AGREEMENT FOR
CURBSIDE RESIDENTIAL RECYCLING
COLLECTION SERVICES

This Agreement for Curbside Residential Recycling Collection Services is made and entered into on this _____ day of August, 2015, by and between Washington County Special Service District No. 1, a special service district organized under the laws of the State of Utah, hereinafter referred to as "District", and Ivins City, a municipal corporation of the State of Utah, hereinafter referred to as "City."

Recitals:

A. District was duly created by resolution of the Washington County Commission for the purpose of establishing and implementing a system for collection and disposal of solid waste within all municipalities and the unincorporated area of Washington County, Utah.

B. District currently provides curbside residential solid waste collection services to Ivins City and other municipalities within Washington County in accordance with the terms and conditions of "Residential Waste Collection Agreement" dated November 25, 2009 between said District and Allied Waste Transportation, Inc., (now known as Republic Waste Services, Inc.).

C. Said Residential Waste Collection Agreement with Republic Waste Services, Inc. (hereafter "Republic Waste") does not provide for collection of recyclable materials produced by homes or other use of residential property.

D. District believes that instituting a program for the county-wide collection of recyclable materials produced by homes or other use of residential property is necessary and desirable for the conservation of landfill space, as well as for the protection of the environment and conservation of resources.

E. As a result, District proposes to enter into "Curbside Residential Recycling Collection Agreement" with Dixie Waste Services, Inc., (hereafter "Dixie Waste") pursuant to which curbside residential recycling collection services will be made available to all residences within any municipality that desires to participate in and utilize said curbside residential recycling collection services.

F. City desires to make available for the use and benefit of its residents the curbside residential recycling collection services described in said proposed agreement between District and Dixie Waste, subject to the terms and conditions contained herein.

G. The parties hereto desire to enter into this Agreement for Curbside Residential Recycling Collection Service, stating in writing the terms and conditions of their agreement with respect to this matter.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and obligations contained herein, the parties hereto acknowledge, covenant and agree as follows:

1. Acknowledgement of Receipt of Agreement. City hereby acknowledges receipt of a copy of the proposed Curbside Residential Recycling Collection Agreement between District and Dixie Waste, a copy of which is attached hereto as Exhibit "A" and incorporated herein as if fully set forth.

2. Election to Participate. City hereby elects to participate in the curbside residential recycling collection program described in said Exhibit "A" and, further, agrees to be bound by all terms and conditions contained therein.

3. Provision of Services. District hereby agrees that it shall, through Dixie Waste, provide to all residences or residential units within City the curbside residential recycling collection services described in Exhibit "A", subject to the provisions of this agreement.

4. Meaning of Words and Phrases. Unless the context of this agreement requires otherwise, all words and phrases used herein shall have those meanings specified in said Exhibit "A".

5. Mandatory or Opt-Out; Adoption of Ordinance. At the time of execution of this agreement, City shall by ordinance:

(a) make a final determination as to whether curbside residential recycling collection service shall be mandatory for all residences or residential units within its corporate limits, or whether residences shall be given a one-time opportunity over a period of sixty (60) days to opt-out of curbside residential recycling collection service described in Exhibit "A", and

(b) approve and adopt reasonable rules, regulations and procedures to implement and enforce such determination.

6. Billing, Collection and Payment of Monthly Fee. City shall establish by ordinance, and shall be responsible for the billing, collection and payment to District of, the applicable monthly fee specified in paragraph 18 of Exhibit "A" for:

(a) all residences within City if mandatory participation in the curbside residential recycling collection program is required, with the exception of any resident who is found by the City Council to be excluded from participation due to financial hardship; or

(b) all residences within City that have not opted out of curbside residential recycling collection service in accordance with City's opt-out rules, regulations and procedures.

7. Recycling Containers. District shall be responsible for the purchase, storage, assembly, maintenance, delivery and retrieval of residential recycling containers to each participating residence or residential unit within City.

8. Imposition of Lien. The parties further agree that in appropriate cases, as mutually determined by the parties, the District will, to the extent permitted by Utah law, assist City in the collection of delinquent accounts through placement by District of a lien on the delinquent premises pursuant to the District's lien power provided for in Section 17B-1-902, Utah Code Annotated, 1953, as amended; provided, however, that in such cases City shall not be relieved from its obligation to pay to District the amount of the monthly fee pending enforcement of the lien, the proceeds from which shall be used to reimburse City for any amounts paid.

9. Number of Residences. The parties hereto agree that for purposes of billing, collection and payment by City to District of the curbside residential recycling collection fee specified in paragraph 6 above, City shall be responsible to submit to District on a monthly basis an accurate house count of all residences subject to said billing and payment of monthly fees for curbside residential recycling collection service. Any discrepancy in the number of such residences, as reported by City, and the number of residences within City receiving residential collection services from Dixie Waste, shall be promptly investigated and resolved by mutual agreement of the parties.

10. Delinquencies. Payment of the monthly residential fee by City to District pursuant to paragraph 6 hereof shall be made on a monthly basis and shall be due and payable on the 25th day of the month following the month in which services were rendered. Any amounts not paid by City by the 25th day of the month following the month in which services were rendered shall be deemed delinquent and shall bear interest at the rate of ten (10) percent per annum until paid in full.

11. Exclusivity of Contract. The parties hereto agree that District shall be the only entity engaged by City to provide curbside residential recycling collection services within the city limits throughout the term of this agreement.

12. Maintenance of Streets. City agrees to maintain all streets, roads or roadways under its control in such a manner so as to allow District and Dixie Waste reasonable access for curbside residential recycling collection purposes.

13. Binding Effect and Term. This agreement shall become a binding obligation of the parties immediately upon execution by both parties. The term of this agreement shall be for a period of five (5) years, beginning on January 1, 2016 and ending on December 31, 2020.

14. Notice of Breach or Demand for Performance. It is agreed between the parties that no claim will be made for breach of this agreement unless thirty (30) days written notice of the breach, and demand for performance, is sent to the other party. The notice of breach under this paragraph must specify the details of the claimed breach, while the demand for performance must specify the details relative to the demanded performance.

15. Breach; Default. Failure by either party to comply with any covenant, obligation or term contained in this agreement, including the payment of the curbside residential recycling collection monthly fee as provided in paragraph 6 hereof, for a period of thirty (30) days after

receipt of notice of breach and demand for performance from the other party shall be deemed a material and substantial breach of the terms of this agreement and shall constitute a default under the terms hereof.

16. Remedies Upon Default. Upon the occurrence of default by either party, the party not in default shall have the right to: (a) suspend all services to be performed under this agreement until such time that such default is remedied, (b) terminate the agreement by sending thirty days written notice to the party in default of such election to terminate, (c) pursue any other remedy that may be available at law or equity to enforce compliance with the terms of this agreement, (d) require payment of all damages suffered by reason of the other party's default, including costs of court and a reasonable attorney fees, or pursue any combination of remedies listed in (a) through (d) above.

17. Successors and Assigns. This agreement shall inure to the benefit of the successors and assigns of the respective parties.

18. Time Essence. It is understood and agreed by the parties that time is of the essence of this agreement.

19. Integration. It is understood and agreed by the parties that this agreement embodies the whole agreement of the parties, and that all prior negotiations, conditions and oral representations have been incorporated herein.

20. Modification of Agreement. The parties hereto agree that this agreement may not be modified orally, but shall be modified only in writing, signed by the party against whom enforcement of such modification is sought.

21. Effect on Regular Waste Collection. The parties acknowledge and agree that the current agreement between the parties for collection of residential and commercial waste within the corporate limits of City pursuant to the Residential Waste Collection Agreement between District and Republic Waste Services shall remain in full force and effect according to its terms and shall not be affected by this agreement.

22. Cancellation of Agreement. Notwithstanding any provision contained herein to the contrary, in the event that the overall residential participation rate is less than 50% as of November 1, 2015, this agreement shall automatically be cancelled and shall become null and void.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first above written.

WASHINGTON COUNTY SPECIAL
SERVICE DISTRICT NO. 1:

_____

Michael Heaton, Chairman

Attest:

_____
Ruth Whitaker, Secretary

IVINS CITY

_____
Chris Hart, Mayor

Attest:

_____
Kari Jimenez, Ivins City Recorder

Approved by WCSSD No. 1
June 15, 2015

CURBSIDE RESIDENTIAL RECYCLING COLLECTION AGREEMENT

This CURBSIDE RESIDENTIAL RECYCLING COLLECTION AGREEMENT is made and entered into on this ___ day of _____, 2015, by and between WASHINGTON COUNTY SPECIAL SERVICE DISTRICT NO. 1, a special service district organized under the laws of the State of Utah, hereinafter referred to as "District", and DIXIE WASTE SERVICES, INC., a Utah corporation licensed to do business in the State of Utah, hereinafter referred to as "Dixie Waste."

RECITALS:

A. District was created and organized by the Washington County Commission for the purpose of providing solid waste collection and disposal services to the inhabitants of Washington County, Utah.

B. District has previously entered into an agreement titled "Residential Waste Collection Agreement" dated November 25, 2008, providing for weekly curbside collection of residential waste for transportation to and disposal at the Washington County Landfill.

C. In order to conserve landfill space and preserve natural resources, District has previously established a limited recycling program, allowing residents to transport recyclable materials to "binnies" at various locations for subsequent transportation to a recycling facility.

D. District now desires to further promote and encourage the recycling of residential waste by entering into an agreement with a qualified contractor to establish and implement a county-wide curbside residential recycling program for residents of Washington County who desire to avail themselves of such service.

E. Dixie Waste is a qualified contractor with the practical, technical and financial ability to provide such county-wide curbside residential recycling collection and disposal services.

F. District and Dixie Waste desire to enter into an agreement setting forth the terms and conditions upon which Dixie Waste shall provide curbside residential recycling collection and disposal service to the residents of the various municipalities located within the boundaries of the District, as well as to residents of the unincorporated areas of Washington County.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants, obligations and conditions contained herein, the parties hereto agree as follows:

1. DEFINITIONS. As used in this agreement, the following terms or phrases shall have the following meanings:

(a) bi-weekly: means every other week.

(b) binnie program: refers to the strategic placement of bins (or "binnies") at various locations throughout Washington County for use by residents who desire to drop off recyclable materials without payment of any recycling fee or charge.

(c) curb or curbside: within 3 feet of any curb, sidewalk or other location immediately adjacent to any street, highway or road which is accessible to Dixie Waste's residential waste collection vehicles.

(d) bulky waste: residential waste materials, whether capable of being recycled or not, with lengths, weights or volumes greater than those allowed for automated containers, including but not limited to stoves, air conditioners, refrigerators, dryers, dishwashers, televisions, hot water tanks, washing machines, household furniture, automobiles, motorcycles, boats, construction/demolition waste, and other similar items.

(e) construction/demolition waste: waste from building materials, packaging, and rubble resulting from construction, remodeling, repair and demolition operations on pavements, houses, commercial buildings, and other structures. Such waste may include bricks, concrete, other masonry materials, soil, asphalt, rock, untreated lumber, rebar and trees stumps. It does not include asbestos, contaminated soils or tanks resulting from remediation or clean-up at any release or spill, waste paints, solvents, sealers, adhesives or similar hazardous or potentially hazardous materials.

(f) hazardous waste: any solid waste which meets the definition of "hazardous waste" contained in Rule R315-2-3 of the Utah Administrative Code, in effect as of March 1, 2015, or as may be subsequently be amended.

(g) opt-out: refers to the election of an owner or occupant of a residence or residential unit, made in accordance with a municipality's opt-out rules and regulations to not participate in District's residential curbside recycling program and not receive curbside residential recycling collection services under this agreement.

(h) overall residential recycling participation rate: calculated prior to the start of collection services by Dixie Waste and also at the end of each quarter, the percentage of residences or residential units which receive curbside residential recycling collection services as compared to the total number of residences within the boundaries of all municipal entities who are participants in the curbside residential recycling collection program.

(i) participating municipality: any municipal entity which elects to receive curbside residential recycling services under this agreement.

(j) participating residence or residential unit: means (i) any residence or residential unit in any municipality which requires mandatory participation in District's

curbside residential recycling collection program, or (ii) any residence or residential unit which has not exercised the option to opt out of or participate in District's residential curbside recycling program in accordance with a municipality's opt out rules and regulations.

(k) recyclable materials: those materials listed in Exhibit "A" attached hereto and by this reference incorporated herein, but specifically excluding glass, plastic bags, used oil, paint, hazardous waste, bulky waste, special waste and stable matter.

(l) residential recycling container: a waste receptacle specifically approved by the District for residential recycling, with a capacity of 90-100 gallons, equipped with a tight- fitting, permanently attached lid and wheels for easy movement, and specifically designed for automated pick up.

(m) residence or residential unit: subject to amendment from time-to-time by resolution of District's Administrative Control Board, "residence" and "residential unit" shall be synonymous and shall mean any property or premises which:

(i) contains a structure which is hooked to culinary water and power and is intended or used for human habitation,
(ii) receives weekly collection of residential waste under the Residential Waste Collection Agreement dated November 25, 2008 using individual 94 gallon automated containers, and
(iii) is billed as a residential unit in accordance with the Residential Waste Collection Agreement dated November 25, 2008.

For purposes of this Curbside Residential Recycling Collection Agreement, a residence or residential unit does not include: (a) units in an apartment complex with more than eight (8) dwelling units, (b) units in condominium or townhome complexes used primarily, when considered as a whole, for rental purposes, (c) dwelling units in residential developments which, because of limited access, receive weekly collection of residential waste using dumpsters instead of individual 94 gallon containers, (d) units in RV Parks used primarily for overnight or other temporary rental of less than 30 consecutive days, and (e) motels and hotels.

Except as may be specified herein, each unit of a structure on property or premises classified as residential shall be considered a separate residence for purpose of billing and collection.

(n) residential waste - garbage, rubbish, trash, bulky waste, and other waste produced by or resulting from the normal activities on or use of residential property or premises. Residential waste does not include hazardous waste, special waste or stable matter, as defined herein.

(o) Residential Waste Collection Agreement: means the agreement between District and Allied Waste Services, Inc (now known as Republic Waste Services, Inc.) dated November 25, 2008.

(p) special waste: non-hazardous solid waste which is subject to additional governmental regulations or special handling requirements in collection, transportation, processing or disposal as a result of the characteristics of, or processes which generate, such waste. Special Waste includes, but is not limited to:

(i) waste iron from a commercial or industrial activity;
(ii) waste generated by an industrial process or a pollution control process;
(iii) waste which contains free liquids;
(iv) waste which contains residue and debris from the cleanup of a spill of petroleum, chemical or commercial products or wastes, or contaminated residuals;
(v) articles from the cleanup of a facility which generates, stores, treats, recycles or disposes of chemical substances;
(vi) wastes which are nonhazardous as a result of proper treatment pursuant to Subtitle C of a the Resource Conservation and Recovery Act of 1976 ("RCRA");
(vii) asbestos-containing or asbestos-bearing material that has been properly secured under existing federal, state and local laws, rules and regulations;
(viii) containers that once contained hazardous substances, chemicals, or insecticides so long as such containers are "empty" as defined by RCRA;
(ix) sludge wastes from waste water treatment processes, and
(x) wastes containing any regulated polychlorinated biphenyls.

(q) stable matter: manure and other animal waste matter normally accumulated in or about a stable, barn, pen or corral.

2. Acknowledgement. District and Dixie Waste understand, acknowledge and agree that District cannot, and does not, guarantee the number of residences or residential units which will utilize curbside residential recycling collection services under this agreement because of the following factors:

(a) the curbside residential recycling program established in connection with this agreement is an "opt-out" program which does not mandate utilization of the curbside residential recycling collection service by all residences in Washington County; and

(b) in addition to the curbside residential recycling collection service described herein, District will continue to provide residents throughout Washington County with the opportunity to recycle through use of the binnie program.

3. Basic Service. In accordance with the terms and conditions contained in this agreement, Dixie Waste shall provide to each participating residence or residential unit bi-weekly curbside collection of recyclable materials placed at or near the curb or curbside in approved recycling containers provided by the District.

4. Placement of Waste. As part of said recycling collection services, Dixie Waste shall be required to pick up all recyclable materials placed before the time and day of collection in residential recycling containers which are within three (3) feet of the curbside, blacktop or other roadway surface, with three (3) feet of clearance on either side of the container from parked cars or other objects, and at other locations readily accessible to Dixie Waste's collection vehicles and personnel, as determined by District.

5. Day and Time of Collection. Curbside residential recycling collection services under this agreement shall be completed between the hours of 7:00 a.m. and 7:00 p.m. on the day of regularly scheduled garbage pickup under the Residential Waste Collection Agreement. Dixie Waste shall inform participating residences or residential units of the approximate time of recycling collection service. Any deviation from the day and time of collection because of unforeseen circumstances (i.e., inclement weather conditions making roads impassable, unreasonably dangerous winds, flooding, road construction, emergency occurrences, etc.) shall be promptly communicated to the District. Any recyclable materials not collected on the regularly scheduled day of collection because of such unforeseen circumstances shall be collected on the next day that collection is possible. All curbside residential recycling collection and disposal services shall be completed in a safe, quiet and efficient manner. Dixie Waste shall comply with all local, state and federal laws, rules and regulations governing vehicular traffic and safety.

6. Collection Routes and Schedules. Dixie Waste shall provide District with maps and schedules of curbside residential recycling collection routes, and keep such information current at all times. In the event of changes in routes or schedules that will alter the time or date of pick up, Dixie Waste shall notify District of such change and provide hand-delivered, mailed or other adequate notice to each affected residence not less than two weeks prior to the change. The parties shall, to the best of their ability, communicate with each other and the various municipalities regarding road closures or detours caused by construction activities in an effort to insure smooth, uninterrupted collection service by Dixie Waste.

7. Collection Vehicles and Equipment. On or before January 1 of each year during the term of this agreement, Dixie Waste shall submit to District a complete description of all vehicles used to provide curbside residential recycling collection service, including the following information: type of vehicle, make, year, mileage, service record, anticipated date of replacement, and current condition. Dixie Waste shall provide a sufficient number of vehicles and suitable equipment, as determined by District, for the performance of curbside residential

recycling collection and disposal services specified herein. Additional or replacement equipment or vehicles shall be purchased or kept available by Dixie Waste for immediate replacement of any equipment or vehicles normally required for collection and disposal functions which are taken out of service for any reason. All vehicles used to provide curbside residential recycling collection services shall, at all times during the term of this agreement:

(a) be curbside collection type units designed for the collection and compaction of residential recyclable materials.

(b) be in excellent mechanical condition, shall be kept in good repair and appearance, and shall be maintained in a clean, sanitary condition.

(c) have clearly visible on each side the name and local telephone number of Dixie Waste.

(d) be capable of lifting automated containers in such a manner so as to prevent spilling or littering during dumping.

(e) be equipped with an operable two-way communication system.

(f) be free from fluid leaks of any kind.

8. Ownership, Maintenance, Repair, Delivery of Recycling Containers. All residential recycling containers used by residents for recycling shall be owned by District, free and clear of any claim of Dixie Waste. District shall be responsible for the purchase, storage, assembly, maintenance, delivery and retrieval of recycling containers to each residence or residential unit. All recycling containers which are damaged or destroyed by Dixie Waste during collection operations shall, at Dixie Waste's expense, be promptly repaired or replaced, as reasonably determined by District. Dixie Waste shall not be responsible to repair or replace any residential recycling container as a result of normal wear and tear, or which is damaged or destroyed through use other than the intended use, or because of loss caused by theft or other unauthorized removal.

9. Monitoring of Recyclable Materials. Dixie Waste shall be responsible to monitor the contents of residential recycling containers during the collection process in order to ensure that only recyclable materials are dumped into Dixie Waste's collection vehicles. In situations where containers are found to contain unacceptable materials, Dixie Waste shall educate the customer as to why the materials are unacceptable by placing a District-approved sticker or tag with an appropriate explanation on the container at the regularly scheduled time of service.

10. Litter. All residential recycling collections shall be made by Dixie Waste in such a manner so as to prevent spillage of waste or littering of the premises or roadways. In the event that spillage or littering occurs during the course of collection, Dixie Waste shall immediately clean up such spillage or litter.

11. Transporting of Waste. All residential recyclable materials collected by Dixie Waste shall be hauled to a District-approved recycling facility permitted for such use and shall meet all applicable local, state, and federal laws, rules and regulations. All recyclable materials transported or hauled by Dixie Waste shall be contained, tied or enclosed in such a manner so that leaking, spilling or blowing are prevented during transportation or hauling. In the event of any leaking, spilling or blowing, Dixie Waste shall immediately clean up the litter.

12. Special and Hazardous Waste. No special waste, hazardous waste or stable matter, as defined herein, shall be collected or transported by Dixie Waste as part of this agreement.

13. Title to Waste. Title to all recyclable materials shall become vested in District upon being placed in Dixie Waste's collection vehicles.

14. Office and Customer Service Log. Dixie Waste shall establish and maintain a local office or such other facility where it can be contacted, where service may be applied for, and where complaints can be made. Said office or facility shall be equipped with sufficient telephones, shall have a responsible person in charge during collection hours, and shall be open during normal business hours. Dixie Waste shall also establish and maintain an after-hours and weekend phone number for use by the public and the District.

15. Public Awareness and Education. District and Dixie Waste shall jointly develop and implement a recycling public awareness program. The program shall include, but shall not be limited to, the following: the printing and distribution of promotional brochures, recycling presentations at local schools, news releases, and on-site promotions/demonstrations at locations throughout the District. The District shall pay all out-of- pocket expenses associated with said program. While the District will have the primary responsibility to disseminate information regarding the recycling program and to promote participation of the residents in recycling, Dixie Waste shall assist District in these activities. This will include occasional participation at promotional activities in schools or with other organizations and at civic events. Dixie Waste will also assist in the preparation and promulgation of promotional materials.

16. Complaints. All complaints from residents or District shall be answered by Dixie Waste in a courteous manner before the end of the next business day after Dixie Waste's receipt thereof. When a complaint is received on the day preceding a holiday or a Saturday, it shall be addressed by Dixie Waste on the next working day. Dixie Waste shall provide District with a monthly written summary of all complaints, showing the date and time when the complaint was received, the name and address of the complainant, the nature of the complaint, the date and time when it was addressed by Dixie Waste and the manner of resolution. Such records shall be available for inspection by District at all times during regular business hours. District shall determine on a case-by-case basis whether a breach, as defined in paragraph 26 of this agreement has occurred, and, in the event thereof, District may proceed in the manner provided in paragraphs 26 and 27 hereof.

17. Dixie Waste Personnel. With respect to personnel, Dixie Waste hereby agrees that:

(a) Dixie Waste employees shall be citizens or legal residents of the United States, and that Dixie Waste shall fully comply with the Federal Immigration and Nationality Act.

(b) Dixie Waste employees shall wear clean uniforms bearing both the name of Dixie Waste and the employee.

(c) District shall have the right to request the removal of any Dixie Waste employee who violates any provision hereof, or who engages in offensive or outrageous behavior towards the general public during the performance of his employment.

(d) Dixie Waste shall provide adequate operating and safety training for all employees. Dixie Waste's office should be staffed at all times with at least one employee who is trained in first aid. At least one employee of each collection crew shall be trained in first aid and each vehicle shall be equipped with a first aid kit.

(e) Each employee shall receive wages equal to or exceeding the minimum hourly wage established by local, state or federal regulations.

(f) Each employee shall, at all times, carry a valid operator's license for the type of vehicle he/she is driving.

(g) No employee of Dixie Waste shall be deemed to be an employee of District or Washington County.

(h) No person shall be denied employment by Dixie Waste for reasons of race, creed, religion or sex.

18. Determination of Overall Residential Recycling Participation Rate and Rate of Compensation. District and Dixie Waste acknowledge and agree that the rate of compensation to be paid to Dixie Waste for services provided under this agreement shall be based on the overall residential recycling participation rate, as defined herein, which shall be calculated at the start of the program and at the end of each quarter, in accordance with the following:

(a) each municipality within the District shall make an irrevocable determination whether it shall be a participant in the curbside residential recycling collection program described herein.

(b) each municipality that elects to participate in the curbside residential recycling collection program shall, by ordinance, specify:

(i) whether curbside residential recycling shall be mandatory for each residence within its municipal limits, or

(ii) rules and regulations pursuant to which residences shall have a period of 60 days in which to opt out of curbside residential recycling.

(c) each participating municipality shall, on or before November 1, 2015, calculate its residential recycling participation rate and report said rate to the District so that the District shall be able to determine the initial overall residential recycling participation rate and the corresponding rate of compensation to be paid to Dixie Waste during the first quarter for which collection services are supplied by Dixie Waste.

(d) at the end of each month during which curbside residential recycling collection services are supplied by Dixie Waste, each participating municipality within the District shall jointly determine with District and Dixie Waste:

(i) the total number of residences or residential units within said municipality for the month just ending, and

(ii) the number of residences or residential units within said municipality which received curbside residential recycling collection service or to which such service was made available during the month just ending, and which are therefore subject to billing for said service.

(e) at the end of each quarter, District shall determine the average overall residential recycling participation rate for the quarter just ending.

(f) at the start of the program and during any subsequent quarter, the District shall pay Dixie Waste for collection services in accordance with the following scale or schedule:

(i) $2.94 per month for each participating residence if the initial or average overall residential recycling participation rate for the preceding quarter is 70% or higher.

(ii) $3.62 per month for each residence in any municipality which requires mandatory participation if the average overall residential recycling participation rate for the preceding quarter is 50%-70%.

(iii) $3.82 per month for each residence in any municipality which adopts an opt-out program if the average overall residential recycling participation rate for the preceding quarter is 50-70%.

(g) Notwithstanding the provisions of subparagraph (f) above, in the event that the overall residential participation rate reaches a level of 70% or higher, the rate of

compensation to be paid to Dixie Waste shall not thereafter be adjusted upwards unless or until such time that the average overall residential recycling participation rate for the preceding quarter drops to a level of 65% or lower.

(h) any objection to the determination of the overall residential recycling participation rate or rate of payment not made in writing within 30 days of the date of such determination or date of payment shall be deemed waived.

19. Billing, Collection, Payment: The parties acknowledge and agree that billing, collection and payment for curbside residential recycling collection services shall be accomplished in accordance with the following:

(a) each municipality within the District shall on a monthly basis jointly determine with District and Dixie Waste the number of residences or residential units within said municipality which receive curbside residential recycling collection service and are therefore subject to billing for said service, and report that number to District.

(b) District shall confirm with each municipality the applicable billing rate based on the quarterly overall residential participation rate.

(c) each municipality within the District shall be responsible to bill and collect monthly fees at the billing rate specified by District from all residences or residential units receiving curbside residential recycling collection service within said municipality, and shall forward the total amount of said fees to District by the 15th day of the month following the month during which services were rendered.

(d) by the 26th day of the month following the month during which services were rendered, District shall pay Dixie Waste the applicable monthly fee for all residences or residential units receiving curbside residential recycling collection service.

20. Fuel Recovery Fee. In addition to the compensation paid pursuant to paragraphs 18 and 19, District shall pay to Dixie Waste a fuel recovery fee ("FRF") in accordance with the following:

(a) the FRF shall be calculated and paid on a monthly basis.

(b) the FRF shall be based on:

(i) the number of gallons of fuel actually used by Dixie Waste in performing the work specified in paragraphs 3 and 11, and

(ii) the price actually paid by Dixie Waste for such fuel.

(c) the FRF shall apply for any month during which the average cost of fuel actually paid by Dixie Waste exceeds a base price of $4.00 per gallon for any calendar year that this agreement remains in effect.

(d) for any month during which the average cost of fuel paid by Dixie Waste exceeds the base price, as defined in subparagraph (c) above, District shall pay to Dixie Waste an amount equal to eighty percent (80%) of the amount paid by Dixie Waste above said base price.

(e) Dixie Waste shall be required to submit on a monthly basis to District copies of invoices and any other documentation reasonably required by District for the purpose of calculating any FRF.

21. Compensation Adjustment. It is understood and specifically agreed by the parties that the compensation to be paid to Dixie Waste by District pursuant to paragraphs 18 and 20 of this agreement shall remain fixed throughout the term of this agreement at the rates specified therein. Nevertheless, upon written request by Dixie Waste, the rate of compensation shall be reviewed by District, and, in the sole discretion of District, may be adjusted to reflect extraordinary and unforeseeable conditions or circumstances arising after the effective date of this agreement.

22. Binding Effect; Start Up of Services; Term. This agreement shall become binding immediately upon execution by the parties. Unless otherwise agreed in writing by the parties, Dixie Waste shall commence providing the services described herein on January 1, 2016 and shall continue said services until the date of expiration on December 31, 2020, unless sooner terminated as provided herein.

23. Bonding. Within ten (10) days of the date of execution of this agreement, Dixie Waste shall deliver or cause to be delivered to District the following bonding:

(a) A performance bond in the penal sum of $250,000 guaranteeing the faithful performance of this agreement, executed by a surety company licensed to do business in the State of Utah, indemnifying District against loss resulting from any failure of performance by Dixie Waste not exceeding the amount of the performance bond.

(b) A payment bond in the sum of $250,000 executed by a surety company licensed to do business in the State of Utah, guaranteeing payment of wages to all employees of Dixie Waste and the cost of all supplies, materials, and insurance premiums required in fulfilling this agreement.

24. Indemnification. It is understood and agreed that this agreement is not a contract of employment in the sense that the relation of master and servant exists between District and Dixie Waste or between District and any of Dixie Waste's employees. Dixie Waste shall at all times be deemed to be an independent contractor. Dixie Waste is not authorized to bind District to any contract or obligation, and District shall not be liable for any act of Dixie Waste or its

employees in connection with the collection and disposal of residential recyclable materials. Dixie Waste agrees to indemnify, save harmless and exempt District and Washington County, their officers, agents, servants and employees, as well as those municipalities which have contracted with District, from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorney's fees arising from Dixie Waste's performance or non-performance of the obligations contained in this agreement, including but not limited to intentional or negligent acts or omissions of Dixie Waste, its employees and agents.

25. Insurance. At all times during the term of this agreement, Dixie Waste shall maintain in full force and effect Worker's Compensation, Employee's Liability, Bodily Injury Liability (except automobile), Property Damage Liability (except automobile) and Automobile Bodily Injury Liability insurance. All insurance shall be by insurers acceptable to District, and, before commencement of work hereunder and at least every two (2) years thereafter, Dixie Waste shall furnish District with certificates of insurance, or other evidence satisfactory to District, that such insurance has been procured and is in force at or above the Utah Governmental Immunity Act liability caps then in effect, as set forth in Section 63G-7-604, Utah Code Annotated, 1953, as amended, or its successors. Such certificates shall also contain the following express obligation:

> This is to certify that the policies of insurance described herein have been issued to the insured for whom this certificate is executed and are in force at this time. In the event of cancellation or material change in policy affecting the certificate holder, thirty (30) days prior written notice will be given to the certificate holder.

District shall be the certificate holder.

26. Breaches; Remedies; Termination. The parties hereto agree that all terms and conditions of this agreement are considered material, and failure to perform any of said terms and conditions on the part of either party shall be considered a breach or violation. Any breach or violation by Dixie Waste shall be classified as either minor or major, and, in addition to any other remedy that may be allowed by law or equity, shall give rise to the following rights and remedies:

(a) In the event of a minor breach or violation by Dixie Waste, District may deduct as liquidated damages from any payments due or to become due to Dixie Waste the sum of fifty dollars ($50) for each such breach or violation, per residence or per occurrence, for each day that such breach or violation shall continue. For purposes of this paragraph, a minor breach shall include any breach or violation of the provisions of this agreement not specified in subparagraph (b) below.

(b) In the event of a major breach or violation by either party, the party in breach or violation shall be liable to the other party for all damages caused by or resulting from said breach, including all court costs and attorney fees. In addition, in the event of a major breach or violation by Dixie Waste, District shall have the right to terminate this agreement by sending to Dixie Waste thirty (30) days written

notice of the election to terminate this agreement. At the expiration of said thirty (30) day period, this agreement shall automatically and without further notice be terminated, and all liability of the District under this agreement to Dixie Waste shall cease, and District shall be free to contract with any other person or entity for the services described in this agreement. Any subsequent agreement entered into by District and any other contractor shall not release Dixie Waste from any liability to District for damages resulting from such breach or violation.

For purposes of this subparagraph (b), a major breach shall include the following:

(i) failure by Dixie Waste to provide curbside recycling collection service in accordance with paragraph 3 to twenty-five or more consecutive residences for a period in excess of five (5) consecutive, scheduled working days, provided that such failure is not due to war, insurrection, riot, act of God, or any other reason caused by an event beyond the reasonable control of Dixie Waste; or

(ii) failure by Dixie Waste more than three (3) times per quarter to provide curbside recycling collection service in accordance with paragraph 3 to more than five (5) but fewer than twenty-five (25) consecutive residences by 10:00 p.m. of the day following the regularly scheduled day for collection; or

(iii) failure by Dixie Waste to deliver recyclable materials to an approved recycling processor in accordance with paragraph 11; or

(iv) failure by Dixie Waste to remedy or correct, within thirty (30) days after receipt of written notice from District, any continuing minor breach or combination of minor breaches which, in the judgment of District, significantly impairs or defeats the purposes of this agreement.

27. Claim for Liquidated Damages; Waiver; Hearing. Any claim by District for liquidated damages under paragraph 29 shall be processed as follows:

(a) Any claim by District for liquidated damages shall be made within forty-five (45) days of the date of occurrence of the event or events giving rise to such claim by sending written notice thereof to Dixie Waste, stating the date, place and nature of the event or events giving rise to such claim and itemizing the amount of damages claimed. Any claim not asserted within forty-five (45) days shall be deemed waived.

(b) In the event that District makes a claim for damages as provided in the immediately preceding subparagraph, Dixie Waste shall be deemed to have consented and acquiesced to a deduction in compensation for the amount of damages thus claimed unless it sends written notice to District within ten (10) days of the date of receipt of the District's claim, stating Dixie Waste's objection

to the claim for damages and the reasons therefor, and requesting a hearing before the District's Administrative Control Board.

(c) In the event that Dixie Waste does not send written notice of its objection or request for hearing to District as provided in subparagraph (b) above, District shall be authorized to deduct from Dixie Waste's compensation the amount of damages so claimed.

(d) In the event that Dixie Waste requests a hearing pursuant to subparagraph (b) above, Dixie Waste shall be notified of the date, time and place of said hearing and shall be given an opportunity to appear and be heard. At the conclusion of said hearing, the District Administrative Control Board shall determine the amount of damages, if any, to be deducted from Dixie Waste's compensation.

28. Compliance with Laws. Dixie Waste shall conduct operations under this agreement in compliance with all applicable local, state and federal laws.

29. Sale, Assignment, Subcontract or Other Transfer. Neither this agreement nor any right, duty or liability hereunder shall be sold, assigned, subcontracted, or otherwise transferred or conveyed in any manner whatsoever by Dixie Waste, either in whole or in part, nor shall any right, title or interest herein, either legal or equitable, pass to or vest in any person or entity other than the entities named herein, without the prior written consent of District.

30. Bankruptcy. In the event of a filing by or in behalf of Dixie Waste of a voluntary or involuntary petition for bankruptcy, District shall have the right, at its option, to terminate this agreement.

31. Modification. This agreement constitutes the full and complete understanding and agreement between the parties hereto, and it shall not be considered modified, altered changed, or amended in any respect unless in writing and signed by the parties hereto.

32. Right to Require Performance. The failure of District at any time to require performance by Dixie Waste of any provision hereof shall in no way affect the right of District thereafter to enforce same. Nor shall waiver by District of any breach of any provisions hereof be taken or held to be a waiver of any succeeding breach of such provisions itself.

33. Illegal Provisions. In the event that any provision of this agreement shall be declared illegal, void or unenforceable, the other provisions shall not be affected and shall remain in full force and effect.

34. In the event of any conflict between the Request for Proposals for Recycling Collection Services and this agreement, this agreement shall prevail.

35. Notice. A letter addressed and sent by certified United States mail to either party at its business address shown below shall be sufficient notice whenever required for a purpose in this agreement.

Address of District: 325 North Landfill Road
Washington, UT 84780

Address of Dixie Waste: 605 North 1300 East
St. George, Utah 84770

36. Court Costs and Attorney's Fees. In the event of a breach of any term or conditions of this agreement, the party in breach shall be liable to the other party for all damages, fees, costs and expenses incurred as a result of said breach, including all costs of court and a reasonable attorney's fee incurred as a result of the commencement or maintenance of any legal action to enforce the terms and conditions of this agreement.

37. Judicial Interpretation. In the event that any term or provision of this agreement is submitted to a court for judicial interpretation, the parties hereto agree that such court shall not apply a presumption that said term or provision shall be more strictly construed against the party who prepared the document containing said term or provision, resulting from the rule of construction that a document or its contents is to be construed more strictly against the person who himself or through his agent prepared the same.

38. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Utah.

39. Notwithstanding any provision herein to the contrary, this agreement shall be cancelled and shall become null and void if the initial overall residential recycling participation rate referred to in paragraph 18(c) is less than 50%.

IN WITNESS WHEREOF, District and Dixie Waste have executed this agreement on the day and year first above written.

WASHINGTON COUNTY SPECIAL
SERVICE DISTRICT NO. 1:

_____
Michael Heaton, Chairman

ATTEST:
(Seal)

_____
Ruth Whitaker, Secretary

On the _____ day of _____, 2015, personally appeared before me MICHAEL HEATON and RUTH WHITAKER, who being by me duly sworn did say, each for himself or herself, that the said MICHAEL HEATON is Chairman and that the said RUTH WHITAKER is Secretary of Washington County Special Service District No. 1, and that the within and foregoing Curbside Residential Recycling Collection Agreement was signed on behalf of said District by authority of a Resolution of its Administrative Control Board, and that

said MICHAEL HEATON and RUTH WHITAKER each duly acknowledged to me that he or she has executed the same pursuant to said Resolution.

_____
Notary Public

DIXE WASTE SERVICES, INC.

_____
Stacey Hughes, President

(SEAL)
ATTEST:

_____
Kathleen Peterson, Secretary

On the ____ day of _____, 2015, personally appeared before me STACEY HUGHES and KATHLEEN PETERSON, who being by me duly sworn did say, each for him/herself, that the said STACEY HUGHES is President and that the said KATHLEEN PETERSON is Secretary of Dixie Waste Services, Inc., and that the within and foregoing Curbside Residential Recycling Collection Agreement was signed in behalf of said corporation by authority of its bylaws and that STACEY HUGHES and KATHLEEN PETERSON each duly acknowledged to me that he/she executed the same on behalf of said corporation and that the seal affixed is the seal of said corporation.

_____
Notary Public

Exhibit "A"

RECYCLABLE MATERIALS

METAL CANS, MILK AND JUICE CARTONS

1. Aluminum Cans, Trays & Foil (trays and foil must be cleaned)
2. Aseptic Packaging & Gable Top Containers (milk and juice cartons)
3. Steel Cans
4. Tin Cans

PLASTICS: (The numbers below are found in chasing arrows on the bottom of the plastic container)

1. #1 PETE Soda, Water, & Flavored Beverage Bottles (#1 clear and all colored)
2. #2 HDPE Milk & Juice Jugs (clear)
3. #2 HDPE Detergent & Fabric Softener Containers (colored)
4. #3 PVC Narrow Neck Containers Only (health & beauty aid products, household cleaners)
5. #4 LDPE Grocery Containers (margarine tubs, frozen dessert cups, six and twelve pack rings)
6. #5 PP Grocery Containers (yogurt cups and narrow neck syrup and ketchup bottles)
7. #6 PS clean Styrofoam without any food waste
8. #7 Plastic Narrow Neck Containers Only
9. Plastic buckets, such as kitty litter buckets (5 gallon maximum size and no metal handle)

Note: If the number in the chasing arrow on the container is #1, #2, #3, #4, #5, #6, or #7 and it meets the criteria outlined below in section D. Other Container Criteria, the container may be recycled

ACCEPTED RESIDENTIAL PAPER FIBER LIST:

1. Newspaper, including inserts (remove plastic sleeves)
2. Cardboard (No Waxed Cardboard)
3. Kraft (brown paper) bags
4. Magazines, Catalogs, & Telephone Books
5. Office & Computer paper, notebook, school, & gift wrap (no metal clips, spirals, ring binders)
6. Chipboard (cereal, cake & food, gift boxes, etc.)
7. Carrier Stock (soda, beer can carrying cases)
8. Junk Mail & Envelopes (no plastic cards, stick on labels)
9. Paperback and Hard Cover Books
10. Empty pizza boxes

OTHER CONTAINER CRITERIA:

1. All containers are to be empty
2. No motor oil, insecticide, herbicide or hazardous chemical containers
3. No plastic bags (return to grocery or department store)
4. No plastic film (no plastic sheets, tarps, or wrap