

AGREEMENT

THIS AGREEMENT entered into this _____ day of _____, 2018 by and between the TOWN OF SHALIMAR, FLORIDA, hereinafter referred to as "Grantor" or "Town", and WASTE MANAGEMENT INC. OF FLORIDA, hereinafter referred to as "Grantee" or "Waste Management".

WITNESSETH:

IN CONSIDERATION OF the mutual dependent covenants hereinafter contained and other good and valuable consideration, it is agreed between the parties as follows:

SECTION 1 -- DEFINITIONS

The following terms, as used herein, shall have the following meanings when used in this Agreement:

Bulk Waste - bulky materials such as furniture, mattresses, etc. placed at curbside for collection. Debris from remodeling projects including carpet is not considered Bulk Waste.

Commercial Container (dumpsters and 96-gallon carts utilized by commercial establishments)- any portable, nonabsorbent, enclosed container with a close fitting cover, or doors, provided by the Grantee, which is used to store large volumes of refuse. A Commercial Container must be capable of being serviced by mechanical equipment.

Commercial Establishment - any public or private place, building or enterprise devoted in whole or in part to business purposes, whether for profit or not-for-profit. Condominiums, duplexes, triplexes, town homes, apartments, trailer parks, and similar facilities are Commercial Establishments within this definition if a Commercial Container is used.

Commercial Rubbish and Trash - combustibles such as paper, wood and yard trimmings, and non-combustibles such as metal, plastic, glass, stone and dirt.

Commercial Solid Waste - garbage, rubbish, and trash resulting from the normal activities of establishments utilizing containers of one (1) cubic yard capacity or more.

Construction Debris - waste building materials resulting from construction, remodeling, repair and/or demolition operations.

Curb Service - a single collection point within five (5) feet of the edge of the road.

Disabled and/or Handicapped Service - household garbage and recycling service at the rear or side of a residence for handicapped and/or disabled persons approved by Grantor for special service.

Disaster Debris - any rubbish or remnants, both combustible and noncombustible, resulting from storms or any emergency condition, requiring special handling and/or equipment for bulk removal of both natural and man-made materials.

Duplex Residence - any attached two-family structure designed or intended for occupancy by two (2) families.

Garbage - every accumulation of waste (animal, vegetable and other matter other than liquid wastes) which is attendant with or results from the storage, preparation, cooking or handling of food materials.

Garbage Cart - the plastic receptacle furnished to the residents by the Grantee with capacities of 96, 64, or 35-gallons.

Grantee - Whomever is granted this exclusive Franchise and hereby undertakes to perform each and every obligation assigned herein and hereby agreed to.

Grantor - the Town of Shalimar, Florida.

Gross Monthly Dollar Customer Billings - the total monthly invoice amount billed to Shalimar residents for collection and disposal of all residential Trash, garbage, recyclables, Bulk Waste, White Goods and other refuse within the Town limits, including landfill tipping and/or transfer station fees.

Gross Revenue - any and all fees received by Grantee which were generated within the service area pursuant to this Franchise with the exception of those fees associated with storms and other emergencies as defined in Section 27.

Handicapped and/or Disabled Service - household garbage and recycling service at the rear or side of a residence for handicapped and/or disabled persons approved by Grantor for special service.

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

Multifamily Residences - multiple dwelling units of four (4) units or more unless serviced as a Single Family Residence at the request of the Grantor.

Occupant or Resident – individuals, children, firms, associations, joint ventures, partnerships, states, trusts, syndicates, fiduciaries, corporations and all other groups or combinations permitted under Florida law.

Plastic Liner - a plastic bag no larger than a thirty-five (35) gallon garbage can of sufficient strength to hold contents securely tied at top and not to exceed fifty (50) pounds when full.

Recyclable Materials - newspaper, glass containers, aluminum and steel cans, plastics and other such materials identified by the Grantee during the term of this Franchise.

Recycling Bin - a receptacle designed for the purpose of curbside collection of recyclable materials. The receptacle shall be one made of plastic that has been provided by the Grantee.

Recycling Service Area - the corporate limits of the Town of Shalimar, Florida as hereafter amended through annexation.

Roll-off Container - any container (open top or enclosed for compacting) used for the collection and storage of construction, demolition debris or garbage rubbish that can be picked up and transported on a specially equipped truck to the disposal site.

Rubbish - non-recyclable solid wastes or refuse, excluding garbage consisting of both combustible and non-combustible Trash.

Single Family Residence - a detached single family structure designed for occupancy by one person or by one family. Each mobile home, trailer, townhouse or shall be deemed a "residence" and each such townhouse/condominium unit shall be deemed a single family structure unless the townhouse/condominium building uses Commercial Containers. Each unit of a residential duplex or triplex shall be deemed a residence" unless the duplex or triplex uses Commercial Containers.

Solid Waste - sludge unregulated under the federal Clean Water Act or Clean Air Act, sludge from a waste treatment works, water supply treatment plant or air pollution control facility or garbage, rubbish, refuse, special waste or other discarded material, including solid, liquid, semisolid or contained gaseous material resulting from domestic, industrial, commercial, mining, agricultural or governmental operations. Recovered materials as defined in Section 403.703(7), Florida Statutes, are not solid waste.

Special Materials - bulky materials or other special wastes that are not stored in standard storage containers and cannot be picked up by a normally used collection vehicle. Wastes such as building materials, oversized tree limbs, non-containerized or non-bundled trash piles and any unusually large amount of refuse not suitable for containerization will be picked up as a special service of the Grantee and billed separately to the customer on the basis of labor, truck costs and dumping charges. All fees received by the Grantee for the collection of special material on a special service basis are subject to the Town's franchise fee.

White Goods - large electrical home appliances (refrigerators, washing machines, etc.) that are typically finished in white enamel.

Yard Trash - shrubbery cuttings or clippings, palm fronds, small tree branches (not to exceed four (4) feet in length and six (6) inches in diameter), bushes or shrubs, or other organic matter generated as refuse in the care of lawns, gardens, hedges, bushes and trees. Tree trimmings and palm fronds should be tied in bundles not exceeding four (4) feet in length, not weighing over fifty (50) pounds and placed at the curb for pick up. Large branches, trees or bulky or non-combustible materials not susceptible to normal loading and collection in "load packer" type sanitation equipment used for regular collections from domestic households and yard Trash generated by commercial companies, including tree-trimmers and yard maintenance companies are not included in this definition.

SECTION 2 -- GRANT OF FRANCHISE

Grantee is hereby granted an exclusive mandatory residential and commercial franchise, including every right and privilege appertaining thereto, to operate and maintain a residential recycling and residential and commercial Trash, garbage and refuse collection and removal service in, upon, over and across the present and future streets, alleys, bridges, easements and other public places within the limits of this franchise for the purpose of collecting and disposing of all residential recyclables, residential and commercial Trash, garbage and other refuse generated by the citizens, residents and inhabitants of the Town of Shalimar, Florida. Grantee is also hereby granted title to all such residential recyclables, residential and commercial Trash, garbage and refuse generated within said boundaries, to the extent that the Grantor can establish its legal right to make such grant of title.

SECTION 3 -- LIMITS OF EXCLUSIVE FRANCHISE

This franchise covers the corporate limits of the Town of Shalimar, Florida. Grantee agrees that the limits of the franchise are subject to expansion or reduction by annexation and contraction of municipal boundaries and that Grantee has no vested right in a specific area.

SECTION 4 -- TERM

A. The date for this franchise and the services to be performed by Grantee under the terms of this agreement shall be May 1, 2018 (the "Commencement Date").

B. This franchise shall continue in effect for a period of ____ years from the Commencement Date and may be renewed annually for ____ additional one-year terms by mutual consent of the parties hereto under the same terms, conditions and limitations as contained herein. Unless the Grantor or Grantee notifies, in writing, the other party to this agreement that it does not wish to renew this franchise, and such notification is delivered by United States mail return receipt requested, and posted at least ninety (90) days prior to the expiration of the then-current term, the franchise will be considered automatically renewed for said additional one-year terms by mutual consent.

SECTION 5 -- FRANCHISE CONSIDERATION

Grantee shall pay to the Grantor a sum equal to _____ percent of the gross quarterly dollar residential and commercial customer receipts. Payment to the Grantor shall be made four (4) times per year (March, June, September and December) within ten (10) days of each quarter and without demand by Grantor. A late fee of 20% of the total quarterly payment shall be assessed by the Grantor on all late payments.

SECTION 6- ASSIGNMENT

A. The franchise rights herein granted to the Grantee shall not be assigned by Grantee except with the express approval of the Grantor, which shall be reflected by a resolution of Grantor. In the event of such an assignment, Grantee shall cause its assigns to execute an Agreement of Acceptance, subject to the approval of the Grantor, evidencing that such assignee accepts the assignment subject to any and all terms, conditions and limitations imposed hereby and which acceptance shall include an affirmative statement evidencing such Grantee's intent to fulfill the obligations imposed by Grantee in contemplation hereof. Notwithstanding the Grantor's approval of such an assignment and assignee's acceptance, Grantee shall guarantee the performance of its assignee and such assignment shall always be with full recourse to Grantee.

B. A transfer of more than fifty-one (51%) percent of the issued outstanding stock of Grantee shall constitute an assignment for the purpose of this section. Likewise any transfer of the voting rights

attendant to fifty-one (51%) percent or more of the issued or outstanding stock of Grantee shall constitute an assignment for the purposes hereof.

SECTION 7 -- BANKRUPTCY OR INSOLVENCY

If the Grantee files a petition for the appointment of a receiver or a petition of voluntary or involuntary bankruptcy, this franchise is automatically terminated as of the date of the filing of such petitions.

SECTION 8 -- DEFAULT

A. Failure on the part of the Grantee to comply in any material respect with any of the provisions of this agreement shall be grounds for a forfeiture of this franchise, but no such forfeiture shall take effect until Grantor has served upon the Grantee written notice of default setting forth the nature and extent thereof. Following receipt of the notice of default, Grantee shall have 24 hours to collect any garbage or Trash that was not collected at the regularly scheduled pick up time and shall have fourteen (14) days to correct or to notify the Grantor of the means, subject to Grantor's approval, by which the Grantee intends to correct other identified defaults. If Grantee disagrees with the reasonableness or propriety of Grantor's notice of default, Grantee may protest such default by filing with the Town Clerk a written protest within 2 hours of receipt of Grantor's notice regarding a missed Trash/garbage pickup and within five (5) days of receipt of Grantor's notice for other identified defaults.

B. If the Grantor and Grantee cannot agree as to the reasonableness or propriety of the Grantor's notice of default, then the issue shall be resolved by a court of appropriate jurisdiction located in Okaloosa County, Florida.

SECTION 9 -- RATE CHANGES

The rates set forth in Attachment A shall remain in effect for an initial term of one (1) year starting May 1, 2018. Grantee will be granted an annual increase or decrease based on the formula agreed upon and listed in Attachment A.

SECTION 10 -- RIGHTS OF FIRST REFUSAL

In the event Grantee shall at any time during the term of this agreement desire to sell the disposal service then existing and shall have received a bona fide offer from any other person, firm, corporation or from any other municipal corporation or county, authority or political subdivision of the State of Florida satisfactory to Grantee to purchase the same, the Grantee shall within ten (10) days after receipt of such bona fide offer advise the Grantor in writing of the purchase price and other terms and conditions of such offer, and the Grantor for a term of thirty (30) days after giving of such notice shall have the option to purchase the disposal service from Grantee upon the terms and conditions as set forth in said offer. In the event the Grantor shall fail or refuse to exercise the right and option granted to it by this section within the time limit set forth above, Grantee shall have the right to sell the disposal service to the prospective purchaser thereof, subject to the terms of Section 6 of this franchise.

SECTION 11-- RESTORATION

The Grantee agrees to repair all property, public or private, altered or damaged by it, its agents or employees in the performance of its duties herein in as good or better condition as it was before being damaged or altered. The Grantor and Grantee shall meet at least quarterly to review damage to public streets and rights-of-way to assess costs and scheduling of repairs.

SECTION 12 -- COMPLIANCE WITH LAWS

Grantee shall conduct operations under this franchise in compliance with all applicable laws. Grantee specifically agrees to be solely responsible for the enforcement, administration and compliance with all applicable provisions of Chapter 403, Part N, Florida Statutes, and future amendments thereto. Furthermore, Grantee shall be responsible for the necessary promotion and educational activities required to familiarize the general public with the recycling mandates.

SECTION 13 -- LIABILITY INSURANCE: HOLD HARMLESS: WORKERS COMPENSATION

Grantee shall carry public liability insurance to the extent of Five Million (\$5,000,000) Dollars for the death of or injury to more than one person or property damage insurance to the extent of Five Hundred Thousand (\$500,000) Dollars, upon each of the trucks or other vehicles used in carrying out the work called for in this franchise, such insurance expressly to cover both the Grantor and the Grantee. A certificate showing that the Grantee has in force and effect the aforesaid insurance shall be filed with the Grantor within ten (10) days from the execution of the franchise, and yearly thereafter at least thirty (30) days prior to the date of the expiration of said policies or insurance for each year of said franchise. The aforesaid insurance shall be of such form and written by such companies as are approved by the Grantor and also shall be of such form and written by such companies as are approved by the Grantor and also shall contain an advance of the cancellation of the insurance. Said policies of insurance shall name Grantor as additional insured.

Grantee shall defend, indemnify and hold harmless Grantor for any and all claims for damages of whatsoever kind or nature arising from or in any manner connected with any activities under this franchise.

Grantee shall indemnify and hold harmless Grantor from any liability arising from Grantee's failure to use the county's transfer station and shall defend the Grantor in any lawsuit brought by Okaloosa County to enforce use of its transfer station or for damages as a result of the Grantor's failure to contribute to expenses of closure of the Wright Landfill.

Grantee shall carry Workers Compensation insurance on all its employees and show proof of insurance and payment of premiums thereon to the Grantor, as requested. All such Workers Compensation policies shall provide for notice by the insurer to the Grantor at least sixty (60) days prior to any termination, revocation or modification thereof.

SECTION 14 -- PERFORMANCE BOND

Grantee shall furnish to the Grantor a performance bond, in a form approved by the Grantor, for the faithful performance of this franchise and all of the obligations arising hereunder in the amount of One Hundred Thousand (100,000) Dollars. Said bond shall be executed by a surety company approved by Grantor and licensed to do business in Florida.

SECTION 15 -- RIGHT TO REQUIRE PERFORMANCE

The failure of the Grantor at any time to require performance by the Grantee of any provision of this franchise shall not affect the right of the Grantor to enforce same; nor shall waiver by the Grantor of any breach of any provision in this franchise be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself. The Grantor, in accord with the provisions of Section 8, shall have the right to terminate this franchise if Grantee fails to timely correct violations of this agreement as provided in Section 8.

SECTION 16 -- DISPUTE RESOLUTION

If any controversy shall arise between the parties, either party may pursue all available legal remedies in the appropriate Okaloosa County, Florida court.

SECTION 17 -- OPERATIONS DURING DISPUTE

A. In the event that a dispute arises between the Grantor and the Grantee, or any other interested party in any way relating to the terms and conditions, performance or compensation required under this franchise, the Grantee shall continue to render service in full compliance with all terms and conditions of this franchise regardless of the nature of the dispute.

B. Grantee expressly recognizes the paramount right and duty of Grantor to provide adequate waste collection and disposal service as necessary governmental functions, and further agrees, in consideration for the execution of this franchise, that In the event of a dispute, said Grantee will neither stop service nor seek injunctive relief in any court, but will either negotiate for an adjustment in the matter in dispute or present the matter to a court of competent jurisdiction located in Okaloosa County, Florida in an appropriate suit instituted by Grantee.

C. If the term of this franchise is not renewed, Grantee shall continue to provide service for ninety (90) days following expiration or until a substitute Grantee is in place, whichever comes first.

SECTION 18 -- STANDARD OF PERFORMANCE

A. If the Grantee fails to collect the materials herein specified for a period in excess of three (3) consecutive scheduled working days or fails to operate the system in a satisfactory manner for a similar period, the Grantor may proceed as follows (provided such failure is not due to war, insurrection, riot, act of God, or other causes beyond the reasonable control of Grantee):

1. At its option, after written notice to the Grantee, take over and operate any or all of the Grantee's equipment used in the performance of this franchise until such time as the Grantee is again able to carry out its operation satisfactorily, as determined solely by the Grantor. Any and all operating expenses incurred by the Grantor in so doing may be charged to the Grantee.
2. Enter into contract(s) or agreement(s) with another qualified firm(s) to provide solid waste collection and disposal until such time as the Grantee is again able to satisfactorily fulfill its responsibilities under this franchise as determined solely by the Grantor.

B. During such period, the liability of the Grantor to the Grantee for loss or damage to the equipment used shall be that of a bailee for hire, ordinary wear and tear being specifically exempt from such liability. The liability of the Grantee to third parties shall continue and all claims or demands arising out of the operation of the collection service shall be directed solely to the Grantee and Grantor shall be treated as an agent of the Grantee for purposes of determining liability.

SECTION 19 -- CURBSIDE RECYCLABLE MATERIALS COLLECTION AND DISPOSAL

A. Grantee shall be required to provide recycling to all residential customers. Grantee shall not be required to provide multifamily residences that utilize Commercial Containers (unless requested by Grantor) or commercial customers with recycling.

B. Grantee shall collect all residential recycling materials in the corporate limits of the Town, transport and provide for recovery of said residential recyclable materials at a designated recovery facility. The

Grantee shall perform such services as are required to provide a complete residential recyclable materials program.

C. Collection of recyclable materials shall be at curbside or other such locations as will provide ready accessibility to the Grantee's collection crew and vehicle. In the event an appropriate location cannot be agreed upon, the Grantor shall designate the location. Handicapped and/or disabled residents shall be accommodated at no additional fee.

D. The Grantee shall pick up all recyclable materials which have been properly prepared for collection and placed in Recycling Bins/containers or paper or plastic bags and placed at the curbside. The Grantee shall distribute at least one (1) container to hold recyclable materials to each single family residence within the service area. The container shall be replaced by the Grantee as required. The Grantee shall maintain an adequate supply of containers at all times.

E. The Grantee shall collect all recyclable materials set out for the purpose of recycling from all single family residences. The collection of recyclables shall be conducted using a single container, furnished by the Grantee, and as in D. above.

F. All refuse and recyclable materials hauled by the Grantee shall be so contained, tied or enclosed that leaking, spilling or blowing are prevented.

G. The Grantee shall make collections with as little noise and disturbance to the residents as possible and in conformance with the Town's Noise Ordinance. Grantee shall handle recycling containers with reasonable care and return them to the approximate curbside location from which they were collected. Any recyclable materials spilled by the Grantee shall be picked up immediately. Recycling containers shall be thoroughly emptied and left inverted at the point of collection. Grantee shall develop a procedure for handling placement of incorrect material in the Recycling Bins by residents, preferably a notice reminding the resident of acceptable materials.

H. Grantee shall collect recyclable materials within the service area one (1) time per week. The day of collection shall be the same day as one of the regular collection days for solid waste preferably the first collection of the week.

SECTION 20 -- COLLECTION SERVICES AND OPERATIONS

A. Residential

1. Frequency of collection: Grantee shall, on a regularly scheduled day pick up from the curbside adjacent to each residence all garbage, rubbish and residential wastes (household garbage) two (2) times per week; collection of yard Trash shall be one (1) time per week; collection of recyclable materials shall be one (1) time per week collection of Bulk Waste shall be one (1) time per week; collection of White Goods shall be one (1) time per week on days agreed upon by the Grantee and Grantor. However, pickups normally scheduled to be made on a holiday shall be rescheduled for the next regularly scheduled pickup day.

a) Holidays: The following holidays may be observed by Grantee for purposes of this franchise: New Year's Day, Thanksgiving Day and Christmas Day.

b) Schedule: Regularly scheduled pick up days for household garbage shall be _____ and _____; _____ will be the day for recycling, _____ will be the day for yard Trash collection, _____ will be the day for Bulk Waste collection and _____ will be the day for White Goods collection (after a notice from resident before the preceding _____). However, all schedules and routes are subject to being rescheduled as mutually agreed to by the Grantor and Grantee. The Grantor, at the request of the Grantee or on its own, may extend, suspend or modify these schedules in the event of a natural disaster, health hazard or any other state of emergency requiring such action.

2. Quantity: Grantee shall be required to pick up all garbage and rubbish generated by a residence, provided same is placed in the garbage cart. Grantee shall also be required to pick up all rubbish and garbage from the curbside of residential premises when properly bagged and placed by the garbage cart. Grantee will notify Grantor of continuous habitual abuse for mediation by Grantor.

3. Collections: All collections shall normally be made in residential areas no earlier than 7:00 a.m. and no later than 7:00 p.m., with no service on Sunday, except in declared emergencies. Grantee shall make collections with a minimum of noise and disturbance and in conformance with the Town's Noise Ordinance. Garbage carts shall be handled carefully by the Grantee and shall be thoroughly emptied and left where they were found at the curbside. All work shall be done in a safe and sanitary manner. All waste spilled by Grantee shall be picked up and removed by Grantee.

4. Special services: Services such as back door collection, below ground collection, removal of any refuse other than garbage or rubbish as defined herein or additional pickups shall be provided on a separate fee basis upon terms agreed to by the Grantee and the customer. Requests for pickups of special materials as defined herein shall be considered as requests for special pickup services. Charges for special services shall not be unreasonable or excessive. Household garbage services shall be provided at the rear or side residence for handicapped and/or disabled persons approved by the Grantor at no extra charge.

5. Exempt customers: Residents or occupants who, upon application to the Grantor are determined by the Town Manager to be unable to pay the collection and disposal fee due to hardship or inability may be exempt from the payment of collection fees if approved by the Grantee.

6. Waste receptacles:

b) Garbage: Garbage shall be placed, for collection, separately from Yard Trash and shall be placed in the garbage carts furnished by the Grantee. Plastic bags of at least thirteen (13) gallons and not more than thirty-five (35) gallons securely tied may also be used as long as those bags do not weigh in excess of fifty (50) pounds per container/bundle and are placed next to the cart on the next regularly scheduled pick-up day.

c) Yard Trash: Yard Trash must be canned, bagged and/or bundled and shall not weigh in excess of fifty (50) pounds per container or bundle, and shall not be in excess of four (4) feet in length or six (6) inches in diameter.

7. Hazardous materials: Grantee shall not be required to collect hazardous materials.

8. Location of residential waste for collection: Persons in occupancy of each residential establishment shall place their garbage carts at the curb no sooner than 6:00 p.m. the day before a scheduled pick-up and shall remove the garbage carts by midnight of the day of the pick-up, unless: the occupant or resident has been approved for back door or side door pick-up.

9. Customer restrictions: Grantee shall not be required to collect residential waste when such waste is not generated on the residence served. Grantee shall have the right to terminate service to any customer violating this section only after prior notification to the customer and approval by the Grantor.

B. Commercial

1. Frequency of collection: Grantee may, on a regularly scheduled day, pick up all garbage, rubbish, and wastes. However, pickups normally scheduled to be made on a holiday shall be rescheduled with notification to the Commercial Establishment.

a) Holidays: The following holidays may be observed by Grantee for purposes of this franchise: New Year's Day, Thanksgiving Day and Christmas Day.

b) Schedule: Commercial collection shall be on days agreed to by the Grantee and Commercial Establishment. The Grantor, or its designee, is authorized to extend, suspend or modify these schedules in the event of a natural disaster, health hazard or any other state of emergency requiring such action.

2. Quantity: Grantee shall be required to pick up all garbage and rubbish generated by a Commercial Establishment, provided same is placed in a Commercial Container furnished by the Grantee.

3. Collections. All collections shall normally be made at Commercial Establishments no earlier than 7:00 a.m. and no later than 7:00 p.m. Grantee shall make collections with a minimum of noise and disturbance and in conformance with the Town's Noise Ordinance. Waste receptacles shall be handled carefully by the Grantee and shall be thoroughly emptied and left where they were found. All work shall be done in a safe and sanitary manner. All waste spilled by Grantee shall be picked up and removed by Grantee.

4. Special services: For items requiring roll-off service or any special handling, removal of any refuse other than garbage or rubbish as defined herein or additional pickups, all charges are to be negotiated between the Grantee and the customer. Requests for pickups of special materials as defined herein shall be considered as requests for special pickup services. Charges for special services shall not be unreasonable or excessive and shall be subject to the Town's franchise fee.

5. Waste receptacles:

a) Garbage and Rubbish: Garbage and rubbish shall be placed for collection within a Commercial Container.

b) Hazardous and bio-hazardous materials: Grantee shall not be required to collect hazardous or bio-hazardous materials.

c) Location of commercial waste for collection: All Commercial Establishments receiving service pursuant to this franchise shall keep waste receptacles, disposal containers and other such items at location(s) approved by the Grantor.

6. Customer restrictions: Grantee shall not be required to collect commercial waste receptacles containing garbage or refuse when such waste is not generated in the Commercial Establishment served. Grantee shall have the right to terminate service to any customer violating this section only after prior notification to the customer and approval by the Grantor.

7. Removal of improper receptacles: Any container used for the collection and storage of commercial waste which fails to meet the standards prescribed by the Grantor shall be clearly marked, specifying the manner in which the container fails to meet the requirements. Such marked, nonconforming containers shall be removed from service by the Grantee.

8. Construction site maintenance: It is expressly understood that a property owner, builder, construction contractor or other legally constituted firm may enter into separate agreements with any qualified firm, including Grantee.

SECTION 21-- OFFICE AND COLLECTION HOURS

A. The Grantee's office shall remain open Monday through Friday from 7:00a.m. to 5:00 p.m. and Saturday from 8:00 a.m. to 4:00 p.m. for the purpose of handling complaints; and for that purpose, there shall be maintained an adequate number of telephones and a responsible person in charge during the hours specified above. These requirements do not apply on the legal holidays identified in Section 20.

B. Collections shall normally be made at Commercial Establishments no earlier than 7:00 a.m. and no later than 7:00 p.m. If the Grantee has an equipment breakdown, it shall be relieved from completing collection by 7:00 p.m. but not later than 10:00 p.m. for the route being served by such equipment experiencing operating difficulties, provided that such route shall be fully collected that day by the Grantee with substitute equipment.

C. An exception to the normal collection time may be granted by the Grantor to facilitate safety on a case-by-case basis if requested by the Grantee and the Grantor reserves the right to rescind any such exception by notifying the Grantee via phone and the Grantee shall revert to the normal collection hours by the next scheduled collection day.

SECTION 22 -- COLLECTION EQUIPMENT

The Grantee shall have on hand at all times sufficient equipment in good working order and of the minimum weight necessary to permit Grantee to perform its duties hereunder fully, adequately and efficiently. Equipment shall be purchased from nationally known and recognized manufacturers of garbage collection and disposal equipment. Garbage collection equipment shall be kept clean, sanitary, neat in appearance, and in good repair at all times and shall be equipped with back-up warning lights and alarm. The Grantee shall at all times have available reserve equipment which can be put into service and operation within two (2) hours of any breakdown. Such reserve equipment shall substantially correspond in size and capability to the equipment normally used by the Grantee to perform its duties hereunder.

SECTION 23 -- DISPOSAL

All garbage and solid waste shall be hauled to sites or facilities legally empowered to accept it for treatment or disposal. The Grantor reserves the right to approve or disapprove of sites, taking into account all governmental regulations, routes within the franchise area, and the rules and regulations of the governmental body having jurisdiction over said sites and facilities.

SECTION 24 -- ROUTES AND SCHEDULES

The Grantee shall periodically provide the Grantor with schedules of residential collection routes and keep such information current at all times. In the event of changes in routes or schedules that will alter the day of pickup, Grantee shall notify each customer affected by either direct mail or door hangers which the Grantor shall approve for such purpose. Grantee shall also notify customers by placing an advertisement prominently displayed in a local newspaper on at least two (2) occasions, the latter being at least one (1) week prior to the change. All such changes in routes or schedules will also be immediately communicated to Grantor at the time determined by the Grantee.

SECTION 25 -- GRANTEE PERSONNEL

Grantee shall assign a qualified person to be in charge of operations under this franchise and shall give the name and qualifications of said person to the Grantor. Grantor requires that Grantee's collection employees wear clean uniforms bearing Grantee's company name. Each person employed to operate a vehicle shall at all times carry a valid CDL driver's license for the type of vehicle being driven. Grantor may request the dismissal of any employee of Grantee who violates any provisions of this subsection or who is found to have been wanton, negligent or discourteous in the performance of his or her duties. Grantee shall provide operating and safety training for all personnel. Wages of all employees of Grantee shall be equal to or exceed the minimum hourly wages for such employees established by local, state or federal law. Grantee shall supply a schedule of all employee wage scales to Grantor upon request.

SECTION 26 -- SPILLAGE AND LITTER

The Grantee shall not litter premises in the process of making collections, but shall not be required to collect any waste material that has not been placed in supplied or approved containers or in a manner herein provided. During hauling, all solid waste or liquids shall be contained, tied or enclosed so that leaking, spilling or blowing are prevented. In the event of spillage by the Grantee, the Grantee shall promptly clean up the litter.

SECTION 27 -- STORMS AND OTHER EMERGENCIES

In the case of a storm or disruption caused by other severe emergencies (e.g., war, insurrection, riot, or act of God) not caused by the Grantee, Grantor may allow Grantee a reasonable variance from regular schedules and routes. As soon as practicable after such storm or other emergency, Grantee shall advise the Grantor as to the process for the efficient cleanup of the service area. In the case of a storm where it is necessary for Grantee to acquire additional equipment and/or hire extra crews and/or work additional hours and/or pay additional tipping fees to clean the service area of debris and refuse resulting from the storm, Grantee shall receive extra compensation above the franchise agreement for additional men, overtime, tipping fees and additional equipment, provided they have first secured prior authorization from the Grantor. The total cost for such service shall be based on rates jointly agreed to by the Grantor and Grantee. In the event of such emergency, the Grantor reserves the right to assign route or pick-up priorities to Grantee as deemed necessary by the Grantor.

SECTION 28 -- NONDISCRIMINATION PROVISION

The Grantee agrees that it has adopted and will maintain and enforce a policy of nondiscrimination on the basis of race, color, religion, sex, age, handicap, disability or national origin. Said nondiscrimination policy shall apply to employment practices of the Grantee and the provision of services. The Grantee agrees that on written request it will permit reasonable access by Grantor to its records of employment, employment advertisements, application forms, and other pertinent data and records for purposes of investigation to ascertain compliance with the nondiscrimination provisions of this franchise, provided, however, that Grantee shall not be required to produce for inspection any records covering any period of time more than two (2) years prior to the date of the franchise.

SECTION 29 -- RATES AND CHARGES

A. Rates: Residential and Commercial rates are set forth in Attachment A. Rates are subject to adjustment as set forth in Section 9.

B. Grantee shall be solely responsible for the billing and collection of receivables from residential and commercial customers on a monthly basis. Customers may include either the property owner or tenant/occupant of each residential premises or Commercial Establishment generating solid waste.

C. For items requiring roll-off service or any other special handling not otherwise delineated in this franchise, the charges are to be negotiated between the Grantee and the customer. If an agreement cannot be reached, the matter shall be submitted to the Grantor for final determination.

D. Grantee shall keep records of the volume of solid waste collected and charges therefore and the Grantor shall have the right to review any records which in any way pertain to solid waste payments.

E. Bulk Waste for Single Family Residences and Multifamily Residences utilizing carts will be collected at no additional charge.

F. The Grantee will provide two (2) roll-off containers to the Grantor for Town-sponsored events such as Town-wide cleanups at no cost to the Grantor up to 2 times per year to include up to 3 disposals per dumpster. Disposal fees over the 3rd will be paid for by the Grantor. The Grantee may be requested to furnish services for the Grantor for Grantor-sponsored community events at no cost to the Grantor.

G. The Grantee is to provide one 8-yard dumpster, serviced two times per week, at no cost to the Grantor.

H. The Grantee is to provide one handicap capable portable toilet for use at Cherokee Park, serviced at least weekly during the summer months or as frequently as required by the Grantor at no cost to the Grantor.

SECTION 30 – DELINQUENT ACCOUNTS

Grantee shall make all reasonable efforts to work with both residential and commercial customers regarding payment of their accounts prior to interrupting or canceling service, i.e., negotiate payment plans, resolve billing disputes, etc.

A. Residential: When an account is delinquent by thirty (30) days Grantee shall provide the resident/occupant with the following written notices by United States Mail:

Twenty (20) days	Friendly reminder of delinquency
Thirty (30) days	Notice of potential service interruption
Fifty (50) days	Notice of service interruption
Sixty (60) days	Notice of service cancellation

At the time that the Grantee actually stops service, notification of that fact will be given to the Grantor.

B. Commercial: When an account is delinquent by thirty (30) days Grantee shall provide the Commercial Establishment with the following written notices by United States Mail:

Thirty (30) days	Friendly reminder of delinquency
Forty (40) days	Notice of potential service interruption
Fifty (50) days	Notice of service interruption
Sixty (60) days	Final demand for payment
Sixty-five (65) days	Audit/final notification before cancellation
Ninety (90) days	Cancellation of delivery to third party collection agency

At the time that the Grantee actually stops service, notification of that fact will be given to the Grantor.

SECTION 31 -- ACCOUNTING RIGHT TO AUDIT

A. Grantee shall keep an accurate set of books and records reflecting gross revenues derived within the service area pursuant to this franchise. Said books and records shall reflect, in addition to information normally reflected pursuant to standard accounting procedures, and the requirements of Chapter 403, Florida Statutes, the name and service address of each residential and Commercial Establishment customer, dates of commencement and termination of service, the service charge and any change thereto, the billings, billing dates and receipt of revenues. Certified copies of the above shall be furnished to the Grantor upon request.

B. Two (2) times per year the Grantor may audit the books and records of the Grantee in order to determine whether the franchise fees paid pursuant to Section 5 are those required thereby. Grantor's failure to exercise its right to audit at any time shall not constitute a waiver of such right, and notwithstanding such omission, the Grantor shall have such continuing right to audit until one year after the termination of this franchise. In the event that Grantor elects to exercise its right to audit, Grantor shall provide to Grantee written notice of such election at least forty-eight (48) hours in advance of the time of the audit. Grantor shall have the right to select the auditors to make the audit and one (1) audit per year shall be at the Grantee's expense. In the event a second audit is performed at Grantor's request in any given year, the expense of that second audit shall be borne by the Grantor, except in cases of fraud, deceit or intentional misrepresentation of monies due to the Grantor, in which case the expenses of the audit shall be borne by the Grantee. Grantee shall make available to the auditor, at no charge, such personnel, financial and other records as the Grantor may, in its reasonable discretion, request in order to complete such audit.

SECTION 32 -- COMPLAINTS

All complaints shall be resolved by Grantee within twenty-four (24) hours with the exception of Section 20 - A, paragraph 8, Location of residential waste for collection, and Section 20 - B, paragraph 8, Construction site maintenance, that falls under regulation by the Grantor. Grantee shall, within forty-eight (48) hours, supply Grantor with copies of all complaints on a form approved by the Grantor and indicate the disposition of each. Each month such record shall be available for inspection by Grantor at all times during the business hours specified herein. The complaint record/form shall indicate the day and hour on which the complaint was received and the day and hour on which the complaint was resolved. When a complaint is received on the day preceding a holiday or on a Sunday, it shall be serviced on the next working day. The Grantee shall establish procedures acceptable to the Grantor to ensure that all customers are notified of the complaint procedure.

SECTION 33 -- CHARGES FOR FAILURE OF PERFORMANCE

A. Upon the recommendation of any Commissioner or Town staff member, and reasonable notice to Grantee, administrative charges may be assessed against the Grantee by vote of the Town Commission if the Commission determines that:

1. Total residential complaints during any calendar month involve more than one (1) percent of the total residential customers within the service area;
2. Total residential complaints during the Grantor's fiscal year exceed more than two (2) percent of the total residential customers with the service area;
3. Total commercial complaints during any calendar month involve more than three (3) percent of the total commercial customers within the service area;
4. Total commercial complaints during the Grantor's fiscal year exceed more than six (6) percent of the total commercial customers within the service area; or
5. Where the lack of performance by the Grantee is continuous and determined by the Commission to constitute a threat to the health, safety or welfare of residents and

Commercial Establishments. "Welfare" as used in this subsection shall include the direct and indirect economic effects of Grantee's failure to perform.

B. Administrative charges shall be assessed only for verified complaints which indicate that the Grantee has failed to meet the minimum standards stated herein and will be in accord with the following schedule:

SCHEDULE OF ADMINISTRATIVE CHARGES

- | | | |
|----|---|-------------------|
| 1. | Failure to replace or repair any damage caused by Grantee or personnel or Grantee | \$25 per incident |
| 2. | Failure to clean up spilled refuse | \$50 per incident |
| 3. | Failure to collect solid waste per location or special collection solid waste from any premises at or within service area | \$50 per incident |

- 4. Failure to complete each route between 7:00 a.m. and 7:00p.m. \$100 per incident
- 5. Failure to complete each route on the regular scheduled pickup date \$100 per route not completed
- 6. Failure to keep equipment in clean, safe and sanitary order \$100 per vehicle per day
- 7. Failure to have vehicle operator properly licensed \$100 per day per incident
- 8. Failure to maintain office hours as set forth in Section 22 \$100 per incident

C. Within five (5) business days of the date of Commission's action imposing such administrative charge, Grantee shall be notified in writing by certified United States Mail, return receipt, of the assessment of administrative charges and the basis for such assessment. Grantee may contest such assessments by filing a written protest stating the reasons for disagreement within five (5) business days of the receipt of the notice of assessment. This protest will be acted upon by the Town Commission at the Commission's next regularly scheduled Commission meeting.

SECTION 34 -- CONFLICT RESOLUTION

All agreements or parts of agreements and all resolutions and agreements in conflict herewith are and the same are hereby repealed.

SECTION 35 -- SAVINGS CLAUSE

If any section, part of a section, paragraph, clause phrase or word of this agreement is declared invalid, the remaining provisions of this Franchise shall not be affected.

SECTION 36 -- EFFECTIVE DATE

This agreement shall take effect immediately upon its adoption by the Town Commission of the Town of Shalimar, Florida, and the signature of the Mayor for the Town of Shalimar and the signature of a duly authorized representative for Grantee.

Town of Shalimar, Florida by: Signatories

Town of Shalimar PRICING ATTACHMENT A

Residential Service

\$15.85 per month

Includes 2 times weekly household trash pickup, 1 time weekly recycling, yard waste and bulk collection

Commercial Service

	1X weekly	2X weekly	3X weekly	4X weekly	5X weekly	6X weekly
2yard	\$ 49.95	\$ 99.89	\$149.84	\$199.79	\$249.73	\$ 299.68
4yard	\$ 99.89	\$199.79	\$299.68	\$399.57	\$499.46	\$ 599.35
6 yard	\$149.84	\$299.68	\$499.51	\$599.35	\$749.19	\$ 899.03
8 yard	\$199.79	\$399.56	\$599.35	\$799.14	\$998.92	\$1198.70

96 Gallon Commercial Cart

\$27.13

serviced two (2) times per week for Commercial Establishments that elect to utilize carts

The pricing includes

- Two community-wide clean up providing 2 roll-off units up to 3 pulls each
- Handicapped capable portable toilet at Cherokee Park
- One eight (8) yard dumpster serviced two times weekly

Rate Adjustment

This pricing is subject to an annual price adjustment on the anniversary of this agreement. The adjustment will be granted based on the difference in the Consumer Price Index (CPJ) between December of the prior year and December of the previous year. If the adjustment is greater than 2%, a request will be made of the Town Commission.

The above rates includes a 2% Franchise Fee.