

COMMERCIAL AND RESIDENTIAL SOLID WASTE AND RECYCLING SERVICE CONTRACT

This Contract (the “**Contract**” or “**Agreement**”) is entered into on the _____ day of _____, 202_, with an Effective Date of February 1, 2025, between the Town of Little Elm, Texas, a municipal corporation of Denton County, Texas (hereinafter referred to as “**Town**”), and Community Waste Disposal, L.P. (“**CWD**”), a limited partnership authorized to do business in the State of Texas (hereinafter referred to as the “**Contractor**”). This Agreement, upon its Effective Date, replaces any and all prior agreements between the Town and CWD including, but not limited to, the contract between CWD and the Town which expires on January 31, 2025 (the “**Prior Contract**”).

SECTION 1 - SCOPE OF WORK

The Town hereby grants and renews to the Contractor an exclusive contract and franchise to use public streets, alleys, and thoroughfares within the corporate limits of the Town to engage in the business of collecting and disposing of residential and commercial solid waste and recyclable materials. This exclusivity applies solely to the collection and disposal of residential and commercial solid waste and recyclable materials. The Contractor shall provide, in a good workmanlike manner, the services called for and described herein, which shall consist of all supervision, materials, equipment, labor, and all other items necessary to provide the Town with complete solid waste and recyclable collection, removal, disposal, and sale of recyclables, and to complete said work in accordance with the provisions hereof.

This Contract does not grant exclusivity for temporary trash services, including but not limited to construction roll-off dumpsters, bulk trash services, or other non-residential and non-commercial waste collection services. The work under this Contract does not include the collection and disposal of any increased volume resulting from a flood, tornado, or similar or different act of nature over which the Contractor has no control. In the event of such flood, tornado, or other act of nature, the Contractor and Town may negotiate the payment to be made to the Contractor, if the Contractor and the Town agree that such increased volume is to be handled by the Contractor. Further, if the Town and the Contractor reach such an agreement, then the Town shall, in good faith, consider granting the Contractor variances in routes and schedules as requested by the Contractor and as are determined to be necessary by the Town.

SECTION II – DEFINITION OF TERMS

This Contract incorporates by reference all words, terms and phrases that have been defined by the Texas Commission on Environmental Quality (“**TCEQ**”) in Title 30, Part 1, Chapter 330, Subchapter A, Rule §330.3 (Definitions) of the Texas Administrative Code (“30 TAC 330”), as such terms are currently defined or as they may be defined by the TCEQ in subsequent promulgations of 30 TAC 330. Such words, terms and phrases shall have the meanings as defined in 30 TAC 330 unless the context used in this Contract clearly indicates otherwise. Subject to the foregoing, whenever in this Contract the following terms are used, they shall be defined as follows:

Bulk Waste – Includes stoves, refrigerators/freezers with Freon removed certificate, water tanks,

washing machines, other white goods, furniture, and other house hold items, including carpet. Also includes yard waste, bundled or bagged, as well as small quantities of construction debris.

Commercial Business – Includes all retail, professional, wholesale and industrial facilities and any other commercial enterprises and non-profit organizations. Also includes all apartment (multi-family) dwellings with greater than two units.

Commercial Poly-Cart Collection - Shall mean automated pick up as performed for residential units for commercial accounts. Commercial Poly-Cart Collection volume shall be limited to four Poly-Carts per pick up; larger demand will require a Dumpster.

Commercial Business – Shall mean any retail, professional, service industry, or other non-residential enterprise business.

Construction Debris – Waste materials resulting from construction, remodeling, repair, or demolition operations; typically collected in roll-off bins without lids and which qualifies for disposal at a Type IV landfill. *See also* 30 TAC 330.3(33).

Contract Administrator – The Director of Public Works for the Town is designated as the Contract Administrator.

Curbside Collection – Curbside refers to that portion of the right of way adjacent to and not exceeding three (3) feet from the paved or traveled roadways, including alleys. The Town will require its residential customers to place all Bulk Waste and Poly-Carts at curbside for collection except for qualifying households as noted herein.

Dumpster or Bin – An enclosed, hinged lid, water tight metal receptacle of at least 2 cubic yards capacity designed to be emptied by mechanical means for use at Commercial and Industrial Businesses. Dumpsters are required to be kept inside a gated enclosure at all times.

Exhibit “A” – The Contractor’s cost proposal outlines the total costs for the services provided under the contract, including but not limited to fees for residential and commercial solid waste collection, disposal, recycling, and any other specified services. Exhibit "A" will be reviewed, updated, and modified on an annual basis as part of the Town’s adoption of the Solid Waste Ordinance.

Exhibit “B” – The Contractor’s proposed recycling revenue-sharing model with the Town outlines the revenue generated from recycled commodities. This document is used to assess the overall value of the tonnage collected from the Town. It will be reviewed annually to determine whether the Town will receive a share of the recycling revenue.

Garbage - Includes all waste and accumulation of animal, fruit or vegetable matter that attends or results from the preparation, use, handling, cooking, serving or storage of meats, fish, fowl, fruit, vegetable matter, of any nature whatsoever which is subject to decay, putrefaction and the generation of noxious and offensive gases or odors. Also includes dead animals of less than 15 pounds. *See also*

30 TAC 330.3(56).

Generator – Any person who produces solid waste, or owns or occupies property upon which solid waste is produced.

Household Hazardous Waste (HHW) - Is the term for common household chemicals and substances for which the owner no longer has a use. These substances exhibit many of the same dangerous characteristics as fully regulated special hazardous waste due to their potential for reactivity, ignitability, corrosivity, toxicity, and persistence; however due to small quantities and diluted strength found in household chemicals, they pose no extraordinary risk and require no extraordinary precautions. Examples include drain cleaners, oil, paint, motor oil, antifreeze, fuel, poisons, pesticides, herbicides and rodenticides, fluorescent lamps, lamp ballasts, smoke detectors, medical waste, some types of cleaning chemicals, and consumer electronics (such as televisions, computers, and cell phones).

Industrial Business – Includes establishments generating waste accumulations of metal, metal products, minerals, chemicals, rock, etc.

Poly-Cart, Garbage/Refuse - A solid grey colored 90/95-gallon rollaway cart made of durable plastic with two wheels, hinged lid, and capable of holding 175 pounds of Solid Waste.

Poly-Cart, Recycle - A solid blue colored 90/95-gallon rollaway cart made of durable plastic with two wheels, hinged lid, and capable of holding 175 pounds of Recyclables.

Residential Unit – A single-family dwelling, or multi-family dwelling having two dwelling units or less, by a person or group of persons included, but not limited to, manufactured, modular and industrialized housing, single-family dwellings, and duplex dwellings. Mobile home parks, apartment complexes or other such housing facilities utilizing community Dumpsters shall be considered Commercial Businesses.

Recyclables – Includes all dry newspapers (including inserts), phone books, magazines, catalogs, office paper, junk mail, plastic with recycle numbers 1–5 and 7 clearly marked on the plastic, aluminum cans, tin/steel cans, empty steel aerosol cans, unbroken glass bottles and jars, broken down cardboard and aseptic containers.

Refuse – Non-putrescible Solid Waste consisting of both combustible and noncombustible waste materials; including paper, rags, cardboard, cartons, wood and wood byproducts, furniture, rubber, plastics, yard trimmings, leaves, and similar materials. Also includes glass, crockery, tin cans, aluminum cans, metal furniture, and like materials. This excludes Construction Debris.

Roll-off Container – A large metal container, open or closed top, which can be rolled on to the back of a specially designed haul truck. Size of containers may range from 20 to 40 cubic yards. Includes compactor attachments where desired by Commercial Business.

Single Stream Recycling – Includes approved Recyclable materials placed or deposited together into a Recycle Poly-Cart without separating such materials.

Solid Waste – Includes garbage, refuse/trash, construction materials, and bulk waste. *See also* 30 TAC 330.3(145).

Special Hazardous Materials - Shall mean that classification of wastes that are hazardous by reason of their pathological, explosive, radiological or toxic characteristics, and as otherwise defined by applicable law and regulation. There is no requirement for the Contractor to collect or dispose of special hazardous waste material. *See also* 30 TAC 330.3(148).

Yard Waste - Shall mean tree branches, brush or shrubs, green leaf cuttings or cut grass; usually created in the care of lawns and yards, which will not fit into a Poly-Cart.

SECTION III - RESIDENTIAL AND COMMERCIAL SOLID WASTE AND RECYCLING COLLECTION SERVICES

A. Equipment

The Contractor will furnish, during the period of this Contract, a sufficient number of Residential and Commercial type trucks and equipment to meet the requirements of the Contract contained herein. All equipment must be maintained in clean, good working order, free of any fluid leaks, and the exterior shall be free of rust and major damage. .

All Dumpster containers requested by commercial customers shall be maintained by the Contractor in good condition, free of rust, and water tight.

All trucks, equipment, and Dumpster containers shall bear the name of the Contractor and a local or toll-free phone number for the Contractor, prominently displayed in a clear and legible manner, with phone numbers and letters legible from 150 feet and with individual unit numbers.

B. Office, Office Hours, and Contact Requirements

The Contractor shall maintain an office at a fixed location and shall maintain a local or toll-free phone number at such office specifically designed to intake Little Elm citizen calls for service as well as dispatch the Contractor's personnel to resolve Little Elm citizen issues. The phone may have an auto-attendant feature so long as a "live person" answers 80% of all calls within one minute between the hours of 8am and 5pm on each day residential service is being provided Monday through Friday and 8am – 2pm on Saturday. After hours, the phone shall have the capability to receive and record after hour calls. The Contractor shall be responsible for answering and returning all after hours calls the next business day. The Contractor is responsible for maintaining a telephone listing in a local directory.

The Contractor shall maintain an up-to-date internet website as well as an online, electronic method for Little Elm citizens to register any complaints or comments about the service received from the Contractor 24/7.

C. Complaints

The Contractor is responsible for receiving all inquiries and complaints related to the terms of this Contract for all Little Elm customers as well as resolving said complaints. The Contractor shall maintain a written or digital log of all citizen complaints and file a copy of the written log with the Contract Administrator monthly. The Contractor shall respond to all customer complaints within twenty-four (24) hours of notification to the Contractor and shall use its best efforts to resolve them to the satisfaction of the customer. The Contractor's failure to promptly remedy complaints will be considered a breach of Contract, and may subject the Contractor to liquidated damages. The Contractor shall submit monthly reports of the complaint log to the Contract Administrator by the 25th day of following month. The register shall indicate the date and hour on which the complaint was received and the date and hour on which it was addressed.

D. Missed Service

If excess trash accumulates in or around a residential or commercial receptacle—including trash carts, dumpsters, or dumpster enclosures—due to a missed pickup by the Contractor, it is the Contractor's responsibility to promptly address and resolve the issue. This includes providing the necessary additional service to remove the accumulated waste and ensure the area is cleaned to its original condition.

The intent of this requirement is to prevent potential health and safety hazards, maintain the aesthetic appearance of the property, and ensure that residents and businesses are not unduly burdened by disruptions in service. The Contractor is expected to respond swiftly and efficiently to these situations to minimize any inconvenience caused by the missed pickup.

E. Residential Collection

The Contractor shall provide, without cost to either the customer or the Town, all residential customers a minimum of one 90/95-gallon BLUE recycling Poly-Cart and one 90/95-gallon GREY solid waste Poly-Cart. Additional Poly-Carts, as requested by the customer, will also be provided in a like manner. Damaged or worn Poly-Carts, other than intentional destruction, will be replaced at no cost to the Town or the customer.

Curbside Solid Waste Poly-Cart services will be provided to all residences once per week on a collection schedule that is mutually agreeable to the Town and the Contractor.

Curbside non-separated, single stream Recycling Poly-Cart services will be provided to all residences once per week on a collection schedule that is mutually agreeable to the Town and the Contractor, but on the same day of the week as Refuse collection.

Curbside Bulk Waste collection services will be provided to all residences twice monthly on a collection schedule mutually agreeable to the Town and the Contractor.

The Contractor agrees to pay the costs of production and mailing notifications to all customers of any service changes (other than temporary) and collection day changes that may arise during the term of this Contract.

Qualifying households with no able-bodied person to move Poly-Carts from the residential house to the curb will be serviced by the Contractor as any other residential customer so long as said Poly-Carts are visible from the street. The Contractor's employee will move the Poly-Cart to and from the street for servicing. Should the number of qualifying households exceed twelve, the Town and the Contractor will mutually agree to an additional charge for this service.

The Town agrees to adopt and enforce rules that will require each resident to place each Poly-Cart curbside in a manner that facilitates automatic collection of said waste. The Contractor may decline to collect any Poly-Cart not so placed in accordance with the Town's adopted rules. If the Contractor declines to collect an improperly placed poly-cart, they shall take photos and submit them to the Contract Administrator. The Contractor and Town will agree to alternative placement in the event construction within the right of way or alley limits normal placement.

Lost or Damaged Poly-Carts: The Town will hold customers responsible for the replacement costs of poly-carts that are lost or damaged due to factors other than normal wear and tear. However, residents are not responsible for carts that are stolen or damaged due to routine trash collection operations. In cases of theft or damage caused by collection activities, the Town or its service provider will cover the cost of repair or replacement. Residents simply need to report the issue, and a replacement cart will be provided without charge.

F. Commercial Collection

The Contractor shall provide container (Dumpster or Poly-Cart) collection service for the collection of commercial and industrial solid waste to commercial and industrial accounts according to individual agreement, but not less than once per week service. The Contractor shall work with each commercial and industrial customer to arrive a mutually agreeable size and frequency of Dumpsters and its collection. The Contract Administrator shall have final say in size and frequency should the dumpster size and collection not match with volume of solid waste disposal.

Commercial and Industrial customers may optionally elect to participate in the Town's single stream recycling program in accordance with the fee schedule attached hereto as Exhibit A. The Contractor may also supply roll-off container service and compactor container service in accordance with the fee schedule attached hereto as Exhibit A.

The Town requires all Dumpsters to be screened on three sides with a gate. The Contractor agrees, when emptying dumpsters, to place the dumpster back inside the enclosure and securely close

the gate. Failure to do so will result in loss of fees for that incident(s). The Contractor shall not place any dumpster outside of an approved enclosure without specific written approval from the Contract Administrator.

As part of the monthly report submitted to the Contract Administrator, the Contractor shall document any issues affecting commercial service that prevent or hinder dumpster servicing. This includes noting details such as whether enclosure doors are open or closed, overloaded dumpsters, additional bulk trash or waste around the dumpster enclosure, and any damage to the enclosure. Overloaded Dumpsters are subject to an overage fee as outlined in Exhibit A. Commercial customers will be provided one (1) warning prior to the fee going into effect and Contractor will provide sufficient evidence of the overloaded occurrence if requested.

G. Both Residential and Commercial Collection

Spillage and Litter

The Contractor shall not litter the serviced premises or the public rights-of-way in the process of making collections. The Contractor shall not be required to collect any waste material that has not been placed in approved Poly-Cart or Dumpster. During collection and hauling, all solid wastes shall be contained, tied, or enclosed so that leaking, spilling or blowing is prevented. In the event of spillage by the Contractor on the ground or pavement, the Contractor shall promptly clean up spilled litter and debris. The Contractor is further responsible for cleanup of any spilled fluids from the collection vehicle.

Hours of Operation

In no circumstances shall any residential collection begin before 7:00 a.m. and collection shall cease no later than 8 p.m. Commercial collection may take place outside the previously stated time windows, so long as the collection does not occur within 500 feet of the nearest residential unit. Extended hours may be permissible during an emergency or otherwise unforeseeable event with approval from the Contract Administrator.

Collection Routes

The Contractor agrees to establish routes that provide the most efficient collection possible and shall not significantly change said route without prior approval of the Contract Administrator. The Town shall require the Contractor to collect both Solid Waste and Recycle Carts from those homes fronting on flexible base pavements between 7am and 10 am on their scheduled collection days.

H. Waste Disposal

The Contractor shall be responsible for proper and safe transportation of collected solid waste and recyclables to state approved and licensed disposal sites. The Contractor shall notify the Town in writing of said locations upon the initial signing of this Contract and any subsequent changes in

location(s). The Contractor is not required to collect or dispose of any materials or substances that may not be lawfully disposed of in a State approved Type I or Type IV Landfill; except those materials collected in the Town's semi-annual "clean and green" type events.

I. Compensation to The Contractor

1. Residential Billing - Residential billing, collection, and remittance of state sales tax are the responsibility of the Town. The Town shall bill residential units (customers) directly and shall pay the Contractor the rates set forth in rate schedule in Exhibit A. In consideration of the services rendered to residential accounts under the Contract, the Town agrees to pay to the Contractor on or before the 25th of each month for the preceding ending calendar month during the term of this contract. The Town will provide to the Contractor a summary statement of active customer count and service unit (refuse and recycle poly-carts) which will be the basis for the Contractor's monthly invoice to the Town. The Contractor will be paid on the basis of billing, and not collection. The Contractor shall have no claim on deposits collected by the Town for water and sewer utility customers.

2. Commercial Billing – The Contractor shall directly bill monthly all regular commercial and industrial customers in accordance with the rate schedule attached hereto as Exhibit A, and remit to the Town franchise fees equal to 15% of gross commercial and industrial billing on a quarterly basis. Franchise fees will be remitted by the 25th of the month for the preceding ending calendar quarter. The Town shall have the right to audit the Contractor's billing procedures, the Contractor's list of commercial and industrial customers and the fees being charged to each. The Contractor agrees to collect and remit all appropriate sales taxes on Commercial and Industrial accounts to the State Comptroller's Office with the sales tax situs to be located in Little Elm. The Town shall approve the fee schedule for all commercial and industrial solid waste disposal as an attachment to this contract shown as Exhibit A. The Town and the Contractor acknowledge the rates shown include the Contractor's cost of billing and collections. The commercial and industrial customers billing will reflect the total amount billed, without segregation of the franchise fee or billing fee shown on the bill. The Town will be paid on the basis of billings, not collection. The Contractor shall have no claim on deposits collected by the Town.

3. Annual Cost Adjustments – All rates charged by Contractor will be subject to an Annual CPI Adjustment. The first annual adjustment will be effective twelve (12) months from the contract date, and subsequent adjustments will be made each year through the term of the contract. The Annual Adjustment will be applicable to all charges for Trash, Recycling, and other services for both residential and commercial services as contained in the contract. Rates and fees will be adjusted by the Contractor for the second and subsequent Contract years for the term of the contract, based on the indices and methodology as described below. If any index defined herein shall not be determined and published or if any index as it is constituted on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and published on a basis substantially similar to the index being replaced as shall be mutually agreed upon by the Town and the Contractor. The percentage breakdown among the three components of the annual adjustment (CPI, CNG Fuel

and Disposal) will vary based on the type of service rendered (System) and can be found on the System Chart below. Annual Cost Adjustment is not based on service performance and will not be unreasonably withheld or denied. The Annual Cost Adjustment for Qualifying Years shall not exceed an increase of five percent (5%) in any given year. Any Annual Cost Adjustment Request that exceeds the five percent (5%) limit shall be deferred to the subsequent year. The excess amount above five percent (5%) shall be carried over indefinitely to future years; however, the cumulative increase resulting from such adjustments shall not exceed five percent (5%) for any single adjustment period. Furthermore, any Annual Cost Adjustment Request that surpasses the five percent (5%) threshold shall be classified as an Extraordinary Increase and will be subject to the provisions outlined in the subsequent paragraph.

Extraordinary Increase

In addition, an additional extraordinary increase ("Extraordinary Increase") may be requested by Contractor. An Extraordinary Increase must be for fees or expenses not already accounted for in the Annual Increase, and may only be requested when a future extraordinary fee, expense, law, or, regulation makes the provision of the services by Contractor called for by this Contract not economically feasible for Contractor. In support of any Extraordinary Increase, Contractor shall furnish evidence as to the need for the Extraordinary Increase to the Town Manager, or designee. For any Extraordinary Increase in the Rates, if the Town Manager agrees with the increase proposed by Contractor, then the Town Manager will recommend acceptance of the Extraordinary Increase to the Town Council for its approval, disapproval, or modification. If the Town Manager does not agree with the Extraordinary Increase, Contractor and the Town Manager, or designee, will attempt in good faith, including non-binding mediation, to agree to an amount of the Extraordinary Increase that the Town Manager will recommend to the Town Council. If an agreement is reached, Town Manager will recommend the agreed upon Extraordinary Increase to the Town Council for its approval, disapproval, or modification. If no agreement can be reached, the Town Manager will submit Contractor's proposed Extraordinary Increase to the Town Council for its approval, disapproval, or modification. The parties agree to negotiate in good faith regarding any Extraordinary Increase.

(a). CPI (see System Chart for %)

The basis for the CPI component of the annual increase will be the increase in the "Consumer Price Index - All Urban Consumers", all items (not seasonally adjusted) **less Energy**, for the Dallas-Fort Worth, TX Area as published by the U.S. Department of Labor Bureau of Labor Statistics. The Contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the CPI index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or previous CPI index will be the most recent index published two (2) months prior to the date of the contract, and the Current CPI Index will be the most recent Index published two (2) months prior to the current year's contract anniversary date. For subsequent years the Base CPI will be the previous year's "Current Index Value" and the Current CPI Index will be the most recently published Index two (2) months prior to the current year's contract anniversary date.

(b). CNG Fuel (see System Chart for %)

The CNG Fuel portion of the Annual Adjustment will be determined using the increase in the Henry Hub Natural Gas Spot Price (Dollars per MMBTU) as published by the Energy Information Administration of the U.S. Department of Energy (<https://www.eia.doe.gov/dnav/ng/hist/rngwhhdm.htm>). The contractor has designated (see System Chart for amount) % of fees and charges to be adjusted by the CNG Fuel index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous CNG Fuel Index will be the average Henry Hub Natural Gas price per MMBTU for the most recent three (3) month period ending two (2) months prior to the date of the contract. The Current CNG Fuel Index will be Henry Hub Natural Gas price per MMBTU for the three (3) month period ending two (2) months prior to the contract anniversary date. For all subsequent years of the contract the Base or Previous CNG Fuel Index will be the previous year's "Current Index Value", and the Current CNG Fuel Index will be the average Henry Hub Natural Gas price per MMBTU for the three-month period ending two (2) months prior to the current years contract anniversary date.

(c). DISPOSAL (see System Chart for %)

The Disposal portion of the Annual Adjustment will be determined using the increase in the CWD gate rate price for the Camelot Landfill. The Contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the Disposal rate changes. The Current Disposal Index will be the Camelot Landfill gate rate in effect on the Effective Date of this Agreement. For all subsequent years of this Agreement, the Base or Previous Index value will be the previous year's "Current Index Value." In the event that the designated landfill closes or is no longer available to CWD, a new Landfill Cost per ton will be calculated utilizing the substituted Landfill's rate per ton, plus any additional costs associated with increased time in/out of the new landfill, and increased travel to the new landfill. The Town reserves the right to reject the proposed new landfill if it determines that the selected landfill does not serve the Town's best interests. In such a case, the Town may designate an alternative landfill for the Contractor to use.

SYSTEM CHART

	Front Load Trash	Roll Off Trash	Roll Off Excessive Weight	Residential Trash	Recycle
CPI	68%	56%	0%	74%	88%
CNG Fuel	3%	2%	0%	3%	4%
Disposal	29%	42%	100%	23%	8%
Total	100%	100%	100%	100%	100%

EXAMPLE (Residential Trash)

Contractors Base Fee Adjustment Indices	Index Percentage	Previous (Base) Index Value	Current Index value	Change in Index Value	Index Percentage Change	% Applied to Annual Cost Adjustment
Consumer Price Index	74%	287.504	298.152	10.648	3.70%	2.74%
CNG Fuel Cost	3%	\$3.515	\$3.912	\$0.397	11.29%	0.34%
Disposal Cost	23%	\$32.00	\$32.50	\$0.50	1.56%	0.36%
Annual Adjustment	100%					3.44%

J. Annual Poly-Cart and Dumpster Audit

As requested by the Town, the Contractor and Town mutually agree to assign the necessary personnel to count the number of Poly-Carts being placed on curb and confirm count matches billing records. In a like manner, the Contractor and Town will document the size and frequency of every Dumpster, and then confirm this count matches billing records. Unless there is proof of fraud on the part of the customer, the “true up” count will only affect billings and collections to all parties going forward.

SECTION IV – PERFORMANCE STANDARDS

A. Liquidated Damages

The Contractor understands that providing high-quality, reliable service is essential to this contract and that the harm to the Town caused by a breach of the contract is incapable or difficult of estimation. Contractor agrees that the amount of liquidated damages set forth in this contract is a reasonable forecast of the compensation that would be due to the Town in the event of a breach of the contract and that the imposition of liquidated damages is not punitive in nature, either in design or operation, and that such liquidated damages is an acceptable measure of damages that the parties have stipulated to in advance that may be assessed in the event of a contract breach. The following service failures may result in liquidated damages:

1. **Customer Service Responsiveness**

- Customers who contact the Contractor by 12:00 pm on the scheduled service day shall receive same-day service.
- If contacted after 12:00 pm, and the route driver is still in Town, same-day service will apply. If the driver has left Town, service will occur the next scheduled business day.

- Customers who report issues the day after the scheduled service day will receive same-day service if reported by 12:00 pm, or next scheduled business day service if reported after 12:00 pm.
- 2. Violation of the Law**
 - \$500.00 per incident of a violation of any local, State or Federal regulation.
- 3. Missed Collections**
 - \$50.00 per address when two or more documented missed collections occur within a 90-day period.
- 4. Spillage or Leakage Cleanup**
 - \$20.00 per incident if the Contractor fails to clean up vehicle-related leakage within 24 hours of notice. Spillage due to resident disposal of prohibited substances (e.g., oils, chemicals, solvents) is excluded, and cleanup costs will be invoiced to the Town upon written request.
 - \$100.00 for each incident of failing to maintain vehicles or other equipment in a manner which prevents leaks, spills, odor or other nuisances.
- 5. Route Completion Requirement**
 - \$150.00 for failing to complete at least 98% of scheduled collections in one day.
- 6. Reporting Obligations**
 - The Contractor must report all chargeable incidents to the Town within 24 hours.
- 7. Cumulative Charges and Cap**
 - Charges are not cumulative beyond a \$545.00 daily maximum. No charges will apply if 99% of routes are completed each quarter by 7:00 pm, provided the Contractor notifies the Town of issues on the same day and completes scheduled collections within the day.
- 8. Liquidated Damages Threshold**
 - No liquidated damages will apply if missed collections remain below 0.6 per 1,000 service opportunities, averaged over six months.
- 9. Annual and Quarterly Charge Limits**
 - Charges shall not exceed \$11,680 in any three-month period or \$23,361 in any twelve-month period.
- 10. Force Majeure Clause**
 - Liquidated damages, penalties, or other charges will not apply if service is impacted by events of Force Majeure as defined in this Agreement.
- 11. Billing Process**
 - The Town may invoice the Contractor for liquidated damages; however, charges will not be deducted from the Contractor's invoice.
- 12. Notification and Response**
 - The Contract Administrator will notify the Contractor in writing of each service issue as soon as practicable. The Contractor must either resolve the issue or provide a written resolution plan to the Town within 24 hours.

B. Escalated Damages

In the event that service performance quickly deteriorates, the Contractor understands it may be difficult for the above stated Liquidated Damages to effectively compensate the Town for services unrendered. The following Escalated Damages procedures may be implemented to protect the Town's interest in lieu of Liquidated Damages.

1. Escalated Damages Threshold

- Should the missed collections exceed 1.20 per 1,000 service opportunities, averaged over a three (3) month period, all Liquidated Damages and Charge Limits stated in Section A above shall double in value

2. Duration & Cure

- Such Escalated Damages shall remain in effect until missed collections go below 1.20 per 1,000 service opportunities averaged over a 7-day period (Contractor Cure), at which time Liquidated Damages would apply.

3. Reinstatement

- If missed collections exceed 1.20 per 1,000 service opportunities over a 7-day period during the subsequent three-months after Contractor Cure, Escalated Damages will be reinstated. **Billing & Force Majeure**
- The Town may invoice the Contractor for liquidated damages; however, charges will not be deducted from the Contractor's invoice.
Escalated Damages, penalties, or other charges will not apply or counted toward service performance if service is impacted by events of Force Majeure as defined in this Agreement.

SECTION IV – SPECIAL PROVISIONS

A. Clean and Green Events

Twice per year on dates mutually agreeable to the Contractor and the Town; the Contractor agrees to partner with the Town to provide sufficient staff, equipment, and bins to support the collect and dispose of the following items:

- Household Hazardous Waste
- Used Electronics, including computer components, electronic devices, and old television sets

The Contractor may reject unusually large volumes of HHW. Unusual Volumes would be:

- Any one material where the accumulated weight exceeds 500 pounds.
- Any one material where the accumulated volumes exceed one cubic yard.
- Any multiple items that accumulated volume exceeding four cubic yards.

The Contractor may reject unusually large volumes of E-Waste. Unusual Volumes would be any multiple items that accumulated volume exceeds 4 cubic yards. The Contractor may charge residents directly for the recycling of Cathode-Ray Tubes (CRTs). Charge should be a passthrough cost only.

The Contractor may reject unusually large volumes of tires. Unusual Volumes would be more than four tires.

Should the Town decide to not to hold these “Clean & Green” type events, or to provide these special collection events in a different manner, the Town will give the Contractor six months written notice.

B. Holidays

The following shall be designated Contractor holidays for purposes of this Contract:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

The Contractor may decide to observe any or all of the above holidays by suspension of collection services on the holiday. In the event the Contractor decides to suspend collection services on any holiday, the Contractor shall give the Town 30 days' notice prior to such suspension and the Contractor shall prominently post notices 5 days in advance at all public street entrances to affected neighborhoods. In no event, however, will the Contractor go more than 2 days beyond a regular pick-up day due to a holiday.

C. Service Collection for Town Owned, Leased, or Operated Facilities

The Contractor shall provide Poly-Carts and Dumpsters as required by the Town and not less than weekly collection of Solid Waste and Recyclables free of charge to all Town owned, leased, or operated facilities including all buildings, parks, athletic fields. Single stream recycling Dumpsters and/or Poly-Carts will be furnished to all buildings.

D. Special Events

The Contractor shall provide free of charge collection and disposal of all Solid Waste and Recyclables following all Town sponsored or co-sponsored Special Events. The Contractor shall also provide suitable temporary collection bins in quantities requested by the Town for all Special Events at no charge.

E. Promotional and Educational Flyers

During each contract year the Contractor shall expend an amount not less than Fifteen Hundred Dollars (\$1,500) for the implementation and designing of yearly educational flyers for residents of the Town. The Contractor shall promote recycling and provide educational seminars where appropriate in various civic organizations and schools. Such events and informational flyers shall be coordinated with the Contract Administrator.

F. Recycle Revenue Sharing

The Contractor and the Town agree to a minimum revenue share of 60% for the processing of recyclables, with the Town receiving 60% of the revenue generated from the sale of recyclables when the blended commodity values, minus processing costs, result in a net positive number. Per ton rebate cannot exceed \$40 per ton. In the event that the blended commodity values minus processing costs result in a negative number, the Town will not be charged for this negative value, and no funds will be due to the Town from the Contractor for such negative commodity value. Any negative values will carry forward and must be brought back to zero before compensation to the Town begins or resumes. The commodities pricing is determined by highly respected national journals that regularly determine the value of each material we will be collecting from the residents. This price is applied to the EXHIBIT B to determine the overall value of the tonnage collected from your community.

If the Contractor determines that a sustainable market for any recyclable commodity is no longer available, the Contractor shall promptly notify the Town and request to remove that commodity from the list of accepted materials. For example, if a glass buyer in Midlothian, Texas, is no longer willing to accept glass from the Contractor, the Contractor would have no sustainable market for that commodity. In such cases, the Town shall consider the request in good faith and shall not unreasonably deny the request if the Contractor provides supporting information. The Town may, but is not obligated to, take steps to verify any information related to the composition of the recycling stream and the market value of commodities.

Additionally, if the value of any recyclable commodity falls below zero dollars, the Contractor may request that the Town remove the commodity from the accepted materials list. The Town shall promptly consider this request and shall not unreasonably deny it, provided the Contractor provides supporting information. Again, the Town may choose to verify any relevant information but is not required to do so.

SECTION V – LEGAL

A. COMPLIANCE WITH LAW

The Contractor shall conduct operations under this Contract in compliance with all applicable Laws, Regulations and Ordinances; provided, however, should any applicable Laws, Regulations or Ordinances conflict with the operations of the Contractor pursuant to this Contract, the Town agrees to

negotiate in good faith with the Contractor such amendments and revisions to this Contract as the Contractor shall justify as reasonable and necessary because of such Laws, Regulations and Ordinances.

B. INDEMNITY

The Contractor agrees to and does defend, indemnify and hold Town, its officers, agents, and employees, harmless against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought that may arise out of or be occasioned by the Contractor's intentional or negligent breach of any of the terms or provisions of this Contract, or by any other negligent or strictly liable act or omission of the Contractor, its officers, agents, employees or subcontractors, in the performance of this Contract; except that the indemnity provided for in this paragraph will not apply to any liability resulting from the sole negligence or fault of Town, its officers, agents, employees or separate contractors, and in the event of joint and concurring responsibility of the Contractor and Town, responsibility, if any, shall be apportioned comparatively in accordance with the law of the State of Texas, without waiving any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, control or otherwise, to any other person or entity.

C. NONDISCRIMINATION

The Contractor shall not discriminate against any person, including but not limited to its employment practices and its provision of services under this Agreement, because of race, sex, age, creed, color, religion or national origin, or physical disability as defined by the Americans with Disabilities Act.

D. EFFECTIVE DATE

This Contract shall be deemed effective midnight, February 1, 2025.

E. TERM

Subject to the earlier termination of this Contract as provided for herein, this Contract shall be for a ten (10) year period beginning the Effective Date and ending ten (10) years thereafter. The initial ten (10) year term of this Contract may be extended by written mutual agreement of both parties.

F. CONTRACTOR'S PERSONNEL

The Contractor shall employ only such superintendents, foremen, and workmen who are careful and competent and fully qualified to perform the duties or tasks assigned to them. All employees of the Contractor and/or its subcontractors, if any, shall comply with all applicable laws and regulations, and shall have sufficient skill, ability, and experience to properly perform the work assigned to them and operate any equipment necessary to properly carry out the performance of their assigned duties. The Contractor agrees to maintain a work environment free from the use, possession,

distribution and influence of controlled substances, alcohol, intoxicants, narcotics or other mind-altering substances (referred to hereinafter as drugs and alcohol) and to prohibit employees from using, possessing, distributing or being under the influence of drugs or alcohol at any time within the course and scope of their employment. The Contractor shall keep on file with the Town a copy of its most current substance abuse policy. The Contractor shall assign a qualified person or persons to be charge of its operations in the Town and shall give the name or names of such person or persons to the Town. Each officer, employee, or agent of the Contractor shall, at all times, carry a valid, legally sufficient Texas driver's license for the type of vehicle they are driving. The Contractor shall provide reasonable sufficient operating and safety training for all personnel and agents of the Contractor.

G. STANDARD OF PERFORMANCE

Notwithstanding any other provision of this Contract, if at any time the Contractor shall fail to reasonably perform any term, covenant or condition herein set forth, the Town may notify the Contractor of specific reasons in support of the Town's claims that the Contractor has failed to so perform. The Contractor shall be allowed a thirty (30) day period from the date of receipt of said notice from the Town to remedy any failure to perform.

If the Contractor fails, in the reasonable opinion of the Town, to remedy such failure to perform, the Town Council shall conduct a public hearing on such failure to perform and the Contractor shall be allowed to present its position and shall be given full opportunity to answer such claims as are set out against it in the aforesaid notice. A notice of such public hearing shall be given to the Contractor at least ten (10) days prior to the date of the hearing. The notice shall specify the time and place of the hearing and shall include the specific reasons in support of the Town's claim that the Contractor has failed to reasonably perform the terms and provisions of this Contract.

If, after said public hearing, the Town Council makes a finding that the Contractor has failed to comply with this Contract, or has otherwise reasonably failed to perform its duties hereunder, the Town Council may terminate this Contract.

H. BANKRUPTCY

It is agreed that if the Contractor is adjudged bankrupt, either voluntarily or involuntarily, then this Contract shall terminate effective on the day and at the time the bankruptcy petition is filed.

I. RIGHT TO REQUIRE PERFORMANCE

The failure of the Town at any time to require performance by the Contractor of any provision hereof shall in no way affect the right of the Town thereafter to enforce the same, nor shall waiver by the Town of any breach by the Contractor of any provision hereof be taken or held to be a waiver of any former or succeeding breach of such provision or as a waiver of any provision itself

J. ILLEGAL PROVISIONS

If any provision of the contract shall be declared illegal, void or unenforceable, the other provisions shall not be affected but shall remain in full force and effect.

K. PERMITS AND LICENSES

The Town agrees not to impose any additional permits or licenses requirements beyond what is included in this Contract.

L. INSURANCE REQUIREMENTS

The Contractor, at its own expense, shall at all times during the term of this Contract, maintain in full force and effect Employer's Liability, Worker's Compensation, Commercial General Liability and Auto Liability Insurance, including contractual coverage for the indemnification provisions contained herein. Commercial General Liability and Auto Liability Insurance, including contractual liability coverage for the said indemnification provisions, shall be on an occurrence basis. All insurance shall be by insurers and for policy limits acceptable to the Town and before commencement of work here under the Contractor agrees to furnish the Town certificates of insurance or other evidence satisfactory to the Town (together with the declaration page of such policies, along with the endorsement naming the Town as an additional insured or loss payee, where applicable) to the effect that such insurance has been procured and is in force. The certificates shall contain the following express obligations: "This is to certify that the policies of insurance described herein have been issued to the insured for which this certificate is executed and are in force at this time. In the event of cancellation, non-renewal or material change in a policy affecting the certificate holder, at least thirty (30) days prior to written notice shall be given the certificate holder." For the purpose of this Contract, the Contractor shall carry the following types of insurance in at least the limits specified below:

<u>Coverages</u>	<u>Limits of Liability</u>
Worker's Compensation	Statutory
Commercial General Liability per occurrence (Contractual Liability & Independent Contract)	\$1,000,000
Damage to Rented Premises	\$100,000
Medical Expense (per person)	\$5,000
Personal & Adv Injury	\$1,000,000
General Aggregate	\$2,000,000
Products – Comp/Op Agg	\$2,000,000
Automotive Liability (includes any vehicle, hired or non-owned)	\$1,000,000
Excess/Umbrella Liability	\$9,000,000

(includes Retention \$10,000)

As soon as practicable, but not more than ten (10) days after the execution of this Contract, the Contractor shall have the Town (together with its officials, officers, employees and agents) named as an additional insured on each contract of insurance except Worker's Compensation and Employer's Liability, providing written evidence of same, and shall have each policy including Worker's Compensation and Employer's Liability endorsed to provide a waiver a subrogation in favor of Town.

The Town reserves the right to review the insurance requirements contained herein and to adjust coverages and limits when deemed necessary and prudent by the Town.

M. AGREEMENT MODIFICATION AND GOVERNMENT-MANDATED FEES

This Contract constitutes the entire agreement between the parties, and it may not be altered, revised, amended or modified except by a written agreement signed and properly authorized by the Town Council and the Contractor.

If any new state, federal, or local mandated fees and/or taxes are imposed upon the services provided hereunder, the Contractor shall notify the Town. Should the Contractor desire to pass such fees though to the Residential and Nonresidential/Commercial Customers; it shall petition the Town for approval. The petition shall include documentation of the basis and the method of assessment of such fee and such request shall be considered by the Town, and shall not be unreasonably denied.

N. TRANSFERABILITY OF AGREEMENT

The Contractor shall not assign, transfer, sell or otherwise convey its interest in this Agreement, or any part of such interest, without the prior written approval of the Town, which approval shall not be unreasonably denied or withheld. In the event of any assignment, transfer, sale or other conveyance, the assignee shall assume the liability of the Contractor, and the Town shall have the right to require that the Contractor or the Contractor's parent company remain responsible or the liability of the Contractor as a condition to approval of any assignment, transfer, sale or other conveyance.

O. OWNERSHIP

Title to all solid waste, HHW, and recyclables shall pass to the Contractor when placed in the Contractor's collection vehicle, removed by the Contractor from a commercial container, residential unit, refuse bin, bag or bundle, or removed by the Contractor from the customer's premises, whichever first occurs.

P. FORCE MAJEURE: EMERGENCY SERVICE PROVISIONS

If the performance of any covenant, agreement, obligation or undertaking herein contained is delayed by reason of war, civil commotion, flood, drought or other similar or dissimilar act of nature, governmental restrictions, regulations or interferences, ire or other casualty of any circumstances

beyond the control of the party obligated or permitted under the terms thereof to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, and the said party is unable with the exercise of reasonable diligence to prevent or overcome such circumstances, each party shall be excused from doing or performing the same during which period of delay.

Q. TERMINATION AND REMEDIES

Whenever one party to this Contract has reason to question the other party's intent to perform, the party may demand that the other party give written assurance of intention to perform. In the event a demand is made, and no assurance is given within 10 days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

A party may terminate this Contract if the other fails to cure a material breach, which substantially impairs the value of the Contract as a whole to the non-breaching party, within ten calendar days of receipt of the written notice being given by the other party. If more than ten calendar days is required to cure such default or breach, a reasonable time in excess of said ten days may be established provided both parties agree in writing to the time period to be substituted. In the event such default or breach is not cured within a specified time, the Contract may be terminated upon 10 days written notification.

R. VENUE

Venue in the event of any litigation with regard to this Agreement shall be in Denton County, Texas.

S. DELIVERY OF PAYMENTS AND NOTICES

All payments, notices, demands, or requests from one party to another shall be personally delivered or sent by United States certified mail, or registered, return receipt requested, postage paid, to the addresses stated in this Section;

To the Town

Town of Little Elm
Attn: Director of Public Works
100 W. Eldorado Parkway
Little Elm, Texas 75068

To the Contractor

Community Waste Disposal, L.P.
Attn: President
2010 California Crossing
Dallas, Texas 75220-2310

Notice shall be deemed to have been given (i) if by hand delivery, at the time of delivery, or (ii) if mailed, seventy-two (72) hours after the deposit of same in any United States mail post office box in the State to which the notice is addressed or ninety-six (96) hours after the deposit in any such post office box in other than the State to which the notice is addressed, postage paid, addressed as set forth above. The addresses and addressees for the purpose of this Section may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such written notice is

received the last address and addressee stated by written notice, or provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purpose hereunder.

T. ENTIRE AGREEMENT

This Contract represents the entire and integrated agreement between the Town and the Contractor and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Contract may be amended only by written instrument signed by both the Town and the Contractor.

U. CONTRACTOR CERTIFICATION

The Contractor certifies that the fees in this Contract have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition as to any other matter relating to such fees with any other firm or with any competitor.

The Contractor shall not employ or utilize the services of any other contractor or subcontractor without the advance written consent of the Town and, provided further, that such contractor or subcontractor is covered by the Contractor's insurance as required by this Contract.

It is expressly agreed and understood that the Contractor is in all respects an independent contractor as to the work, licenses, or privileges granted herein, and that the Contractor is in no respect an officer, agent, servant, employee or partner of Town. This Contract specifies the work to be done by the Contractor, but the method to be employed to accomplish this work shall be the responsibility of the Contractor, unless otherwise provided in this Contract. It is further understood and agreed that the Contractor shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees; that the doctrine of respondent superior shall not apply as between Town and the Contractor; and that nothing herein shall be construed as creating a partnership or joint enterprise or joint venture between Town and the Contractor. Neither the Town nor the Contractor shall have any authority to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of the other party hereto or to bind the other party in any manner whatsoever, nor shall either party make any representation, warranty, covenant, agreement or commitment on behalf of the other party without the express prior written consent of the other party.

The Contractor will meet its obligation under all federal and state laws regarding wage to be paid to or hours worked by its laborers and workmen and for payment of all employment related taxes. The Contractor agrees not to discriminate in its employment practices against any person, employee, or prospective employee because of race, color, religion, national origin, disability, sex, age, political belief, or otherwise.

It is expressly understood and agreed that in no event shall the Town be liable or responsible to the Contractor or to any other person for any stoppage or delay in the work herein provided for, by injunction or other legal or equitable proceedings brought against the Contractor, or from or on account of any delay from any cause over which the Town has no control

V. RIGHTS AND REMEDIES CUMULATIVE

The rights and remedies provided by this Agreement are cumulative and use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law statute, ordinance, or otherwise.

W. AUTHORITY TO EXECUTE

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this contract of behalf of the parties, and each party hereby certifies to the other that any necessary resolutions are act extending such authority have been duly passed and are now full force and effect.

X. NO WAIVER OF IMMUNITY

The Town does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Contractor to enforce its remedies under this Agreement.

Y. STATUTORY VERIFICATIONS

The Contractor makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Contractor within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

1. Not a Sanctioned Company. The Contractor represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Contractor and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
2. No Boycott of Israel. The Contractor hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

3. No Discrimination Against Firearm Entities. The Contractor hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.
4. No Boycott of Energy Companies. The Contractor hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.
5. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Contractor’s participation in the execution of this Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Town hereby confirms receipt of the Form 1295 from the Contractor, and the Town agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Contractor and the Town understand and agree that, with the exception of information identifying the Town and the contract identification number, neither the Town nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Contractor; and, neither the Town nor its consultants have verified such information.

Z. PERFORMANCE BOND

Contractor agrees that upon the execution of this Agreement and before beginning work, it shall make, execute and deliver to the Town a good and sufficient surety bond in a form furnished by the Town, to secure the faithful performance of the terms and conditions herein. Such bond shall be in the amount of Five Hundred Thousand Dollars (\$500,000.00), and signed by the president or general officer of Contractor, together with the signature of the corporate secretary and the corporate seal. The surety shall be a surety company duly authorized to do business in the State of Texas, and approved by the City.

IN WITNESS WHEREOF, the undersigned hereto have executed this Contract as of the date first written above.

TOWN OF LITTLE ELM

By: _____
Name: Curtis Cornelius
Title: Mayor

ATTEST

By: _____
Name: Caitlan Biggs,
Town Secretary

COMMUNITY WASTE DISPOSAL, INC.

By: Jason Roemer
Name: Jason Roemer
Title: President

Laura Pineda
Public Notary

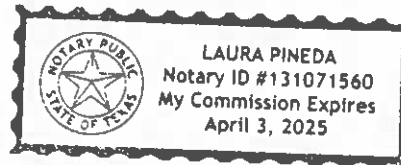


EXHIBIT A RATE SCHEDULE

Town of Little Elm Solid Waste Collection and Recycling Services

For the period of;

February 01, 2025 to January 31, 2026

Note: CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their market adjustment, extension request letters and all associated discussion information to be exempt from public disclosure. CWD request this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of the Attorney General of Texas.

Solid Waste Collection and Recycling Services	Feb 1, 2024 Town Pricing with Franchise Fee	Feb 1, 2024 CWD Rate	Contract Renewal Adjustment 15%	Pre Billing Fee Rate	Billing Fee 3.75%	Feb 1, 2025 CWD Rate	Feb 1, 2025 Town Pricing with Franchise Fee
Residential Services							
Residential Trash - Fully Automated Vehicle	N/A	\$11.86	\$1.78	\$13.64	\$0.00	\$13.64	N/A
Each Additional Cart	N/A	\$6.71	\$1.01	\$7.72	\$0.00	\$7.72	N/A
Residential HHW	N/A	\$0.28	\$0.04	\$0.32	\$0.00	\$0.32	N/A
Residential Recycling - Fully Automated Vehicle	N/A	\$2.59	\$0.39	\$2.98	\$0.00	\$2.98	N/A
Each Additional Cart	N/A	\$2.44	\$0.37	\$2.81	\$0.00	\$2.81	N/A
Residential Multi-Family Recycling Rate							
Rate Per Unit	\$0.66	\$0.57	\$0.08	\$0.63	\$0.02	\$0.65	\$0.75
Front Load Commercial Trash Container Services							
2 Cubic Yard							
One time per week	\$105.69	\$91.90	\$13.29	\$101.87	\$3.82	\$105.69	\$121.54
Two times per week	\$189.67	\$164.93	\$23.85	\$182.82	\$6.86	\$189.68	\$218.13
Three times per week	\$248.80	\$216.35	\$31.28	\$239.81	\$8.99	\$248.80	\$286.12
Four times per week	\$330.43	\$287.33	\$41.54	\$318.48	\$11.94	\$330.42	\$379.98
Five times per week	\$391.37	\$340.32	\$49.20	\$377.22	\$14.15	\$391.37	\$450.08
Six times per week	\$438.56	\$381.36	\$55.14	\$422.72	\$15.85	\$438.57	\$504.35
3 Cubic Yard							
One time per week	\$112.92	\$98.19	\$14.20	\$108.84	\$4.08	\$112.92	\$129.85
Two times per week	\$213.36	\$185.53	\$26.82	\$205.64	\$7.71	\$213.35	\$245.36
Three times per week	\$337.47	\$293.45	\$42.43	\$325.27	\$12.20	\$337.47	\$388.09
Four times per week	\$420.52	\$365.67	\$52.87	\$405.32	\$15.20	\$420.52	\$483.60
Five times per week	\$528.74	\$459.77	\$66.47	\$509.62	\$19.11	\$528.73	\$608.04
Six times per week	\$536.02	\$466.10	\$67.39	\$516.64	\$19.37	\$536.01	\$616.41
4 Cubic Yard							
One time per week	\$128.86	\$112.05	\$16.20	\$124.20	\$4.66	\$128.86	\$148.19
Two times per week	\$230.17	\$200.15	\$28.94	\$221.86	\$8.32	\$230.18	\$264.70
Three times per week	\$306.82	\$266.80	\$38.57	\$295.73	\$11.09	\$306.82	\$352.85
Four times per week	\$407.71	\$354.53	\$51.26	\$392.98	\$14.74	\$407.72	\$468.88
Five times per week	\$482.34	\$419.43	\$60.64	\$464.91	\$17.43	\$482.34	\$554.69
Six times per week	\$540.86	\$470.31	\$68.00	\$521.31	\$19.55	\$540.86	\$621.98
6 Cubic Yard							
One time per week	\$164.76	\$143.27	\$20.71	\$158.80	\$5.96	\$164.76	\$189.48
Two times per week	\$291.93	\$253.85	\$36.70	\$281.37	\$10.55	\$291.92	\$335.71
Three times per week	\$405.34	\$352.47	\$50.96	\$390.69	\$14.65	\$405.34	\$466.14
Four times per week	\$535.90	\$466.00	\$67.37	\$516.53	\$19.37	\$535.90	\$616.29
Five times per week	\$631.65	\$549.26	\$79.41	\$608.82	\$22.83	\$631.65	\$726.40
Six times per week	\$685.10	\$595.74	\$86.13	\$660.34	\$24.76	\$685.10	\$787.87
8 Cubic Yard							
One time per week	\$209.10	\$181.83	\$26.29	\$201.55	\$7.56	\$209.11	\$240.48
Two times per week	\$363.99	\$316.51	\$45.76	\$350.83	\$13.16	\$363.99	\$418.59
Three times per week	\$537.63	\$467.50	\$67.59	\$518.19	\$19.43	\$537.62	\$618.26
Four times per week	\$708.77	\$616.32	\$89.11	\$683.15	\$25.62	\$708.77	\$815.08
Five times per week	\$835.02	\$726.10	\$104.98	\$804.84	\$30.18	\$835.02	\$960.27

EXHIBIT A RATE SCHEDULE

Town of Little Elm Solid Waste Collection and Recycling Services
For the period of;
February 01, 2025 to January 31, 2026

Note: CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their market adjustment, extension request letters and all associated discussion information to be exempt from public disclosure. CWD request this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of the Attorney General of Texas.

Solid Waste Collection and Recycling Services	Feb 1, 2024 Town Pricing with Franchise Fee	Feb 1, 2024 CWD Rate	Contract Renewal Adjustment 15%	Pre Billing Fee Rate	Billing Fee 3.75%	Feb 1, 2025 CWD Rate	Feb 1, 2025 Town Pricing with Franchise Fee
Six times per week	\$936.99	\$814.77	\$117.80	\$903.12	\$33.87	\$936.99	\$1,077.54
6 Yard Front Load Compactors							
6 Yard							
One time per week	\$594.18	\$516.68	\$74.70	\$572.70	\$21.48	\$594.18	\$683.31
Two times per week	\$1,093.87	\$951.19	\$137.52	\$1,054.33	\$39.54	\$1,093.87	\$1,257.95
Three times per week	\$1,831.84	\$1,592.90	\$230.30	\$1,765.63	\$66.21	\$1,831.84	\$2,106.62
Four times per week	\$2,287.66	\$1,989.27	\$287.61	\$2,204.98	\$82.69	\$2,287.67	\$2,630.82
Commercial Special Services							
Casters (per pick-up)	\$12.80	\$11.13	\$1.61	\$12.34	\$0.46	\$12.80	\$14.72
Gates (per pick-up)	\$10.21	\$8.88	\$1.28	\$9.84	\$0.37	\$10.21	\$11.75
Locks (per pick-up)	\$10.21	\$8.88	\$1.28	\$9.84	\$0.37	\$10.21	\$11.75
Container Swap Charge - Per Container	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$75.00	\$86.25
Overloaded Commercial Container Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45.00	\$51.75
Front Load Cardboard Container (OCC)							
8 Cubic Yard							
One time per week	\$88.76	\$77.18	\$11.16	\$85.55	\$3.21	\$88.76	\$102.07
Two times per week	\$177.51	\$154.36	\$22.32	\$171.10	\$6.42	\$177.52	\$204.14
Three times per week	\$266.20	\$231.48	\$33.47	\$256.58	\$9.62	\$266.20	\$306.13
6 Yard Recycle Containers							
Weekday Transport	\$114.22	\$99.32	\$14.36	\$110.09	\$4.13	\$114.22	\$131.35
Rental	\$21.21	\$18.44	\$2.67	\$20.44	\$0.77	\$21.21	\$24.39
Commercial Trash Cart Service							
First Trash Poly-Cart	\$24.52	\$21.32	\$3.08	\$23.63	\$0.89	\$24.52	\$28.20
Each Additional Cart	\$19.09	\$16.60	\$2.40	\$18.40	\$0.69	\$19.09	\$21.95
Commercial Recycle Cart Service							
First Recycle Poly-Cart	\$16.30	\$14.17	\$2.05	\$15.71	\$0.59	\$16.30	\$18.74
Each Additional Cart	\$12.18	\$10.59	\$1.53	\$11.74	\$0.44	\$12.18	\$14.01
Roll Off Compactors							
35 SC Weekday Haul * #	\$420.62	\$365.76	\$52.88	\$405.42	\$15.20	\$420.62	\$483.71
35 SC Weekend Haul * #	\$456.46	\$396.92	\$57.39	\$439.96	\$16.50	\$456.46	\$524.92
40 RC Weekday Haul * #	\$438.54	\$381.34	\$55.13	\$422.69	\$15.85	\$438.54	\$504.33
40 RC Weekend Haul * #	\$474.32	\$412.45	\$59.63	\$457.17	\$17.14	\$474.31	\$545.46
* Disposal for weight up to 27 tons GVW	\$64.06	\$55.70	\$8.05	\$61.74	\$2.32	\$64.06	\$73.67
# Excess Payload for trucks over 27 tons GVW	\$162.45	\$141.26	\$20.42	\$156.57	\$5.87	\$162.44	\$186.81

EXHIBIT A RATE SCHEDULE

Town of Little Elm Solid Waste Collection and Recycling Services

For the period of;

February 01, 2025 to January 31, 2026

Note: CWD considers this material as proprietary rate information that could affect their competitiveness if the waste services contract goes to competitive bid process. Therefore, CWD requests that their market adjustment, extension request letters and all associated discussion information to be exempt from public disclosure. CWD request this information is exempt from Public Records, and is only allowed to be part of Public Records, after a ruling of the Attorney General of Texas.

Solid Waste Collection and Recycling Services	Feb 1, 2024 Town Pricing with Franchise Fee	Feb 1, 2024 CWD Rate	Contract Renewal Adjustment 15%	Pre Billing Fee Rate	Billing Fee 3.75%	Feb 1, 2025 CWD Rate	Feb 1, 2025 Town Pricing with Franchise Fee
30 Yard Open Top Roll Off Containers							
Delivery	\$209.19	\$181.90	\$26.30	\$201.63	\$7.56	\$209.19	\$240.57
Trip Charge (Dry Run) - weekday	\$209.19	\$181.90	\$26.30	\$201.63	\$7.56	\$209.19	\$240.57
Weekly Rental	\$73.00	\$63.48	\$9.18	\$70.37	\$2.64	\$73.01	\$83.96
Haul Weekday (plus disposal) * #	\$545.43	\$474.29	\$68.57	\$525.72	\$19.71	\$545.43	\$627.25
Haul Weekend (plus disposal) * #	\$584.41	\$508.18	\$73.47	\$563.28	\$21.12	\$584.40	\$672.06
* Disposal for weight up to 27 tons GVW	\$71.91	\$62.53	\$9.04	\$69.31	\$2.60	\$71.91	\$82.70
# Excess Payload for trucks over 27 tons GVW	\$181.48	\$157.81	\$22.82	\$174.93	\$6.56	\$181.49	\$208.71

EXHIBIT B

RECYCLE REVENUE SHARING MODEL

Community Waste Disposal Recycle Revenue Sharing Calculations						
LITTLE ELM						
Total Tons Received by CWD (estimated)					4,200	
Per Ton Processing Fee & Transportation Fee (Note 1)					\$ 98.71	Adj Annually
Total Processing Fee					\$ 414,582.00	
		Adj Annually	Note 3	Note 4		
	Commodity	Component %	Pricing Structure	Adjusted Monthly Published Value Dollars Per Ton	Total \$	Tons
	ONP	2.10%	PPI - #8 Southwest Hi	\$ 55.00	\$ 4,851.00	88.20
	OCC	35.62%	PPI #11 Southwest Hi	\$ 100.00	\$ 149,604.00	1,496.04
	Mixed Paper	9.91%	PPI Mixed Paper #2 Hi	\$ 55.00	\$ 22,892.10	416.22
	Aluminum	0.52%	SMP - Region 8 Houston High	\$ 1,500.00	\$ 32,760.00	21.84
	Steel/Tin	0.87%	SMP - Region 8 Houston High	\$ 120.00	\$ 4,384.80	36.54
	PETE	2.26%	SMP - Region 8 Houston High	\$ 460.00	\$ 43,663.20	94.92
	HDPE - Natural	0.73%	SMP - Region 8 Houston High	\$ 1,080.00	\$ 33,112.80	30.66
	HDPE - Colored	0.76%	SMP - Region 8 Houston High	\$ 180.00	\$ 5,745.60	31.92
	Mixed Plastic	0.24%	SMP - Region 8 Houston High	\$ 20.00	\$ 201.60	10.08
	Mixed Glass	9.54%	SMP - Region 8 Houston (Note 5)	\$ (8.99)	\$ (3,602.11)	400.68
	Residue	37.45%			\$ -	1,572.90
		100.00%		\$ 69.91	\$ 293,612.99	4,200.00
Total Gross Recycle Revenue					\$ 293,612.99	
Less Total Processing Fees					\$ (414,582.00)	
Net Revenue					\$ (120,969.01)	
60% City Share of Net Positive Revenue					NA	
Revenue Share Per Ton					-	
					Note 2	
NOTE 1	Processing & Transportation Fees will be adjusted annually based on CPIU, Disposal, and Fuel increases					
NOTE 2	Per ton rebate cannot exceed \$40 per ton. City will never be required to pay contractor for negative revenue values. Any negative values will carry forward and must be brought back to zero before compensation to the city begins or resumes.					
NOTE 3	SMP = Secondary Materials Pricing, PPI = Pulp & Paper Week					
NOTE 4	Published Value Dollars Per Ton as of 9-30-2024					
NOTE 5	Published Value Dollars Per Ton includes Index price plus \$17.00 per ton transportation.					
NOTE 6	Any past deficits must be cleared before Revenue Sharing payments begin					
Recyclable Material List:						
1. Loss of Sustainable Market – If a sustainable market is no longer available for a recycle commodity, CWD will inform the City/Town to have it removed from the accepted materials list. Example: There is one glass buyer based in Midlothian Texas, if they will no longer accept our glass, CWD would have no sustainable market for the commodity.						
2. Negative Market Value – If the value of any of the recycle commodities falls below zero dollars, CWD may petition the City/Town to have the item removed from the accepted materials list. The request to remove the item will not be unreasonably withheld by the City/Town.						