

SOLID WASTE FRANCHISE AGREEMENT

This Agreement is made and entered into as of October 27 2017 (the "Effective Date"), by and between the McCREARY COUNTY FISCAL COURT, (the "County") and POFF CARTING SERVICES, LLC, (the "Franchisee") having a place of business at London, Kentucky.

WHEREAS, the Franchisee is qualified to provide solid waste collection and hauling services; and

WHEREAS, the County desires the Franchisee to collect, haul and dispose of Residential and Commercial Solid Waste, as defined in this document, within the boundaries of McCreary County, Kentucky;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and considerations contained herein, the County and the Franchisee hereby agree as follows:

1) DEFINITIONS:

For the purposes of this Agreement the following terms shall be deemed to have the meaning indicated below:

- a) Approved Container –
 - (i) a garbage receptacle no greater in size than thirty-five (35) gallons containing hand holds that are attached to the side of the container or
 - (ii) Individual sealed or tied bags of waste no greater in volume than thirty (30) gallons each.

- b) Bulky Waste - non-putrescible solid waste consisting of combustible and/or non-combustible waste materials from dwelling units, commercial, industrial, institutional, or agricultural establishments which are either too large or too heavy to be safely and conveniently loaded into solid waste transportation vehicles or including, but not limited to, stoves, bed springs, fence posts and furniture.
- c) Collection - removal of solid waste from the designated pickup location to the transportation vehicle.
- d) Commercial Solid Waste - all types of solid waste generated by stores, offices, restaurants, warehouse and other service and manufacturing activities, excluding Residential Solid Waste and Industrial Solid Waste and specifically excluding Hazardous Waste.

- e) County - the County of McCreary, Kentucky
 - (i) The county of McCreary County, Kentucky
 - (ii) The McCreary County Fiscal Court

- f) Dwelling Unit - any room or group of rooms located within a structure, and forming a single habitable unit with facilities, which are used, or are intended to be used, for living, sleeping, cooking and eating.

- g) Franchise Area - all areas within McCreary County, Kentucky.

- h) Hazardous Waste - any radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic or hazardous material as defined by applicable federal, state or local laws or regulations.

- i) Industrial Solid Waste - solid waste generated by manufacturing or industrial

processes that is not a Hazardous Waste or a special waste as designated by KRS 224.868, including but not limited to, waste resulting from the following manufacturing processes: electric power generation; fertilizer or agricultural chemicals; food or related products or by-products; inorganic chemicals; iron and steel manufacturing; leather and leather by products; non-ferrous metals manufacturing/foundries; organic chemicals; plastics and resins manufacturing; pulp and paper industry; rubber and miscellaneous plastic products; stone glass, clay and concrete products; textile manufacturing; transportation equipment; and water treatment.

j) Person - any individual, partnership, corporation, association, joint stock company, trust, estate, political subdivision, or organization of any kind, or their legal representatives, agent, successor or assigns.

k) Recyclable Material - Materials that are diverted from the solid waste stream by consumers that can be processed and marketed for alternative use and reuse in various manufacturing processes thus reducing the waste stream. Materials can include, but is not limited to, plastics, paper, cardboard, various metals (both ferrous and non-ferrous), glass, electronics, automotive chemicals and tires.

l) Residential Solid Waste - solid waste resulting from the normal daily maintenance and/or operation of the dwelling units and specifically excluding Hazardous Waste.

m) Multiple Housing Facility - a housing facility containing more than one dwelling unit on the same property.

n) Senior Citizen - Citizens who are sixty-two (62) years of age and older occupying single unit family dwellings and who qualify for the Kentucky Revenue Cabinet's Homestead Exemption.

o) Service Lapse Fee - a fee charged to residential and/or commercial accounts in the amount of fifteen (15) dollars (\$15.00) to reconnect a lapsed account. Service will automatically lapse for any account which remains unpaid for thirty (30) days past the account due date.

p) Solid Waste - all Residential Solid Waste and Commercial Solid Waste, and specifically excluding Hazardous Waste, Industrial Solid Waste and Recyclable Materials.

q) Solid Waste Transfer Station - a facility used to transfer solid waste from collection vehicles to larger containers for the purpose of transporting solid waste to a final disposal site in an efficient manner.

r) Solid Waste Disposal - the process of discarding or getting rid of unwanted material. In particular, the final disposition of solid waste.

s) Yard Waste - grass, clippings, leaves and tree trimmings.

2) SCOPE OF SERVICES:

Franchisee is to furnish all labor, materials, tools, vehicles, collection trucks, and other equipment as necessary for the collection and hauling of all Residential Solid Waste and Commercial Solid Waste in the Franchise Area contemplated by McCreary County Ordinance 830.6. The Franchisee shall make one collection per week based on a predetermined schedule at each dwelling unit and commercial facility within the Franchise Area and which is accessible by

public road. The scope of service is based on the enforcement of Ordinance 830.6 by the County. To the extent there is a conflict between Ordinance 830.6 and this Agreement, the terms of this Agreement shall control as between the County and the Franchisee.

3) EXCLUSIVERIGHT:

The Franchisee shall be the only person and/or entity allowed to haul, collect or dispose of residential or commercial solid waste within the Franchise Area, consistent with the terms and conditions of this Contract; provided, however, the County retains all rights with respect to the hauling, collection and disposal of Recyclable Material. The Franchisee acknowledges and agrees that it shall not knowingly collect Recyclable Materials. The County acknowledges it will not operate the Transfer Station nor allow disposal of any municipal solid waste at the Transfer Station or any other location in the Franchise Area for the duration of this Agreement or any extensions.

4) TERM:

The term of the Agreement shall be five (5) years, beginning on the Effective Date of this Agreement and terminating on the fifth (5th) anniversary of the Effective Date (the "Term"). The County and the Franchisee may mutually agree to extend the Term for up to three (3) additional five (5) year terms.

5) MINIMUMSERVICE:

The Franchisee shall, weather and other conditions reasonably permitting, make at least one collection per week at each dwelling unit and commercial facility within the Franchise Area and which is accessible by public road, on a schedule approved by the County; provided, however, construction dumpsters will be serviced on as-needed basis.

6) HOURS:

Collection shall be made during the hours set forth. In no event shall collection begin prior to 6:00 a.m. The County shall not proscribe that collection may not begin until a time later than 6:00 a.m. without consent from the Franchisee. The Franchisee shall take reasonable effort to conduct its operations so as not to disturb the residents of the County.

7) LITTER:

The Franchisee shall not litter premises in the process of making collections. Additionally, all residents and businesses within the County shall be required to use the approved containers as their primary receptacle for setting out waste and the Franchisee shall have no obligation to collect material that has not been placed in the approved containers and in the manner herein provided.

8) APPROVED CONTAINERS:

Amounts and type of solid waste placed in containers for collection shall be stored in approved containers, as described in Section ,a),i, and ii, Definitions.

9) UNAPPROVED CONTAINERS:

The Franchisee shall only collect Solid Waste if it is placed in approved containers. The Franchisee shall not be required to collect Solid Waste unless it is in approved containers or bundles, except as provided for in special haul services. The Franchisee shall not be required to pick up waste, which has been scattered as a result of improper containers being used.

10) HAZARDOUS MATERIALS:

The residents and businesses of the County shall not deposit in the Franchisee's equipment or place for collection by the Franchisee any Hazardous Waste, and the Franchisee shall have no obligation to collect Hazardous Waste.

11) COLLECTION EQUIPMENT:

The Franchisee shall provide an adequate number of vehicles for regular collection services. The vehicles shall be kept in good repair, appearance and in sanitary condition at all times. All vehicles to be used for transportation of solid waste, except bulky waste, shall be constructed with watertight bodies, which shall be an integral part of any vehicle. The entire bodies therefore shall be enclosed with only loading hoppers exposed. Bulky waste may be transported in uncovered vehicles with sides.

12) OFFICE:

The Franchisee shall maintain an office in London, KY through which Franchisee can be contacted, where service may be applied for and complaints can be made. It shall be equipped with sufficient telephones, shall be open during collections hours, and shall have a responsible person in charge during such hours.

13) TITLE TO WASTE:

Title to all Solid Waste shall be vested in the Franchisee immediately upon being placed in Franchisee's vehicle; provided, however, title to and liability for Hazardous Waste and Industrial Solid Waste shall remain with the resident and/or generator of such material.

14) DISPOSAL:

All Solid Waste collected by the Franchisee shall be disposed at a state permitted disposal facility. The Franchisee is responsible for any and all tipping fees or disposal charges. The Franchisee must keep receipts and records of all Solid Waste disposed of, and the County shall have the right to review these receipts and records. Illegal disposition of Solid Waste by the Franchisee or its representatives shall be cause for immediate termination of this Agreement.

15) CONSIDERATION / FRANCHISE FEE:

In consideration of the Franchisee's exclusive rights under this Agreement, Franchisee shall pay the County a franchise fee from gross receipts actually collected by the Franchisee from all customers, exclusive of recycling revenues and dumpster rentals. The fee will be paid on a monthly basis by the twentieth (20) day of the month following the month in which said fees are collected. The fee will be paid based on the residential participation rate. If the participation rate is less than four thousand two hundred (4,200) residential customers, there shall be no franchise fee. If the participation rate is between four thousand two hundred (4,200) and five thousand two hundred (5,200) residential customers, the franchise fee shall be five point five percent (5.5%) of gross collections. If the participation rate is above five thousand two hundred (5,200) residential customers, the franchise fee shall be six point five percent (6.5%) of gross collections. For the purpose of this Agreement, the participation rate is calculated based on curbside, residential collection only. "Collections" in this paragraph and elsewhere in this document is defined as actual fees paid and received by Franchisee from curbside, residential McCreary County customers. However, notwithstanding anything in this Agreement to the contrary, no franchise fees will be paid if the County does not enforce this Agreement and the related County Ordinance 830.6 by both (1) mailing the notice letters discussed in Section 16 below and (2) prosecuting violators of the ordinance as also

outlined within Section 16 of this Agreement.

16) ENFORCEMENT OF ORDINANCE 830.6:

The parties to this agreement understand and agree that the County has a substantial and compelling interest in ensuring that the solid waste generated by individual persons and business entities throughout the county is regularly and routinely collected. The parties to this agreement acknowledge that franchisee has bid its prices with the understanding that county residents and businesses will timely and faithfully pay invoices for collection of solid waste and that the county will take measures to enforce such collection. Franchisee will not and cannot collect refuse for individual residents and businesses that do not pay for collection. And the cost to franchisee of enforcing unpaid solid waste collection fees, including the costs of litigation, is economically prohibitive. The net result from unpaid solid waste collection and disposal fees is that Franchisee will not continue to service such unpaying customers, which will lead to the continued accumulation of solid waste throughout the county including the accumulation of litter. The accumulation of uncollected solid waste in the county has a substantial detrimental effect upon not only aesthetic interests throughout the county but also upon the county's capacity for long term economic growth.

In order to ensure enforcement of McCreary County Ordinance 830.6 the Franchisee may provide information in the form of Affidavits or otherwise to law enforcement agencies, including the McCreary County Attorney's Office, regarding evidence of property owners, business establishments, occupants, and residences that fail to comply with county ordinance 830.6, including failure "to enter into a contract for solid waste collection services" or failure "to pay solid waste collection fees." Relevant information would include lists of property owners, occupants, and businesses that are not signed up and in compliance with solid waste collection service accounts including any customers and properties for which payment for collection services is 60 days or more past due. Franchisee personnel may further provide reports of illegal burning/dumping of solid waste. Otherwise, Franchisee is not expected to, nor could it with any degree of profitability, take any action to enforce the payment obligations of customers under county ordinance 830.6. Franchisee may discontinue service for any customer who fails to pay his or its account on or before the due date of any invoice for collection.

The County by virtue of the adoption of McCreary County Fiscal Court Ordinance No. 830.6 has taken measures to ensure that its residents and businesses and industries pay for solid waste collection by Franchisee. If any customer account remains delinquent and unpaid for more than 60 days from the due date of any invoice for solid waste collection by Franchisee, upon notification of such by Franchisee to the County in writing, the County shall issue to the customer a written notice of default for failure to pay solid waste collection fees per county ordinance 830.6. Such customer accounts shall also be referred to the County Attorney for prosecution for the misdemeanor offense of failure to pay for solid waste collection services in violation of the subject ordinance and/or KRS 109.310(6). The notice of default shall specify the current balance owed to Franchisee for collection fees and shall remind the customer of its ongoing duty to timely pay for solid waste collection services to Franchisee. The notice of default letter to be sent out by the county shall be on a pre-printed, pre-signed form signed by the County Judge Executive on the County Judge's letter head. The entire pre-printed, pre-signed form on the county's letterhead shall be maintained on Franchisee's computer system or files and printed as necessary. Franchisee shall bear such printing costs. Franchisee shall not bear the cost of postage for such notices nor shall Franchisee mail such notices to the customers. Printed notices will be mailed by Franchisee to the County Judge Executive and the county will mail out such notices in the County's own envelopes containing the county's return address on the face of the envelope. The cost for the postage of such mailings shall be borne by the County. The County shall mail one notice per delinquent customer and if the customer fails to cure its account, no such further written notices shall be required of the county but the county shall prosecute all delinquent customers as set forth herein. If any customer cures its account following issuance of such notice and later defaults, then the county shall issue a subsequent notice of default letter to such customer and the same procedure shall continue for each time such customer cures its account and then later becomes

delinquent again. It is the intention of the parties that neither the county nor the county attorney will have to sign any of these letters or print them on letterhead. The County Judge Executive will sign one such letter on his letter head and such shall be saved in the Franchisee's systems and Franchisee will pre-print all such letters and forward them to the county for mailing. The county attorney's letterhead and pre-printed signature of the county attorney will already be printed on the letters that Franchisee will forward to the county such that the county will simply have to place them in envelopes, affix postage, and mail out. If any customer cures its account with Franchisee and becomes current, then the County Attorney may dismiss any such pending prosecution.

In addition, consistent with county ordinance 830.6, the Franchisee, the county, the Commonwealth of Kentucky, and/or any other person with sufficient knowledge of a violation of the ordinance, including any failure to timely pay for solid waste collection services, may provide an Affidavit and all supporting evidence of said violation to the McCreary County Attorney's Office for a probable cause determination for a criminal summons to be issued to the alleged violator of the Kentucky Revised Statutes and/or any county ordinance. Upon conviction in McCreary District Court, the violator shall be subject to a fine of up to \$500.00 plus court costs per violation.

In addition to the foregoing, for any account which remains unpaid for sixty (60) days past the due date, a civil collection penalty of 15% of the unpaid amount shall be assessed against the customer, which penalty shall be paid directly to Franchisee. Such civil penalty is wholly separate from any criminal fines or penalties described above for violating the subject county ordinance, including any criminal penalties for failure to timely pay for collection services rendered.

The County Attorney shall provide an initial letter to Franchisee, which letter Franchisee may share with any or all property owners, residents, and business establishments responsible for participating in solid waste collection services, with such letter outlining Franchisee's rights to seek civil remedies and describing potential criminal charging for violations of the county ordinance, including the penalties assessable by law as stated above. The letter from the County Attorney shall also set forth the responsibilities for property owners and residents to participate in solid waste collection services and the most common forms of violations.

17) ORDINANCE CHANGES:

The parties hereto understand that Franchisee placed its bid based on the current language of county ordinance 830.6. The parties each have a substantial and compelling interest in ensuring compliance with current county ordinance 830.6 by all property owners, residents, and businesses in McCreary County. In light of the foregoing, during the term of this agreement and any extensions thereof, Franchisee shall have the right to reject any change to or modification of county ordinance 830.6 and the county shall, prior to amending or modifying county ordinance 830.6, consult with Franchisee and obtain Franchisee's prior approval to any changes in county ordinance 830.6

18) MANDATORY PARTICIPATION:

Consistent with KRS 109.310 and county ordinance 830.6, all owners and occupants of residential property in the county and all commercial business establishments shall be required to participate in the solid waste collection provided in this Agreement. Participation is mandatory.

19) CHARGES AND RATES:

For any services required to be performed under this Agreement, the charges shall not exceed the rates listed in Addendum 1, Price Sheet – Option 1

20) RESIDENTIAL:

(a) Residential Single Family Unit Franchisee shall be required to provide weekly curbside collection of up to six (6) thirty (30) gallon bags of Residential Solid Waste per dwelling stored in Approved Containers . Rates are detailed in the attached, Addendum 1.

(b) Multifamily Housing Units

- i. With respect to multiple housing units exceeding six (6) units on the same property, whether occupied or unoccupied, the rate to be charged each single family housing unit within such multi housing units shall be equal to the applicable rate for a Residential Single Family Unit. As an option, the owner may elect to have a commercial dumpster installed at a central location for use by multifamily dwelling units and pay the commercial rates identified in Addendum 1, in lieu of paying the standard rate.
- ii. With respect to multiple housing units numbering less than (6) six units on the same property, whether occupied or unoccupied, the rate to be charged each single family housing unit shall be equal to the applicable rate for a Residential Single Family Unit.

(c) Discounts

- i. Senior Citizen - Citizens who are sixty-two (62) years of age occupying single unit family unit dwellings and who qualify for the Kentucky Revenue Cabinet's Homestead Exemption shall be entitled to a discount of One and 50/100 dollars (\$1.50) per month.

(d) Transfer Station Delivery - Residential customers who choose to deliver waste to the Transfer Station by their own means rather than having it collected at the residence may do so only if they have been an active customer of the Franchisee from the start of this Agreement or for the previous six months and their account is currently active and paid in full.

(e) Spring & Fall Clean Up - The Franchisee will participate in a Fall and Spring cleanup to be held by the County. Said cleanup shall not be for a period longer than one week (7 consecutive days) during the Spring and one week (7 consecutive days) during the Fall. Poff Carting will, for each Spring and Fall cleanup period, supply up to five (5) thirty (30) yard rolloff loads which allow for up to five (5) tons of solid waste to be deposited therein for each of the one week Spring and Fall Cleanup efforts at no charge to McCreary County. No bulky items shall be deposited in the subject rolloffs. Bulky items shall be handled as described in the below paragraph. However, in the event that the number of customers actually paying for collection services drops below four thousand two hundred (4200) or seventy percent (70%) of the county's households and known business establishments, whichever is less, then in such event, Franchisee shall be relieved from any and all obligations under this subparagraph and shall not be required to participate in any Fall or Spring cleanup activities and shall not be required to provide any rolloffs, receive any bulky items, or to otherwise provide any Fall or Spring cleanup collection services as indicated herein. The number of customers actually paying for collection services is defined as those customers whose account is current or otherwise less than 30 days outstanding. Any customer whose

account is 30 days or more outstanding shall be deemed a non-paying customer for purposes of this paragraph.

- (f) Bulky Items - The Franchisee and the County recognize that residents may need to dispose of bulky item waste during the year. Residents who wish to bring bulky items to the transfer station may do so only if they have been an active customer of the Franchisee from the start of this Agreement or for the previous six months and their account is currently active and paid in full. The fees for depositing bulky items at the transfer station shall be negotiated between Franchisee and customer on a case by case basis.

21) COMMERCIAL:

- (a) Small Commercial Hand Pick up: Rates are set forth in Addendum 1
- (b) Commercial Businesses: Rates are set forth in Addendum 1
- (c) Construction Dumpster: Rates are set forth in Addendum 1
- (d) Transfer Station Rates: Rates are set forth in Addendum 1

22) BILLING:

All billings are due upon receipt of statements and must be paid no later than the first (1st) day of the month of the first month of the billed quarter which service will be rendered.

23) SERVICE CHARGES:

- a) Residential: Service charges on residential billing not paid by the tenth (10th) day of the first month of the billed quarter shall be subject to a service charge of five percent (5%) of the amount due; provided, however, the service charge will not be less than five dollars (\$5.00) per month.
- b) Commercial: Service charges on commercial billing not paid by the fifteenth (10th) of month in which service is rendered shall be subject to a service charge of five percent (5%) of the amount due; provided, however, the service charge will not be less than fifteen (\$15.00) per month.
- c) These service charges shall be in addition to the penalties described in paragraph sixteen (16) above.

24) SPECIAL HAUL SERVICES – BULKY WASTE:

For occupants or owners in need of collection of bulky waste, collection for such items must be specially requested by such occupants or owners directly contacting Franchisee. Bulky waste is defined in the definitions section of this agreement and includes items requiring special handling due to size, weight, type of material or method of placement. The charges for collection of such items and the time of pick up shall be separately negotiated between the Franchisee and the customer prior to collection. Franchisee and customer shall arrange a time and date for pick up and shall negotiate a price for the same.

25) LOCATION:

All solid waste shall be placed at the nearest public road at a location, which is readily accessible by the Franchisee or its personnel in a manner described by local regulations, unless the resident negotiates with the Franchisee to have waste collected at the house or other approved location. For those residential customers over the age of 62 who are disabled and who are cared for by a home health service, and who live in a household in which resides no one

physically capable of taking the waste to the roadside, Solid Waste may be placed on the porch or at the front of the house in a safe and accessible manner for collection.

26) FUEL SURCHARGE:

If average diesel fuel prices in Kentucky go above three and 50/100 dollars (\$3.50) per gallon at any time during a current billed quarter of the year (1st Qtr. [January, February, March], 2nd Qtr. [April, May, June], 3rd Qtr. [July, August, September], 4th Qtr. [October, November, December]) the Franchisee shall be entitled to increase the residential rate by 70/100 dollars (\$.70) per month and the commercial rates by five percent (5.00%) for the entirety of the next billing quarter. Rates will remain increased until average diesel fuel rates in Kentucky fall below three and 50/100 dollars (\$3.50) for a period of three months. The charge will be adjusted before each quarterly or monthly billing statement is processed.

27) UNUSUAL CHANGES OR COST:

The Franchisee may petition the County for rate adjustments no more than once a year at the end of each one (1) year period of this Agreement on the basis of unusual changes in the Franchisee's cost of doing business, such as revised statutes, codes, ordinances, or regulations, changes in location of disposal sites, etc. The Franchisee shall provide the County with any financial records required by the County to determine the necessity of any rate adjustments.

28) COMPENSATION:

The Franchisee is responsible for billing customers on a regular basis.

29) DISCONTINUED SERVICE FOR DELINQUENT ACCOUNT:

The Franchisee may discontinue service as set forth in this section to any customer who has not remitted required payments including any applicable service charges by the tenth (10th) day of the first month of a billed quarter or by the tenth (10th) day of the month of service if billed monthly. Upon payment of the delinquent fees, the Franchisee shall resume collection on the next regularly scheduled collection day. The Franchisee may charge a reasonable extra fee for late payment as provided herein. The Franchisee may charge a fifteen and 00/100 dollar (\$15.00) service lapse fee for lapses in service greater than thirty (30) days as provided herein. In the event the number of customers actually paying for collection services drops below four thousand (4,000) or sixty five percent (65%) of of the county's households and known business establishments, whichever is less, then in such event, Franchisee has the right to choose to be relieved from any and all obligations under this Agreement and shall no longer be obligated to provide any collection services whatsoever.

30) ROUTES AND SCHEDULES:

The Franchisee shall provide the County with maps and schedules of residential and commercial collection routes and keep such information current at all times. It shall be the customer's responsibility to place solid waste at the appropriate location for collection before the approved starting hour. In the event of changes in routes or schedule that will alter the day of pickup, the Franchisee shall so notify each customer effected by mail or other appropriate method not less than two (2) weeks prior to the change.

31) COMPLAINTS:

All complaints shall be resolved within twenty-four (24) hours if possible. Complaints that cannot be resolved by the Franchisee shall be directed to the solid waste coordinator for

arbitration.

32) NOTIFICATION:

The Franchisee shall notify all customers about complaint procedures, rates regulation and days of collection.

33) FRANCHISEE'S PERSONNEL:

- A. The Franchisee shall assign a qualified person or persons to be in charge of Franchisee's operation in the County.
- B. Each employee shall at all times, carry a valid operator license for the type of vehicle the employee is driving.

34) COMPLIANCE WITH LAWS:

The Franchisee and the County shall each conduct itself in compliance with applicable laws and regulations.

35) INDEMNITY:

The Franchisee will indemnify, save harmless, and defend the County and its solid waste management coordinator from and against any and all suits, actions, legal proceedings, claims, demands, costs, expenses and attorney's fees to the extent caused by the Franchisee's negligence or willful misconduct. The Franchisee shall have the sole discretion to select legal counsel of its own choosing in such instance.

36) INSURANCE:

The Franchisee shall carry insurance in the amount and type specified below, and shall provide the county with certificates of insurance specifying such limits. This shall be submitted annually, no later than January 15th.

- (1) Workers' Compensation and Employer's Liability in the amount fulfilling all requirements of the Workers' Compensation Act of Kentucky.
- (2) Comprehensive automobile liability, including owned, non-owned and hired car coverage, limits of liability- One Million (\$1,000,000) Dollars: property damage- Five Hundred Thousand (\$500,000) Dollars
- (3) Comprehensive general liability - limits of liability- One Million Dollars (\$1,000,000) per occurrence, bodily injury and property damage combined.

37) ASSIGNMENT:

Franchisee may assign any part of its obligations under this Agreement at any time. The assignee shall be bound by all terms and conditions and provisions of this Agreement and shall execute an Acknowledgement indicating that the assignee has read and reviewed this Agreement and county ordinance 830.6 and that the assignee agrees to be bound by the terms and conditions and provisions thereof. In the event of any assignment, the assignee shall assume the liability of the Franchisee under this agreement, and the Franchisee shall be relieved of any liability under this agreement. However, the Franchisee shall not be relieved of any liability arising from Franchisee

subcontracting any of its obligations under this agreement to any person or entity.

38) BOOKS AND RECORDS:

The Franchisee shall keep records of fees collected; list of customers and receipts for disposal of all waste collected, and the County shall have the rights to review those records.

39) PERMITS AND LICENSES:

The Franchisee shall obtain at his own expense all permits and licenses required by law or ordinance relative to his operation, and maintain same in full force and effect.

40) STANDARDS OF PERFORMANCE:

If the Franchisee fails to collect any solid waste herein specified for a period in excess of five (5) consecutive, scheduled, working days, except for working days where road conditions have been affected by snow, flooding or other, unforeseen conditions out of the control of the Franchisee, such as an act of God, war, terrorism, riot, insurrection, etc. the County shall notify the Franchisee of any such service issues and failures in writing via certified mail. If the Franchisee fails to reasonably remedy the issue by attempting collection of any missed solid waste within fifteen (15) days of receipt of notification, then the County may terminate this agreement. Upon termination, all obligations of the Franchisee hereunder shall cease and terminate, except for the payment of any franchise fees due and owing to the County for services previously performed hereunder and collected by the Franchisee.

41) NUMBER OF COPIES:

This Agreement may be executed in any number of counterparts, all which shall have full force and effect of an original for all purposes.

42) LAW TO GOVERN:

This Agreement shall be governed by the laws of the State of Kentucky both as to interpretation and performance.

43) MODIFICATION:

This Agreement constitutes the entire Agreement and understanding 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.

44) RIGHT TO REQUIRE PERFORMANCE:

The failure of the parties at any time to require performance by the other of any provision herein shall in no way affect the right of the other party thereafter to enforce and require compliance with the same. Any waiver of any breach of any provisions hereof shall not be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

45) POINT OF CONTACT:

All dealings, contacts, etc. between the Franchisee and the County shall be directed by the Franchisee to the McCreary County Judge Executive, P.O. Box 579, Whitley City, Kentucky 42653.

46) OPERATION OF TRANSFER STATION:

The Franchisee is to furnish all labor, materials, tools, utilities, vehicles and other equipment

including containers necessary for the operation of the McCreary County Transfer Station and for transporting Solid Waste deposited at the transfer station that is not recycled, composted, or otherwise legally disposed of at a permitted sanitary landfill for final disposal; provided, however, the Franchisee shall have no obligation to handle or otherwise process Hazardous Waste or Industrial Solid Waste delivered to the transfer station. All existing equipment owned by the County and located at the facility at the time this agreement is signed including the compactor and the site itself shall remain the property of McCreary County. The County shall be responsible for all debt service and capital repairs on said existing equipment. The Franchisee may operate the Transfer Station on an abbreviated schedule that is beneficial to the Franchisee. The Franchisee may choose to cease operations of the Transfer Station if the operation is not financially viable. The County agrees to allow the Franchisee use of the facility for parking company vehicles and the housing of a driver's office for the duration of this Agreement and any extensions to this Agreement at no cost.

47) TRANSFER STATION SANITATION:

The Franchisee shall operate the McCreary County Transfer Station in a safe and sanitary manner, and without creating a nuisance and in accordance with state and federal law. The County shall obtain any necessary permits or licenses required by law for operation of the facility. The Franchisee shall cleanup all litter at and immediately surrounding the facility daily. All equipment at the site including that owned by the County but used by the Franchisee shall be maintained in good repair and appearance and kept in a sanitary condition at all times. The Franchisee is responsible for providing all needed cleaning equipment and material including water.

This Agreement is executed this 27 day of October, 2017, effective as of the 1st day of January, 2018.

McCREARY COUNTY, KENTUCKY

BY: Douglas E Stephens
Douglas Stephens, County Judge Executive

COMMONWEALTH OF KENTUCKY
COUNTY OF McCREARY

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me by Douglas Stephens, known to me personally or who first properly identified himself this the 27th day of October 2017.

Peggy Baubert
NOTARY PUBLIC, STATE AT LARGE
My commission expires: 10-12-19

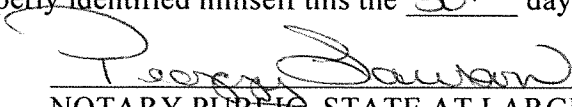
POFF CARTING, LLC

BY: Todd Hopper
Todd Hopper, Authorized Member

COMMONWEALTH OF KENTUCKY

COUNTY OF LAUREL

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me by Todd Hopper,
known to me personally or who first properly identified himself this the 30th day of October
2017.



NOTARY PUBLIC, STATE AT LARGE

My commission expires: 10-12-19



P.O. Box 200
Pittsburg, KY 40755
Phone 606-877-7760
Fax 606-877-5169
E-mail: tahopper@poffcarting.com

Option 1 - Residential

1. Rate per Single Family Residential Unit per month
 - A. Fifteen and 45/100 Dollars (\$15.45) \$/unit/month for Residential Single Family Unit basic service of one curbside pickup of up to six (6) thirty (30) gallon bags per week per single family unit for residents within McCreary County, KY.
 - B. One and 50/100 Dollars (\$1.50) \$/unit/month discount for Senior Citizens and/or those eligible for homestead exemption.
 - C. Franchisee will collect up to six (6) thirty (30) gallon bags or containers of residential waste per single family dwelling unit per pickup.
 - D. No additional charge for House Bill 174 will be added to the above rates.
 - E. Bulky Items Collection, EXCEPT items containing Freon will range from \$10.00 to \$20.00 per item depending on size and weight of item to be collected.



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Commercial & Industrial Rates

2. Commercial & Industrial Rates
 - A. Small Commercial Hand Pick up basic service includes one curbside pickup of up to six (6) thirty (30) gallon bags per week for a single business entity within McCreary County, KY. Basic Small Commercial Hand Pickup Service includes one 96 gallon container provided by Poff Carting. Customers may choose to request additional carts if needed.

No. of Carts	1XWEEK
1 - 96 Gallon Cart	\$ 19.95
2 - 96 Gallon Carts	\$ 29.95
3 - 96 Gallon Carts	\$ 36.95

B. Commercial Rearload and/or Frontload Municipal Waste Services

SIZE	1XMONTH	2XMONTH	1XWEEK	2XWEEK	3XWEEK	4XWEEK
3 YARD	N/A	N/A	\$56.50	\$113.00	\$169.50	\$226.00
4 YARD	N/A	N/A	\$75.35	\$150.70	\$226.05	\$301.40
6 YARD	N/A	N/A	\$113.00	\$226.00	\$339.00	\$452.00
8 YARD	N/A	N/A	\$150.00	\$300.00	\$450.00	\$600.00

(**** All Commercial Rates listed above include dumpster rental fees)

Rolloff Pricing

Delivery:	\$90.00	Each
Rental: (open tops) Based on number of pulls / Month	\$0.00 to \$5.00	Per Day
Haul & Disposal: 30 YD Open Top (includes up to 4 tons)	\$380.00	Per Haul
Disposal Over Allowed Tons: 30 YD Open Top Cost / Ton	\$36.00	Per Ton
Haul: Compactor Box	\$260.00	Per Haul
Disposal: Compactor Box Tonnage Rate	\$36.00	Per Ton



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Discounts, Considerations & Representations

4. Discounts, Considerations & Representations

- A. **Customer Assistance** - For those residential customers over the age of 62 and who are cared for by a home health service or for customers who are physically disabled, and who live in a household in which resides no one physically capable of taking the waste to the roadside, bagged solid waste may be placed on the porch or at the front of the house in a safe and accessible manner for collection by Poff Carting.
- B. **Transfer Station Operation & Acceptance of Waste** – Poff Carting will operate the County Owned Transfer Station on an abbreviated schedule. Poff Carting will only accept waste and bulk items from active, paying McCreary County Residential and Commercial customers. Customers who deliver waste to the Transfer Station must be financially current on their Poff Carting account. Accounts will be verified prior to

disposal. Refer to Section 20,d. (Residential) and Section 46 (Operation of Transfer Station) of the Franchise Agreement for additional agreement details.

- C. **Spring and Fall County Cleanups** – Poff Carting will donate up to five (5) thirty (30) yard rolloff loads containing up to five (5) tons of waste per each of the one week Spring and Fall Cleanup efforts at no charge to McCreary County. Refer to Section 20,e. (Residential) of the Franchise Agreement for additional agreement details.
- D. **Bulk Items** – Poff Carting shall provide curbside collection of bulky items or materials requiring special handling. Disposal rates for items requiring special handling due to size, weight, type of material or method of placement are to be negotiated between Franchisee and generator prior to collection. Items deemed too heavy for curbside collection must be delivered to the Transfer Station by the residential customer for disposal.
- E. **Exclusivity and Length of Contract** - All prices and terms listed in the Residential Options 1, 2 and the Commercial and Industrial Price List are valid for a period of five years with a potential of three (3), five (5) year renewal terms upon mutual agreement of both parties and are contingent upon exclusive rights to all waste collection and hauling of residential, commercial construction and industrial waste generated in McCreary County, KY.
- F. **Representations** - In accordance with McCreary County Fiscal Court Ordinance Number 830.6, An Ordinance Regulating Solid Waste Management, Poff Carting submits the above pricing options included in this proposal with the full expectation and understanding that McCreary County Fiscal Court will implement and actively enforce the aforementioned and attached Ordinance 830.6 for the duration of the contract if awarded to Poff Carting Services, LLC. Refer to Section 16 (Enforcement of Ordinance 830.6) of the Franchise Agreement for additional agreement details.
- G. **Fuel Related Price Increase** - If average diesel fuel prices in Kentucky go above three and 50/100 dollars (\$3.50) per gallon, Poff Carting will request a fuel surcharge increase to cover additional operating costs.
- H. **Recycling Effort** – Poff Carting will assist McCreary County in writing and implementing a county-wide recycling plan if the county elects to move forward in this effort. Poff Carting will provide up to \$3,000 per year in recycling education programs, materials or advertising within McCreary County in a manner that is mutually agreeable to McCreary County and Poff Carting.
- I. **Franchise Fee** – Based on residential billing and collection totals, Poff Carting will pay McCreary County five point five (5.5%) percent of the total collected revenue for all services performed within McCreary County. McCreary County should use some or all of the franchise fees for the administration and enforcement of McCreary County ordinances. Poff Carting will increase the franchise fee to six point five (6.5%) percent if the active and paying residential home count is above five thousand two hundred (5,200) units. Payments will be made to McCreary County on a monthly basis by the 20th of each month. Refer to Section 15 (Consideration / Franchise Fees) of the Franchise Agreement for additional agreement details.