designate the location.

3.4.3 Method of Collection: FRANCHISEE shall collect Bulk Waste in a manner that allows separation of White Goods, E-Waste, and other recyclables, as identified by the COUNTY.

3.5 ADDITION OF NEW CUSTOMERS

The FRANCHISEE shall provide Collection to new residential customers within seven (7) days of their subscription to FRANCHISEE’s services.

3.6 HOURS OF COLLECTION

All Collections exclusive of Navarre Beach shall begin no earlier than 7:00 a.m., and shall cease no later than 7:00 p.m., Monday through Saturday. For Navarre Beach, all collections shall begin no earlier than 7:00 a.m., and shall cease no later than 10:00 a.m. Traffic and other seasonal concerns may
impact the ability to cease collections by 10:00 a.m. In those instances, FRANCHISEE will make all efforts to complete each route as early as possible and will document such instances and provide documentation to COUNTY. In the case of an emergency, Collection may be permitted at times not allowed by this paragraph, provided the FRANCHISEE has received prior approval from the Environmental Manager in a written memorandum confirming the approval. Should the FRANCHISEE not confirm and obtain in writing the approval to operate on an emergency basis, it shall be conclusively presumed that the FRANCHISEE had not obtained such approval. No Collection shall occur on Sundays or holidays, as defined herein, except in a time of emergency.

3.7 HOLIDAYS

The FRANCHISEE will not provide service on the following holidays: New Years Day, Thanksgiving, Christmas Eve, and Christmas Day. If the regular Collection Day for any Solid Waste or Yard Trash route(s) falls on any of the aforementioned holidays, the FRANCHISEE shall collect such Solid Waste and Yard Trash on the next regularly scheduled Collection Day for that route. If the regular Collection Day for any Recyclable Materials route(s) falls on any of the aforementioned holidays, the FRANCHISEE shall collect such recyclable Materials on or before the Saturday immediately following the holiday. The FRANCHISEE shall notify all affected customers of the holiday schedule at least two (2) weeks prior to the holiday.

3.8 NON-COLLECTION NOTICE

3.8.1 The FRANCHISEE is not required to collect Solid Waste, Yard Trash, Bulk Waste or Recyclable Materials that have not been placed out for Collection in accordance with the provisions of this Agreement and any amendments thereto. If not collected, FRANCHISEE shall immediately place a notice on the receptacle, bin or waste explaining why the material was not collected.

3.8.2 The design and content of the non-collection notice used by the FRANCHISEE shall be subject to the approval of the Environmental Manager. At a minimum, the notice shall provide the following information regarding the non-collection event: date, reason for non-collection, information
that will allow the customer to correct the problem for future Collections, and a local customer service telephone number for questions.

3.9 MIXING OF LOADS

3.9.1 The FRANCHISEE shall collect Solid Waste, Yard Trash, and Recyclable Materials separate from each unless allowed by written approval of the Environmental Manager, except that White Goods and E-waste may be co-mingled with each other. White Goods and E-waste may not be combined with any other material.

3.9.2 Any waste, of any type, collected pursuant to this agreement shall be disposed of in COUNTY's Designated Disposal Facility. In the event that FRANCHISEE co-mingles any said waste with waste which is not collected pursuant to this agreement (i.e. from commercial sources or from outside FRANCHISEE's exclusive area, etc.) then the entire co-mingled load shall be disposed of pursuant to this agreement in COUNTY's Designated Disposal Facility.

3.10 SOLID WASTE CARTS AND RECYCLING CARTS

3.10.1 Provision of Solid Waste Carts and Recycling Carts: The FRANCHISEE, at its own expense, is responsible for providing each Single-Family Dwelling Unit with one (1) Solid Waste Cart and one (1) Recycling Cart.

3.10.2 Maintenance and Replacement of Carts: The FRANCHISEE is responsible for maintenance and repair of Solid Waste Carts and Recycling Carts. The FRANCHISEE, at its own expense, shall repair or replace damaged, destroyed or stolen Solid Waste Carts and Recycling Carts within three (3) working days of when notified by the COUNTY or customer. FRANCHISEE shall have the right to charge customers for the repair or replacement Solid Waste Carts and Recycling Carts if the repair or replacement is necessary for reasons other than normal wear and tear.

3.10.3 Additional Carts: FRANCHISEE shall provide additional Solid Waste Carts or Recycling Carts to customers upon request for an additional fee as listed on Exhibit “B.”
3.10.4 Bear Resistant Carts: FRANCHISEE shall provide one bear-resistant cart in lieu of a solid waste recycling cart upon the request of the customer. Such cart shall be provided for an additional fee as listed on Exhibit “B.” Additional bear-resistant carts may be obtained for the same additional fee.

3.10.5 Inventory of Carts: The FRANCHISEE shall maintain an adequate supply of Solid Waste Carts and Recycling Carts and parts to repair or replace such Carts in accordance with this Agreement.

3.10.6 Design and Labeling: All hot-stamp, label text and designs for Solid Waste Carts and Recycling Carts must be approved by the Environmental Manager prior to ordering and use.

3.10.7 Ownership: FRANCHISEE shall retain ownership of Solid Waste Carts and Recycling Carts provided by the FRANCHISEE.

3.11 VACANT LOTS

The FRANCHISEE shall not be responsible for the Collection of Solid Waste, Yard Trash, Recyclable Materials or Bulk Waste on vacant lots.

ARTICLE 4. TITLE TO WASTE AND RECYCLABLE MATERIALS

The COUNTY shall have title to all Solid Waste, Yard Trash, Bulk Waste, White Goods, E-Waste, and Recyclable Materials upon collection.

ARTICLE 5. UTILIZATION OF DESIGNATED FACILITIES

All Solid Waste, Yard Trash, Bulk Waste, White Goods, E-Waste and Recyclable Materials collected by FRANCHISEE pursuant to this Agreement must be delivered to a Designated Facility. Unless otherwise directed by the Environmental Manager, the Designated Facility for all Solid Waste, Yard Trash, Bulk Waste, White Goods, and Recyclable Materials is the Santa Rosa County Central Landfill. Bulk Waste, when and if collected separately, shall be disposed of in the Class 3 drop-off area, except for white goods and electronics which shall be placed in a specified area. FRANCHISEE’s driver shall notify the attendants at the Santa Rosa County Central Landfill if the load includes treated wood. Likewise, Yard Trash shall be disposed of at a specified drop-off area at the Santa Rosa County Central Landfill. FRANCHISEE shall pay all fees associated with disposal at the Designated Facility.
ARTICLE 6. FRANCHISEE'S BUSINESS OFFICE

FRANCHISEE shall maintain a customer service office in Santa Rosa COUNTY with a local or toll-free number to handle customer complaints and where bills may be paid. It shall be equipped with sufficient telephones, listed in the name in which it conducts business as FRANCHISEE, and shall have responsible persons in charge during collection hours. At a minimum the office shall be open during normal business hours of Monday through Friday, 8:00 a.m. to 5:00 p.m. local time except as otherwise provided in this Agreement. It shall also have an emergency telephone number available to the COUNTY.

ARTICLE 7. COLLECTION ROUTES AND SCHEDULES

For residential Collection, the FRANCHISEE shall provide the Environmental Manager, in a format acceptable to the Environmental Manager, the schedules for all Collection routes and keep such information current at all times. In the event of a permanent change in routes or schedules that will alter the day of pick-up, the FRANCHISEE shall notify the COUNTY in writing at least thirty (30) days prior to such change. The FRANCHISEE shall notify all affected customers in writing or other manner approved by the Environmental Manager not less than two (2) weeks prior to the change.

ARTICLE 8. COLLECTION EQUIPMENT

8.1 GENERAL PROVISIONS

8.1.1 The FRANCHISEE shall have on hand at all times and in good working order such equipment as shall permit the FRANCHISEE to adequately and efficiently perform its contractual duties. Equipment shall be obtained from nationally known and recognized manufacturers of Solid Waste Collection and Disposal equipment.

8.1.2 Upon execution of this Agreement, and semi-annually thereafter, the FRANCHISEE shall provide in a format specified by the Environmental Manager, a list of Collection vehicles used by the FRANCHISEE to provide services relating to this Agreement.

8.1.3 Equipment shall be of the enclosed loader packer type and all equipment shall be kept in good repair, appearance and in a sanitary and clean condition at all times. All truck bodies shall be
watertight to a depth sufficient to prevent discharge of accumulated water during loading and transport operations, with solid metal sides, and covered metal top.

8.1.4 The FRANCHISEE shall have available reserve equipment, which can be put into service within two (2) hours of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the FRANCHISEE to perform the contractual duties.

8.1.5 All vehicles used to provide Collection under this Agreement shall be equipped with safety equipment including a fire extinguisher, a shovel and broom, a spill kit, and an audible backup warning device as required by the Department of Transportation.

8.1.6 All vehicles used for Collection of White Goods under this Agreement shall be equipped with appropriate ancillary equipment so as to avoid breakage of such equipment of Freon lines during Collection.

8.2 IDENTIFICATION

FRANCHISEE must put on each side of its trucks the following: (a) the name of FRANCHISEE, (b) its local customer service telephone number, and (c) the number of the vehicle. The letters and numbers shall be not less than three (3) inches in height. FRANCHISEE shall also put the truck number on the front passenger-side bumper in numbers not less than four (4) inches in height.

8.3 RIGHT TO INSPECT

FRANCHISEE shall permit COUNTY staff to inspect the vehicles, equipment, licenses and registrations at any reasonable time. The COUNTY reserves the right to inspect each vehicle, every day, and prior to its use in the COUNTY, provided such inspections do not inhibit, interfere or delay the FRANCHISEE’s ability to perform services under this agreement.
ARTICLE 9. EMPLOYEES AND SUPERVISORS

9.1 SUPERVISORS

The FRANCHISEE shall assign a qualified person or persons to be in charge of the operations within the Franchise Area that shall be responsible to the Environmental Manager and shall be accessible at reasonable times of call. The FRANCHISEE shall give the names and day and night telephone numbers of these persons to the COUNTY. The FRANCHISEE shall notify the COUNTY within twenty-four (24) hours of any supervisory staff changes. Supervisory personnel must be present to direct operations in a satisfactory manner. Said supervisor(s) must be available for consultation with the Environmental Manager within a reasonable, practicable time after notification of a request for such consultation. The supervisor(s) shall operate a vehicle, which is radio equipped.

9.2 CONDUCT OF EMPLOYEES

9.2.1 The FRANCHISEE shall see to it that its employees serve the public in a courteous, helpful and impartial manner. Collection shall be made with as little noise and disturbance as possible.

9.2.2 Any materials spilled by the FRANCHISEE or its employees shall be picked up immediately by the FRANCHISEE.

9.2.3 FRANCHISEE's Collection employees will be required to follow the regular walk for pedestrians while on private property. No trespassing by employees will be permitted, nor crossing property of neighboring premises unless residents or owners of both such properties shall have given permission.

9.2.4 Care shall be taken to prevent damage to property including cans, carts, racks, trees, shrubs, flowers and other plants. Any property of others damaged by the FRANCHISEE or its employees shall be repaired or replaced promptly by the FRANCHISEE at its sole expense and within a reasonable period of time as approved by the Environmental Manager.

9.2.5 Each vehicle operator shall at all times carry a valid driver's license for the type of vehicle that is being driven.
9.2.6 The FRANCHISEE shall provide operating and safety training for all personnel.

9.2.7 The FRANCHISEE's collection employees shall wear a uniform or shirt bearing the company's name.

ARTICLE 10. COMPLAINTS

FRANCHISEE shall take whatever steps may be necessary to remedy the cause of all customer complaints received by the FRANCHISEE, from the COUNTY or the customer, within twenty-four (24) hours of receipt of each complaint. The FRANCHISEE shall maintain a customer complaint log as required in Article 11 herein.

ARTICLE 11. RECORD KEEPING AND REPORTING

11.1 RECORD KEEPING

11.1.1 The FRANCHISEE shall maintain a record of all customer names, addresses, account statuses and payment history, and a record of all complaints, requests, issues or concerns through an internet-based real time tracking system, in a format approved by the Environmental Manager. The COUNTY shall have 24 hour access to this data listing the name and address of the person, the nature of the communication, the time recorded and the time of resolution. All complaints, requests, issues, or concerns whether received via telephone, fax or electronic transmission shall be logged.

The FRANCHISEE records required herein shall be maintained in electronic database format utilizing Microsoft software, or in a format approved by the Environmental Manager. The database shall be readily available for inspection by the COUNTY at any time during normal operating hours and information in the records shall be shared with the COUNTY upon request.

11.1.2 Customer Complaint Log: FRANCHISEE shall maintain a log of all calls received from customers directly or through the COUNTY. The log shall include the date when the call was received by the FRANCHISEE, customer name and address, purpose for the call, the time and date the call was received, the time and date the complaint was resolved, and a description of how each complaint was
resolved. The log should specifically identify missed Collections and legitimate complaints. The COUNTY shall have 24-hour access to this data.

11.2 REPORTING

The FRANCHISEE shall submit the Customer Complaint Log monthly in electronic format to the Environmental Manager within seven (7) Days after the end of the month.

11.3 OTHER REPORTS, DOCUMENTS AND NOTIFICATIONS

11.3.1 Collection Routes and Schedule Changes: FRANCHISEE shall electronically submit a description and color-coded map, in a format acceptable to the Environmental Manager, of all routes on or before June 1, 2011. FRANCHISEE shall also electronically submit a description and revised color-coded map of all route and schedule changes, including service levels, at least thirty (30) days prior to implementation of such changes or in accordance with an alternate notification deadline approved by the Environmental Manager.

11.3.2 Collection Schedule Delays: FRANCHISEE shall notify the Environmental Manager of any delays greater than 24 hours in the daily Collection schedule (e.g. disabled trucks, accidents or shortage of staff causing route delays) within two (2) hours of occurrence.

11.3.3 Updated Vehicle and Equipment List: FRANCHISEE shall report any changes in the fleet of vehicles and equipment in writing to the Environmental Manager in the monthly report following such change.

11.3.4 Set Out Report: FRANCHISEE shall annually perform a set out count of customer participation in the residential recycling program. The set out count shall be conducted on all residential recycling routes for at least a two (2) week period according to a methodology developed by the FRANCHISEE and mutually agreed upon by the FRANCHISEE and the Environmental Manager. These counts shall be performed under the direction and to the satisfaction of the Environmental Manager. The FRANCHISEE shall provide the results of the set out to the Environmental Manager.

11.3.5 Accidents and Property Damage: FRANCHISEE shall notify the Environmental Manager of any accidents involving damage to public or private property by the FRANCHISEE's staff or vehicles
while performing duties under this agreement within twenty-four (24) hours of occurrence or within twenty-four (24) hours of FRANCHISEE's becoming aware of the damage, whichever occurs first.

11.4 GENERAL RECORD KEEPING AND REPORTING REQUIREMENTS

11.4.1 FRANCHISEE shall cooperate with the Environmental Manager in providing every reasonable opportunity for ascertaining whether or not the duties and responsibilities of the FRANCHISEE are being performed.

11.4.2 Trade secret information, as defined by Florida Statutes, provided by the FRANCHISEE pursuant to this Agreement shall not be made public record and shall not be disclosed by the COUNTY without FRANCHISEE's approval.

ARTICLE 12. FEES, BILLING, RATES AND PAYMENT

12.1.1 The FRANCHISEE is solely responsible for all billing and collections in association with this Agreement. Billing to subscribing residents for collection services shall be quarterly in advance. There shall be a minimum initial non-refundable subscription period of three (3) months; thereafter there shall be no minimum service period. Subscribers may suspend service and billing at any time after the initial subscription period, and shall be entitled to a prorated refund for the remaining paid service. Subscribers may suspend service and billing at any time. However, FRANCHISEE may charge a fee for reinstating a customer's service more than two (2) times within a calendar year; otherwise, there will be no charge for suspending or reinstating service. Additional or bear resistant rollout carts may be requested at any time and are not subject to a delivery fee. Any account outstanding after 30 days shall be deemed delinquent and subject to a $3.00 rebilling fee. Accounts outstanding after 45 days will be subject to an interruption of service and/or cancellation, at the discretion of the FRANCHISEE. Prior to reinstatement of service, delinquent accounts must be current. There will be no fee or penalty to reinstate service to delinquent accounts however, FRANCHISEE may require a refundable deposit equal to one (1) quarterly charge as well as pay for the quarterly service at the time of reinstatement. FRANCHISEE has the right to refuse service to any account where service has been interrupted two or more times within a calendar year for non-payment.
12.1.2 FRANCHISEE's fees are listed in Exhibit "B," attached hereto. These fees shall remain constant from July 1, 2011 through September 30, 2012, and may be adjusted by FRANCHISEE during the term of this Agreement pursuant to Paragraph 12.2.

12.1.3 The FRANCHISEE shall not bill customers for any additional charges above and beyond what is stated in this Agreement without prior approval from the Environmental Manager.

12.2 On October 1, 2012, and October 1 of each subsequent year of this Agreement, the fees listed in Exhibit “B” may be adjusted by the FRANCHISEE according to the following methodology and Exhibit “C”: Eighty Five percent (85%) of the fees shall be adjusted based on the percentage change in the CPI for the twelve (12) months ending on the preceding June 30th and fifteen percent (15%) of the fees shall be adjusted based on the percent change in the U.S. Department of Energy Fuel Index for the previous twelve (12) months ending on the preceding June 30th. The fee adjustment each year may not exceed four percent (4%) of the prior year’s quarterly collection rate.

12.3 The FRANCHISEE may petition the COUNTY to adjust fees based on change in law or regulation (Change in Law) or for other extraordinary circumstance. Any such request shall be supported by full documentation establishing the reasons therefore. The COUNTY shall be entitled to audit the FRANCHISEE'S financial and operational records directly related to the FRANCHISEE'S request in order to verify the increase in costs and the reasons therefore.

12.4 In addition to the above, FRANCHISEE may pass through to the customer changes in the disposal fees at COUNTY’s Designated Disposal Facility. The rate adjustment to the customer will be limited to FRANCHISEE'S increased costs and will be effective on the date of the change in the disposal fees.

ARTICLE 13. FRANCHISE FEE

The FRANCHISEE shall pay the COUNTY a Franchise Fee in the amount of nineteen thousand dollars ($19,000) annually. The said Franchise Fee shall be due and payable on July 1, 2011, and on the first day of July for each year thereafter for so long as this agreement remains in effect.
ARTICLE 14. PERFORMANCE BOND

The FRANCHISEE will provide the COUNTY an annually renewable performance bond in the amount of three hundred thousand dollars ($300,000) as a guarantee to the COUNTY of faithful performance under the terms of this Franchise. This performance bond shall be written by a company with a Class 9, A or higher financial rating as shown in Bests Key Rating Guide. Notwithstanding anything contained in the Franchise to the contrary, the liability of the principal and the surety under this bond is limited to the contract term of the Franchise. This performance bond shall cover any costs associated with securing a replacement hauler in the event of FRANCHISEE’s default. Any extensions or renewals of this bond must be in writing by the principal and the surety, failure to extend or renew a bond by the principal and the surety shall constitute a default under this bond.

ARTICLE 15. INSURANCE

15.1.1 FRANCHISEE shall not commence work under this Agreement until the COUNTY’s Risk Manager provides written approval of the types and limits of insurance specified in this Agreement. All insurance shall continuously remain in-force during term of Agreement.

15.1.2 The term COUNTY, as used in this section of the Agreement, is defined to mean Santa Rosa County Florida itself, Santa Rosa County Florida Board of County Commissioners, as well as any other of Santa Rosa County Florida’s elected constitutional officers, all Santa Rosa County Florida appointed and elected officials of any type, its employees, volunteers, representatives and agents.

15.1.3 Insurance shall be issued by an insurer whose business’ standard, public reputation, financial stability and claims payment-history are all satisfactory to COUNTY, for COUNTY’s sole benefit only. COUNTY does not represent these types or amounts of insurance to be sufficient or adequate to protect FRANCHISEE’s interests or liabilities, but are merely minimums. All of FRANCHISEE’s insurance coverages shall contain both a “Primary and Non-Contributory Clause” and a “Severability of Interest Clause” where applicable, at COUNTY’s sole opinion. To the extent permitted by the laws of the State of Florida, FRANCHISEE waives any rights of subrogation and recovery from or against the
COUNTY. FRANCHISEE deductibles/self-insured retentions shall initially be disclosed to, and may be
disapproved by, the COUNTY. At the option of COUNTY, FRANCHISEE shall reduce or eliminate such
deductibles/self-insured retentions. FRANCHISEE shall be responsible for the amount of any incurred
deductibles/self-insured retentions. The insurer(s) providing such required insurance coverages pursuant to
this Agreement shall be qualified to do business in State of Florida. Unless it is otherwise agreed, the
amounts, forms and types of insurance shall conform to the below specified minimum requirements.

15.1.4 In the event of failure of the FRANCHISEE to maintain any of the insurance coverages
required in this Agreement, or fail to furnish Certificates of Insurance as required in this Agreement, the
COUNTY shall have the right (but not the obligation) to purchase and maintain any of the required
insurance coverages. Upon presentation of a receipt documenting payment by the COUNTY, all costs for
such coverage purchased by the COUNTY will be immediately re-paid by FRANCHISEE to the COUNTY.

15.2 WORKER'S COMPENSATION

15.2.1 FRANCHISEE shall purchase and shall maintain Worker's Compensation Insurance
coverage for all of the State of Florida's Workers' Compensation obligations, whether FRANCHISEE is
legally required to do so, either individually or corporately. Additionally, the policy or separately obtained
policy, must include Employers Liability coverage of at least $1,000,000 each person-accident, $1,000,000
each person-disease and $1,000,000 aggregate-disease.

15.2.2 Such insurance shall comply with the Florida Workers' Compensation Law.

15.3 COMMERCIAL GENERAL, AUTOMOBILE AND EXCESS LIABILITY
COVERAGES

15.3.1 FRANCHISEE shall purchase coverage on forms no more restrictive than latest editions of
Commercial General Liability, and Business Automobile Liability, policies filed by the Insurance Services
Office. The COUNTY shall not be considered liable for any premium payment, entitled to any premium
return or dividend and shall not be considered a member of any trust, mutual or reciprocal company.
Minimum limits of $3,000,000 per occurrence, and per accident, combined single limit of liability must be provided, with Excess Liability insurance coverage making up any difference between policy limits of the underlying policy's coverages, versus the total amount of coverage required.

15.3.2 Commercial General Liability coverage must be provided, including: bodily injury and property damage liability for premises, operations, products and completed operations, and independent contractors. Broad Form Commercial General Liability coverage, or its equivalent, shall provide at least broad form contractual liability applicable to this Agreement, personal injury liability and broad form property damage liability. Coverage shall be written on occurrence-type basis with COUNTY listed as an Additional Insured by an endorsement to such insurance policy.

15.3.3 Business Auto Liability Policy coverage must be provided, including bodily injury and property damage liability arising out of operation, maintenance and/or use of owned, non-owned, hired automobiles and employee non-ownership use, with COUNTY listed as an Additional Insured by an endorsement to such insurance policy.

15.3.4 Excess Liability Insurance coverage shall not be more restrictive than the underlying insurance policies' coverages. Excess Liability insurance coverage shall "drop-down" to provide coverage, if and when the underlying liability limits might be exhausted. This coverage shall be written on an occurrence-type basis.

15.4 CERTIFICATES OF INSURANCE

15.4.1 Required insurance coverages shall be documented by use of Certificates of Insurance, providing that COUNTY shall be notified at least 30-days in advance of any cancellation, non-renewal, adverse change or restriction in coverage. For Commercial General Liability and any Excess Liability coverages FRANCHISEE shall, at the option of COUNTY, have FRANCHISEE's insurer(s) to provide an indication of the amount of claims payments or reserves chargeable to the aggregate amount of such liability coverages. Further, if a reduction or impairment of any of the aggregate limits of any insurance policy(s)
occur, or is anticipated to occur, the FRANCHISEE shall take immediate action to have the reduced or impaired aggregate limit(s) reinstated to the full extent required under this Agreement, or the FRANCHISEE shall be required to immediately purchase additional insurance that will restore, and make available, the required limits of liability. FRANCHISEE shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to COUNTY and shall file with COUNTY the required Certificate(s) of Insurance under the new policies, prior to the effective date of such cancellation, adverse change, non-renewal or restriction.

15.4.2 COUNTY shall be listed as Additional Insured by endorsement on both the Commercial General Liability (and any applicable Excess Liability) insurance coverage policy(s). Also, this Agreement shall be specifically listed on all Certificates. Any deductibles/self-insured retentions in excess of $10,000 shall be listed on any applicable Certificate. If required by COUNTY, the FRANCHISEE shall have it's insurance agent or its insurance company furnish to COUNTY, one complete, signed and dated duplicate-copy of the FRANCHISEE's current and previous insurance policy(s), forms, endorsements, jackets and any other items forming a part of or relating to such policies. Certificates shall be issued on the Certificate of Insurance forms that shall be equal to an ACORD 25 (as determined solely by COUNTY).

15.4.3 Any wording in a Certificate which would make the notification of any cancellation, adverse change, non-renewal or restriction in coverage to the COUNTY, an option of the insurer, shall be deleted or crossed out by the insurer or by the insurer's employee. The FRANCHISEE shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to COUNTY and shall file with COUNTY, Certificates of Insurance representing the new policies prior to effective date of such cancellation, non-renewal, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to COUNTY, the FRANCHISEE shall, upon instructions of COUNTY, cease all operations under this Agreement until directed in writing by COUNTY to resume operations.

15.4.4 Neither satisfying the purpose of the required insurance, nor the furnishing of such Certificates of Insurance, shall constitute either a partial or a total satisfaction of FRANCHISEE's
indemnification of COUNTY, as is required in the HOLD HARMLESS and the PAY ON BEHALF OF clauses which are set forth below.

15.4.5 The "Certificate Holder" address should read: Santa Rosa COUNTY Florida Board of Commissioners, Attention: Risk Management Department, 6495 Caroline Street, Suite “I”, Milton Florida 32570-4592, with copy to all such persons or entities listed in the Notice Section of this Agreement.

15.5 INSURANCE OF THE FRANCHISEE PRIMARY

The insurance coverage required of the FRANCHISEE shall be considered primary, and all other insurance shall be considered as excess, over and above the FRANCHISEE's coverage. The FRANCHISEE's policies of coverage shall be considered primary as relates to all provisions of this Agreement. If any required insurance coverage is written with deductibles/self-insured retentions, the FRANCHISEE shall be solely, financially responsible for payments and satisfactions of such deductibles/self-insured retentions.

15.6 LOSS CONTROL AND SAFETY

The FRANCHISEE shall retain control over its employees, agents, servants and subcontractors, as well as control over its invitees in conjunction with FRANCHISEE's activities arising out of, or incurring in connection with this Agreement, as well as the manner in which any activities shall be undertaken. To that end, FRANCHISEE shall not be deemed to be an agent of the COUNTY. Precautions shall be exercised at all times by the FRANCHISEE for the protection of all persons, including its employees, and property. The FRANCHISEE shall make special efforts to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected.

15.7 HOLD HARMLESS

The FRANCHISEE shall hold harmless the COUNTY, its appointed officials, employees, volunteers, representatives and agents from any and all claims, suits, actions, damages, liability and expenses in connection with loss of life, bodily injury, personal injury, or property damage, including loss
or use thereof, directly or indirectly caused by, resulting from, arising out of or occurring in connection with, the performance of this Agreement, whether arising solely out of the negligence of the FRANCHISEE or not. The FRANCHISEE's obligation shall not be limited by, or in any way to, any insurance coverage or by any provision in or exclusion or omission from any insurance coverage. This obligation shall survive any termination, early or otherwise, or expiration or non-renewal of this Agreement.

15.8 PAY ON BEHALF OF COUNTY

FRANCHISEE agrees to pay on behalf of COUNTY, as well as provide a legal defense for COUNTY (both of which will be done only if and when requested by COUNTY) for all claims as described in the Hold Harmless paragraph. Such payment on behalf of the COUNTY shall be in addition to any and all other legal remedies available to the COUNTY and shall not be considered as being the COUNTY's exclusive remedy. This obligation shall survive any termination, early or otherwise, or expiration or non-renewal of this Agreement.

15.9 GENERAL TERMS

15.9.1 Any type of insurance or increase of limits of liability not described above which the FRANCHISEE requires for its own protection or on account of statute shall be its own responsibility and at its own expense.

15.9.2 The carrying of the insurance described shall in no way be interpreted as relieving the FRANCHISEE of any responsibility under this contract.

15.9.3 Should the FRANCHISEE engage a Subcontractor or Sub-subcontractor, the same conditions will apply under this Agreement to each subcontractor and sub-subcontractor.

15.9.4 The FRANCHISEE hereby waives all rights of subrogation against Santa Rosa County and its consultants and other indemnities of the FRANCHISEE under all the foregoing policies of insurance.

ARTICLE 16. ACCESS TO RECORDS

The COUNTY may audit the FRANCHISEE at any time and shall always have access to
FRANCHISEE's billing records and customer lists which pertain to this franchise. The COUNTY reserves the right to request an annual audit of the FRANCHISEE's billing records and customer list prepared at the FRANCHISEE's cost.

**ARTICLE 17. LATE CHARGES AND TERMINATION OF COLLECTION SERVICE**

In the event payment is not made by any customer invoiced by FRANCHISEE for services rendered by the 10th day following each billing quarter, the FRANCHISEE shall be allowed to assess a one dollar and fifty-cent ($1.50) late charge. If payment is not made by the 20th day following each billing quarter, the FRANCHISEE may discontinue Collection service until such time as all payments are made and arrearages brought up to date. FRANCHISEE shall supply COUNTY with its cut-off list each quarter.

**ARTICLE 18. HAZARDOUS WASTE AND BIOMEDICAL WASTE AND BIOLOGICAL WASTE**

The FRANCHISEE shall not be required to collect and dispose of Infectious Waste, Hazardous Waste, Biomedical Waste or Biological Waste, but may offer such service in the service area. All such Collection and Disposal for those types of waste in this Article, when done by the FRANCHISEE, shall be in strict compliance with all Federal, State and Local laws and regulations.

The FRANCHISEE shall refuse to collect Solid Waste from a customer if the FRANCHISEE believes that such Solid Waste contains Infectious Waste, Hazardous Waste, Biomedical Waste or Biological Waste for Collection.

**ARTICLE 19. MODIFICATIONS**

19.1 MODIFICATIONS TO LEVEL OF SERVICE

The COUNTY, at its sole discretion, may modify the level of Collection provided under the Agreement if it is determined to be in the best interest of the COUNTY or to comply with changes in laws and regulations. The COUNTY and the FRANCHISEE agree to negotiate in good faith any impacts of such modifications and a reasonable timeframe for implementation, and shall reduce same to writing and shall execute same as amendments to this Agreement.
19.2 MODIFICATIONS TO SCOPE OF SERVICE

19.2.1 The COUNTY and FRANCHISEE agree to negotiate an amendment to this agreement should the COUNTY determine, at its sole discretion, that the scope of the Agreement should include Collection not originally included in the Scope of Services of this Agreement. The COUNTY and FRANCHISEE agree to negotiate any impact of such modification of the Scope of Services in good faith, and shall reduce same to writing and shall execute same as amendments to the franchise.

19.2.2 The COUNTY reserves the right to negotiate with the FRANCHISEE to amend this Agreement as may be necessary to achieve the State's seventy-five percent (75%) recycling goal.

19.2.3 During the term of this Agreement, the COUNTY may wish to conduct pilot studies. The FRANCHISEE shall cooperate with the COUNTY in conducting such pilot studies. If such pilot studies have cost implications, the FRANCHISEE shall enter into good faith negotiations with the COUNTY for additional services provided by the FRANCHISEE to carry out pilot studies and compensation for same.

ARTICLE 20. COOPERATION/COORDINATION

The COUNTY and its Environmental Managers shall be permitted free access during normal business hours at every facility for the inspection of all work, equipment and facilities of the FRANCHISEE. The FRANCHISEE shall cooperate with the Environmental Manager of the COUNTY in every reasonable way in order to facilitate the progress of the work contemplated under this Agreement. The FRANCHISEE shall have at all times a competent and reliable English speaking representative on duty authorized to receive orders and act for FRANCHISEE.

ARTICLE 21. STORMS AND HURRICANES

In case of a storm or hurricane, the Environmental Manager may grant the FRANCHISEE reasonable variance from regular schedules and routes. As soon as practicable after such storm, the FRANCHISEE shall advise the Environmental Manager and the customer of the estimated time required before regular schedules and routes can be resumed. In the event the COUNTY desires that FRANCHISEE aid the COUNTY's storm cleanup contractor, FRANCHISEE's cleanup activities shall be by way of a written contract specific to that event. Rates, costs and specific cleanup activities shall be set
forth. In the event of such storm or hurricane emergency, the COUNTY reserves the right to assign route or pick-up priorities as deemed necessary by the Environmental Manager.

ARTICLE 22. LIQUIDATED DAMAGES

22.1 Any customer complaint will be resolved to the COUNTY's satisfaction within twenty-four (24) hours from the time the FRANCHISEE is notified or it will become a legitimate complaint. If not resolved within twenty-four (24) hours, the COUNTY may impose a $50 per incident per day liquidated damages assessment. Examples of such occurrences include but are not limited to:

(a) Failure or neglect to provide Collection to any Dwelling Unit in the service area;
(b) Failure to clean-up spillage caused by the FRANCHISEE. In addition to the liquidated damage cost, the COUNTY may charge the cost of cleanup of such locations;
(c) Failure to maintain and/or submit to the COUNTY all documents and reports required under the provisions of the Agreement;
(d) Failure to clean up leaking vehicle fluids from the FRANCHISEE's vehicles on roads or sides of roads; and
(e) Failure to maintain equipment in a clean condition.
(f) Failure to collect and transport all Solid Waste, Bulk Waste, Recyclable Material, Yard Waste, White Goods, and Electronic Waste collected and transported to Santa Rosa's Central Landfill for disposal: $10,000.00 per event, plus twice the tipping fee per ton of waste diverted, due within 14 business days of notification; Each additional day: $100.00 + 10% of Outstanding Fee.

22.2 Complaint-related telephone calls received by the COUNTY in excess of twenty-five (25) per week shall result, at the COUNTY's discretion, in a $50 per incident liquidated damages assessment. These liquidated damages assessments will be in addition to any assessments assessed per Paragraph 22.1 of this Agreement. However, complaints resolved within 24-hours of the call shall not count towards the total number of twenty-five.

22.3 In the event the FRANCHISEE wishes to contest such assessment(s), the FRANCHISEE shall, within five (5) calendar days after receiving such notice, request in writing an opportunity to be
heard by the COUNTY Administrator. In the event the FRANCHISEE wishes to contest the COUNTY Administrator's decision, the FRANCHISEE shall, within five (5) calendar days after receiving such notice, request in writing an opportunity to be heard by the Board and present its defense to such assessment(s). The COUNTY's Environmental Manager shall notify the FRANCHISEE in writing of any action taken with respect to FRANCHISEE's claims and the decision of the Board will be final.

**ARTICLE 23. DEFAULT AND DISPUTE OF THE AGREEMENT**

The COUNTY may terminate this Agreement, except as otherwise provided below in this paragraph, by giving FRANCHISEE fifteen (15) days advance written notice, upon the happening of anyone of the following events:

(a) If more than $7,500 in liquidated damages have been assessed within the same calendar year;

or,

(b) The FRANCHISEE takes the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking readjustment of its indebtedness under the Federal United States, or any state thereof, or consent to the appointment or a receiver trustee, or liquidator of all or substantially all of its property; or,

(c) By order or decree of a court, the FRANCHISEE shall be adjudged bankrupt, or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the FRANCHISEE seeking its reorganization or the readjustment of its indebtedness under federal bankruptcy laws or under any law of statute of the United States or of any state thereof; provided that, if any such judgment is stayed or vacated within sixty (60) days after the entry thereof, any notice of cancellation shall be and become null, void, and of no effect; or,

(d) By or pursuant to or under authority of any legislative act, resolution, or rule, or any order or decree of any court or government board, agency, or office having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property
of the FRANCHISEE and such possession of control shall continue in effect for a period of sixty (60) days; or, (e) The FRANCHISEE shall voluntarily abandon, desert, or discontinue its operation hereunder granted.

Then such shall be considered a material breach of this Agreement and the Authorized Representative shall notify the FRANCHISEE in writing of the breach. If within a period of fifteen (15) days the FRANCHISEE has not eliminated the conditions considered to be a breach of contract or having so commenced shall fail thereafter to continue with diligence the curing thereof, the Environmental Manager shall notify the Board. After these fifteen (15) days the COUNTY can cause the FRANCHISEE to be obligated to pay the COUNTY the amount specified in the bond and has the authority to terminate this Agreement.

ARTICLE 24. FORCE MAJEURE

24.1 INABILITY TO PERFORM

Except for any payment obligation by either party, if the COUNTY or FRANCHISEE is unable to perform, or is delayed in its performance of any of its obligations under this Agreement by reason of any event of force majeure, such inability or delay shall be excused at any time during which compliance therewith is prevented by such event and during such period thereafter as may be reasonably necessary for the COUNTY or FRANCHISEE to correct the adverse effect of such event of force majeure.

24.2 EVENTS OF FORCE MAJEURE

An event of "force majeure" shall mean the following events or circumstances to the extent that they delay the COUNTY or FRANCHISEE from performing any of its obligations (other than payment obligation) under this Agreement:

(a) Strikes and work stoppages unless caused by a negligent act or omission of FRANCHISEE or its agents or assignments;

(b) Acts of God, tornado, hurricanes, floods, sinkholes, fires and explosions (except those caused by negligence of FRANCHISEE, its agents, and assignments), landslides, earthquakes,
epidemics, quarantine, pestilence, and extremely abnormal and excessively inclement
weather;

(c) Acts of public enemy acts of war, terrorism, effects of nuclear radiation,blockades,
insurrection, riots, civil disturbances, or national or international calamities; and,

(d) Suspension, termination or interruption of utilities necessary to the operation of the duties
under this Agreement.

(e) Economic hardship of the FRANCHISEE shall not be considered an event of force majeure.

24.3 WRITTEN NOTIFICATION

In order to be entitled to the benefit of this Article, a party claiming an event of force majeure
shall be required to give prompt written notice to the other party specifying in detail the event of force
majeure and shall further be required to diligently proceed to correct the adverse effect of any force
majeure. The parties agree that, as to this paragraph, time is of the essence.

ARTICLE 25. OTHER TERMS AND CONDITIONS

25.1 ASSIGNMENT OF FRANCHISE RIGHTS

FRANCHISEE cannot assign, subcontract, sell or transfer its franchise or any right occurring
under the Agreement without first obtaining the express written approval of the Board. Assignment shall
include any transfer of fifty percent (50%) of stock and control of FRANCHISEE. The Board shall have
full discretion to approve or deny, with or without cause, any subcontract, any proposed assignment or
assignment by FRANCHISEE. Any assignment or subcontract of this Agreement by the FRANCHISEE
without the express written consent of the Board shall be grounds for the Board to declare a default of this
Agreement and immediately terminate this Agreement by giving written notice to FRANCHISEE. Upon
the date of such notice, this Agreement shall be deemed immediately terminated.

25.2 INDEPENDENT CONTRACTOR

It is understood and agreed that nothing herein contained is intended or should be construed as in
any way establishing the relationship of co-partners between the parties hereto, or as constituting the
FRANCHISEE as the agent, representative or employee of the COUNTY for any purpose whatsoever.

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The FRANCHISEE is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

The FRANCHISEE shall be solely responsible for the acts and omissions of its officers, agents, employees, permitted contractors and permitted subcontractors.

25.3 COMPLIANCE WITH STATE, FEDERAL AND MUNICIPAL LAWS

25.3.1 The FRANCHISEE shall comply with all applicable COUNTY, State and Federal laws relating to wages, hours, and all other applicable laws relating to the employment or protection of employees, now or hereafter in effect.

25.3.2 The FRANCHISEE is required and hereby agrees by execution of this FRANCHISEE to pay all employees not less than the Federal minimum wage and to abide by other requirements as established by the Congress of the United States in the Fair Labor Standard Act as amended and changed from time to time.

25.4 LAW TO GOVERN, VENUE, JURISDICTION

This Agreement shall be governed by the laws of the State of Florida. The parties acknowledge that a substantial portion of negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Santa Rosa COUNTY, Florida, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the parties irrevocably and unconditionally agrees that any suit, action or legal proceeding arising out of or relating to this Agreement shall be brought in the Circuit Court of the First Judicial Circuit, in and for Santa Rosa COUNTY, Florida.

25.5 PERMITS AND LICENSES

The FRANCHISEE shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain the same in full force and effect.

25.6 NON-DISCRIMINATION PROVISIONS

FRANCHISEE shall not, on the grounds of race, color, national origin, religion, sex, age, disability or marital status, discriminate in any form or manner, against said FRANCHISEE's employees
or applicants for employment (as provided in Title VI of the 1964 Civil Rights Act, and the Florida Human Rights Act of 1977). Furthermore, FRANCHISEE shall comply with all applicable Federal and State Laws, Executive Orders and Regulations prohibiting discrimination as herein above referenced are included by this reference thereto including Vietnam-Era Veterans and Disabled Veterans within its protective range of applicability.

FRANCHISEE warrants that it is qualified to enter into this contract in accordance with the provisions of the Florida Public Entity Crime Statute, Section 287.133, Florida Statutes. FRANCHISEE shall exercise reasonable efforts to use local resources including local subcontractors, local suppliers and material men, and local laborers and if such local resources are available and deliverable in a quantity, quality and cost at least comparable to non-local resources shall be given preference and used in the performance of this Agreement.

25.7 ILLEGAL PROVISIONS

In case anyone or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions has not been sated herein.

25.8 MODIFICATION

The terms and conditions of this Agreement may be modified from time to time by mutual agreement of the parties as evidenced by a written agreement duly executed by both parties hereto or their representatives. No modification or amendment of this franchise shall be valid and effective unless evidenced by the require agreement in writing.

25.9 REMEDIES CUMULATIVE

Except as otherwise expressly provided herein, no remedy herein conferred upon any party is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by
statute or otherwise. No single or partial exercise by any part of any right, power or remedy hereunder shall preclude any other or further exercised thereof.

25.10 HEADINGS

The headings contained in this Agreement are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise effect in any way the meaning or interpretation of this Agreement.

25.11 NOTICES

All notices and consents required or permitted by this Agreement shall be in writing and transmitted by registered or certified mail, return receipt requested, with notice deemed to be given upon receipt, postage prepaid, and addressed as follows:

If to COUNTY:

Environmental Manager
6065 Old Bagdad Highway
Milton, Florida 32583

With copies to:

County Administrator;
6495 Caroline Street, Suite D
Milton, Florida 32570

And

County Attorney
6495 Caroline Street, Suite C
Milton, Florida 32570

And:

If to FRANCHISEE:

[Signature]
P.O. Box 380
Milton, Florida 32347

With a copy to: _______________________

Changes in respective addresses to which such notices may be directed may be made
from time to time by either party by notice to the other party.

25.12 CONTRACT PARITY

In the event other Solid Waste Franchise agreements entered into by the COUNTY, during the term of this agreement, provide others with more favorable contract terms than represented in this agreement, COUNTY agrees to amend this agreement to reflect similar terms and/or conditions if substantially similar circumstances exist for both this FRANCHISEE and the franchisee which is party to the other said agreement.

IN WITNESS WHEREOF, the parties have signed this agreement as of the day and year first above written.

SANTA ROSA COUNTY, FLORIDA

By: [Signature]
Chairman

ATTEST:

[Signature]
Clerk of Court

FRANCHISEE: WASTE PRO OF FLORIDA, INC.

By: [Signature]

WITNESSES:

[Signature]

[Signature]
EXHIBIT A

SERVICE AREA "A"

Service Area "A" is represented on the map and generally includes zip code 32563, not including addresses on and east of Elkhart Drive.
<table>
<thead>
<tr>
<th>SERVICE</th>
<th>QUARTERLY RATE</th>
<th>96 Gallon</th>
<th>64 Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General Service</td>
<td>$51.45</td>
<td>$51.45</td>
<td></td>
</tr>
<tr>
<td>Solid Waste collection (2) times per week.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recyclable Materials collection one (1) per week.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yard Waste collection biweekly.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk waste, white goods &amp; electronic waste collection on call.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Side Door Collection (Non-Handicapped)</td>
<td>$27.00</td>
<td>$27.00</td>
<td></td>
</tr>
<tr>
<td>For solid waste &amp; recyclables only.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yard waste, bulk, white goods &amp; electronic waste at the curb.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Additional Cart</td>
<td>$6.00</td>
<td>$6.00</td>
<td></td>
</tr>
<tr>
<td>4. Bear Resistant Container</td>
<td>$15.00</td>
<td>$15.00</td>
<td></td>
</tr>
<tr>
<td>5. Request for a different size cart on less than an annual basis.</td>
<td></td>
<td></td>
<td>$10.00</td>
</tr>
<tr>
<td>Delivery per occurrence.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Rebilling Fee (Outstanding over 30 days)</td>
<td></td>
<td></td>
<td>$3.00</td>
</tr>
<tr>
<td>7. Late Charge</td>
<td></td>
<td></td>
<td>1.50</td>
</tr>
</tbody>
</table>
EXHIBIT C
CALCULATION OF CPI ADJUSTMENTS

On October 1, 2012, and October 1 of each subsequent Contract Year of this Agreement, the rates provided in Paragraph 12.2 may be adjusted by FRANCHISEE according to the following methodology: eighty-five percent (85%) of the rates shall be adjusted based on the CPI for the twelve (12) months ending on the preceding June 30th and fifteen percent (15%) of the rates shall be adjusted based on the percent change in the U.S. Department of Energy Fuel Index for the previous twelve (12) months ending on the preceding June 30th. In no event shall the fee adjustment per year exceed four percent (4%) above the prior year’s quarterly collection rate.

New Collection Rate = \[ 85\% \times CR \times (1 + ((CP12-CP11)/CP11)) + 15\% \times CR \times (FI2/FI1) \]

Where

"CR" = FRANCHISEE's current rate

"CPI" = Consumer Price Index for the South Urban Region, All Items - All Urban Consumers, published by the United States Department of Labor, Department of Labor Statistics

(http://data.bls.gov/PDK/servlet/isSurveyOutputServlet?data_tool=dropmap&series_id=CUUR0000000)

"CPI1" = average CPI for the 12 month period ending June 30 of the previous year

"CPI2" = average CPI for the 12 month period ending June 30 of the current year

"FI" = Fuel Index is the Lower Atlantic (PADD IC) No.2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Sales by All Sellers (Cents per Gallon), U.S. Department of Energy, Energy Information Administration

(http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPDXLO_PTE_RJZ_CPG&f=M)

"FI1" = average Fuel Index for the 12 month period ending June 30 of the previous year

"FI2" = average Fuel Index for the 12 month period ending June 30 of the previous year

SAMPLE CALCULATION
Assumptions: Current Rate (CR) = $50.50

CP11 = 207.845
CP12 = 208.261
FI1 = 266.1
FI2 = 297.2

New Collection Rate = \[ 85\% \times $50.50 \times (1 + ((208.261-207.845)/207.845)) + 15\% \times $50.50 \times (297.2/266.1) \]

New Collection Rate = ($43.0109) + ($8.4603) = $51.47