

MUNICIPAL SOLID WASTE  
DISPOSAL SERVICE AGREEMENT

Between

THE CITY OF GREENSBORO, NORTH CAROLINA

and

REPUBLIC SERVICES OF NORTH CAROLINA, LLC

Dated October 12, 2012

---

---

**TABLE OF CONTENTS**

Page

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS.....2  
SECTION 1.2. INTERPRETATION.....7

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATION AND WARRANTIES OF THE CITY .....9  
SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY ..... 10

ARTICLE III

COMPANY OBLIGATIONS GENERALLY

SECTION 3.1. PROVISION OF CONTRACT SERVICES ..... 12  
SECTION 3.2. STAFFING ..... 12  
SECTION 3.3. COMPLIANCE WITH APPLICABLE LAW ..... 13  
SECTION 3.4. LICENSES, PERMITS AND APPROVALS ..... 13  
SECTION 3.5. REPORTING ..... 14

ARTICLE IV

COMPANY DISPOSAL OBLIGATIONS

SECTION 4.1. PROVISION OF DISPOSAL SERVICES BY THE COMPANY ..... 15  
SECTION 4.2. OPERATION AND MAINTENANCE OF THE SPECIFIED LANDFILL ..... 16  
SECTION 4.3. DISPOSAL RECORDS ..... 17  
SECTION 4.4. PAYMENT OF DISPOSAL FEES ..... 17  
SECTION 4.5. UNACCEPTABLE WASTE SCREENING ..... 17

ARTICLE V

SERVICE FEE

SECTION 5.1. SERVICE FEE..... 18  
SECTION 5.2. BILLING OF THE SERVICE FEE ..... 19  
SECTION 5.3. CITY’S PAYMENT OBLIGATIONS..... 19

ARTICLE VI

DEFAULT, TERMINATION FOR CAUSE AND DISPUTE RESOLUTION

SECTION 6.1. REMEDIES FOR BREACH.....21  
SECTION 6.2. EVENTS OF DEFAULT BY THE COMPANY .....21  
SECTION 6.3. EVENTS OF DEFAULT BY THE CITY.....23

**TABLE OF CONTENTS**  
(continued)

	<u>Page</u>
SECTION 6.4. NO WAIVERS.....	24
SECTION 6.5. NO CONSEQUENTIAL OR PUNITIVE DAMAGES .....	24
SECTION 6.6. GOVERNING LAW AND FORUM FOR DISPUTE RESOLUTION .....	24
SECTION 6.7. CITY CONVENIENCE TERMINATION OPTION.....	25
SECTION 6.8. NON-BINDING MEDIATION .....	26

ARTICLE VII

TERM

SECTION 7.1. TERM OF AGREEMENT.....	27
SECTION 7.2. CITY RENEWAL OPTION .....	27

ARTICLE VIII

GENERAL

SECTION 8.1. PERFORMANCE SECURITY; INSURANCE.....	28
SECTION 8.2. UNCONTROLLABLE CIRCUMSTANCES GENERALLY .....	28
SECTION 8.3. INDEMNIFICATION.....	29
SECTION 8.4. RELATIONSHIP OF THE PARTIES .....	31
SECTION 8.5. ASSIGNMENT AND CHANGE IN CONTROL.....	31
SECTION 8.6. INTEREST ON OVERDUE OBLIGATIONS .....	32
SECTION 8.7. PUBLIC RECORDS.....	32
SECTION 8.8. CONFLICT OF INTEREST .....	33
SECTION 8.9. CITY APPROVAL OF SUBCONTRACTORS .....	33
SECTION 8.10. ACTIONS OF THE CITY IN ITS GOVERNMENTAL CAPACITY .....	33
SECTION 8.11. BINDING EFFECT .....	33
SECTION 8.12. AMENDMENTS .....	33
SECTION 8.13. NOTICES.....	33
SECTION 8.14. FURTHER ASSURANCES .....	34
SECTION 8.15. NO THIRD PARTY BENEFICIARIES .....	35
SECTION 8.16. RIGHT TO INSPECT .....	35
SECTION 8.17. EQUAL EMPLOYMENT OPPORTUNITY .....	35
SECTION 8.18. COMPLIANCE WITH CONTRACT STANDARDS .....	35
SECTION 8.19. SEVERABILITY .....	35
SECTION 8.20. DRUG-FREE WORKPLACE .....	36
SECTION 8.21. INCLEMENT WEATHER .....	36

APPENDICES

- Appendix A – Required Insurance
- Appendix B – Form of Performance Bond
- Appendix C – City Conflict of Interest Policy
- Appendix D – Form of Guaranty

THIS MUNICIPAL SOLID WASTE DISPOSAL SERVICE AGREEMENT is made and dated as of October 12, 2012 between the City of Greensboro, a political subdivision of the State of North Carolina (the "City"), and Republic Services of North Carolina, LLC, a North Carolina limited liability company (the "Company").

#### RECITALS

The City has determined that it is not in the interest of the residents of the City to dispose of solid waste onsite and that the transfer of such waste received at the Transfer Station into transfer trailers for offsite disposal would best secure the City's interests.

The City has issued a request for proposals dated April 11, 2012 (the "RFP") for the transportation and disposal of Solid Waste received at the Transfer Station.

The Company provided the most advantageous proposal to provide waste disposal services to the City in response to the RFP and was awarded the contract by the City on September 4, 2012.

The execution and delivery of this Agreement by the City has been duly authorized by all necessary corporate action.

It is, therefore, agreed as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below:

“Acceptable Waste” means Municipal Solid Waste and any other solid waste that the Specified Landfill is permitted to accept as of the Contract Date, and any other wastes that the system is permitted to accept in the future upon mutual consent of the parties.

“Agreement” means this Municipal Solid Waste Disposal Service Agreement between the City and the Company, dated October 12, 2012, as the same may be amended or modified from time to time in accordance herewith.

“Applicable Law” means any law, rule, regulation, requirement, guideline, action, determination or order of, or legal entitlement issued or deemed to be issued by, any federal, state or local agency, court or other governmental body having jurisdiction, applicable from time to time to the disposal of Acceptable Waste or the ownership, possession, operation or maintenance of the Specified Landfill, or any other transaction or matter contemplated hereby.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 U.S.C. 101 et seq., as amended from time to time and any successor statute thereto. “Bankruptcy Code” shall also include any similar state law relating to bankruptcy, insolvency, the rights and remedies of creditors, the appointment of receivers or the liquidation of companies and estates that are unable to pay their debts when due.

“Billing Period” means each calendar month during the Term of this Agreement, except that (1) the first Billing Period shall begin on the Commencement Date, and (2) the last Billing Period shall end on the last day of the Term of this Agreement.

“Billing Statement” has the meaning set forth in Section 5.2 hereof.

“City” means the City of Greensboro, North Carolina.

“Commencement Date” means October 15, 2012.

“Company” means Republic Services of North Carolina, LLC, the legal entity with which the City has entered into this Agreement, and its permitted successors and assigns.

“Contract Date” means the date of delivery of this Agreement as executed by the parties hereto.

“Contract Services” means the environmentally sound disposal of all Acceptable Waste received at the Transfer Station and transported to the Specified Landfill and all related services as described in this Agreement.

“Contract Standards” means the standards, terms, conditions, methods, techniques and practices imposed or required by: (1) Applicable Law; (2) good industry practice; (3) applicable operation and maintenance manuals; (4) applicable equipment manufacturers’ specifications; (5) applicable insurance requirements; and (6) any other standard, term, condition or requirement specifically provided in the Agreement to be observed by the Company.

“Event of Default” means, with respect to the Company, those items specified in Section 6.2, and with respect to the City, those items specified in Section 6.3.

“Guaranty Agreement” means the Guaranty from Republic Services, Inc. to the City in the form set forth in Appendix D.

“Governmental Approval” means all permits, licenses, approvals, authorizations, consents and entitlements of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Specified Landfill or the performance of any obligation under this Agreement or the matters covered hereby.

“Governmental Body” means any federal, state, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any official thereof having jurisdiction.

“Hazardous Waste” means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, “hazardous substance” as defined under CERCLA and “hazardous waste” as defined under RCRA or Applicable Law; provided, however, that household hazardous waste shall not constitute Hazardous Waste as long as such wastes are exempt from Hazardous Waste regulation under Applicable Law. Hazardous Waste shall include radioactive materials.

“Loss and Expense” shall have the meaning set forth in Section 8.3 hereof.

“Municipal Solid Waste” or “MSW” means any solid waste (as defined by Applicable Law as the same may be amended from time to time) resulting from the operation of residential, commercial, industrial, governmental, or institutional establishments that would normally be collected, processed, and disposed of through a public or private solid waste management service. Municipal solid waste does not include Hazardous Waste, sludge, industrial waste managed in a solid waste management facility owned and operated by the generator of the industrial waste for management of that waste, or solid waste from mining or agricultural operations.

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the Prime Rate, whichever is lower.

“Prime Rate” means the prime rate as published in The Wall Street Journal (Eastern Edition), or a mutually agreeable alternative source of the prime rate if it is no longer published in The Wall Street Journal (Eastern Edition) or the method of computation is substantially modified.

“Renewal Term” has the meaning specified in Section 7.2.

“Required Insurance” has the meaning specified in Appendix A hereto.

“Service Fee” means the fee payable by the City to the Company for the performance of the Contract Services as set forth in Section 5.1 hereof.

“Solid Waste Disposal Tax” means the tax imposed on the disposal of municipal solid waste and construction and demolition debris at landfills in the State pursuant to NCGSS§105-187.60 et seq.

“Specified Landfill” means, the Uwharrie Environmental Landfill, the Subtitle D sanitary Landfill at which the Company shall dispose of Acceptable Waste transferred and transported from the Transfer Station.

“State” means the State of North Carolina.

“Subcontractor” means any person (other than employees of the Company) employed or engaged by the Company or any person directly in privity with the Company, and includes every sub-subcontractor of whatever tier, for any direct portion of the Contract Services (i.e., the disposal of Solid Waste at the Landfill).

“Term” has the meaning set forth in Section 7.1.

“Ton” means a “short ton” of 2,000 pounds.

“Transfer Station” means the City’s facility located at 6310 Burnt Poplar Road identified in DENR Permit No. 41-20-T.

“Unacceptable Waste” means solid waste that does not constitute Acceptable Waste, including Hazardous Waste.

“Uncontrollable Circumstances” means the following acts, events or conditions or any combination thereof that has had or may reasonably be expected to have a direct, material, adverse effect on the rights or the obligations of a party to this Agreement; provided however, that such act, event or condition shall be beyond the reasonable control of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the terms of this Agreement:

- (a) an act of God, lightning, earthquake, acts of a public enemy, war, blockade, insurrection, riot or civil disturbance, sabotage, perils of the sea or air, epidemics, droughts, seizure, involuntary conversion, rainstorms, blizzards, hurricanes,

tornadoes or similar occurrence or any exercise of the power of eminent domain, police power, condemnation or other taking by or on behalf of any public, quasi-public or private entity (other than the City); but not including reasonably anticipated weather conditions for the City's geographic area;

(b) a landslide, fire, explosion, flood or nuclear radiation not created by an act or omission of the party relying thereon (or its agents or employees); provided however, that in the case of a fire or explosion, such fire or explosion shall not be the result of the willful, intentional or negligent action or inaction of the party relying thereon (or its agents or employees);

(c) the order, judgment, action or determination of any federal, state or local court of competent jurisdiction, administrative agency or governmental body which, in each case, materially adversely affects the ability of a party to perform its obligations under this Agreement; provided however, that such order, judgment, action or determination shall not be the result of the willful, intentional or negligent action or inaction of the party relying thereon (or its agent or employees) and that neither the contesting of any such order, judgment, action or determination, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such party; and provided further, that any determination not to contest such order, judgment, action or determination based upon an opinion of competent counsel stating that actions taken to contest such order, judgment, action or determination would more likely than not, in the opinion of the signer, result in an unsuccessful challenge; and

(d) the termination of any permit, license, consent authorization or approval which is necessary for the performance of a party's obligation hereunder (as evidenced by written notice from the regulatory agency having jurisdiction over such matter) or the unreasonable delay by any regulatory agency having competent jurisdiction in the processing of applications relating to any such permit, license, consent, authorization or approval; provided however, that such termination or the delay in processing applications, as described above, shall not be the result of the willful, intentional or

negligent action or inaction of the party relying thereon (or its agents or employees) and that neither the contesting of any such suspension, termination, interruption, denial or failure of renewal or issuance, in good faith, nor the reasonable failure to so contest, shall constitute or be construed as a willful, intentional or negligent action or inaction by such party; and provided further, that any such determination not to contest such order, judgment, action or determination is based upon an opinion of competent counsel stating that actions taken to contest such order, judgment, action or determination would more likely than not result in an unsuccessful challenge.

SECTION 1.2. INTERPRETATION. In this Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the Contract Date.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(E) Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Agreement and, except as expressly provided otherwise herein, nothing in this Agreement is intended to confer on any person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

(F) Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

(G) Applicable Law. This Agreement shall be governed by and construed in accordance with the applicable law of the State of North Carolina.

(H) Integration. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall completely and fully supersede all prior understandings and agreements between the parties with respect to such transaction.

(I) Recitals. The recitals to this Agreement are not intended to bind the parties hereto. In the event of a conflict between the recitals and the operative provisions of this Agreement, the operative provisions shall prevail. The recitals shall not be used to interrupt the provisions of this Agreement.

(J) Liquidated Damages. This Agreement provides for the payment of liquidated damages in certain circumstances. Each party agrees that the damaged party's actual damages in each such circumstance would be difficult or impossible to ascertain and that the liquidated damages provided for herein with respect to each such circumstance are intended to place the damaged party in the same economic position as it would have been in had the circumstance not occurred. Except as otherwise specifically provided herein, such liquidated damages shall constitute the only remedy in such circumstances by the nonperforming, breaching or defaulting party, regardless of legal theory.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATION AND WARRANTIES OF THE CITY.

The City represents and warrants that:

(A) Existence and Powers. The City is a body politic and corporate of the State validly existing under the Constitution and laws of the State, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

(B) Due Authorization and Binding Obligation. The City has duly authorized the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by the City and, subject to any regulatory approvals required after the execution of this Agreement in accordance with Applicable Law, constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution nor the delivery by the City of this Agreement nor the performance by the City of its obligations hereunder nor the consummation by the City of the transactions contemplated hereby (1) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the City, or (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement or instrument to which the City is a party or by which the City or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument.

(D) No Litigation. There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the City's best knowledge, threatened against the City which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any other agreement or instrument to be entered into by the City in connection with the transactions contemplated hereby, or which would materially and adversely affect the

performance by the City of its obligations hereunder or under any such other agreement or instrument.

(E) No Legal Prohibition. The City has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the City of this Agreement and the transactions contemplated hereby.

SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants that:

(A) Existence and Powers. The Company is duly organized and validly existing as a limited liability company under the laws of the state of North Carolina, with full legal right, power and authority to enter into and perform its obligations under this Agreement.

(B) Due Authorization and Binding Obligation. The Company has duly authorized the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by the Company and, subject to any regulatory approvals which may be required after the execution of this Agreement in accordance with Applicable Law, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium and other laws affecting creditors' rights generally.

(C) No Conflict. Neither the execution nor the delivery by the Company of this Agreement nor the performance by the Company of its obligations hereunder (1) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Company, (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of formation of the Company) or instrument to which the Company is a party or by which the Company or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument or (3) will result in the creation or imposition of any lien, lease, mortgage, security interest, charge, judgment, judicial award or encumbrance of any nature whatsoever upon any of the properties or assets of the Company.

(D) No Litigation. There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the Company's best knowledge, threatened against the Company which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any other agreement or instrument entered into by the Company in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Company of its obligations hereunder or by the Company under any such other agreement or instrument.

(E) No Legal Prohibition. The Company has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the Company of this Agreement and the transactions contemplated hereby.

(F) License and Regulations. The Company holds all licenses, registrations, permits and approvals required to perform the Contract Services.

## ARTICLE III

### COMPANY OBLIGATIONS GENERALLY

#### SECTION 3.1. PROVISION OF CONTRACT SERVICES. (A) Generally.

Upon the occurrence of the Commencement Date and thereafter during the Term of this Agreement, the Company shall provide or cause the provision of the service of disposing of at the Specified Landfill all Acceptable Waste that is delivered (and not recovered for reuse) to the Specified Landfill (the "Contract Services") in accordance with the Contract Standards. In the event the Company fails to provide the Contract Services commencing on the Commencement Date except due to Uncontrollable Circumstances, the Company shall pay the City \$10,000 per day as liquidated damages.

(B) Cost of Contract Services. The Company, at its sole cost and expense, shall provide all equipment, materials, labor, personnel, vehicles, trailers, required insurance, bonds, tolls, fuel, repairs, maintenance, disposal capacity and all other items necessary to perform the Contract Services in accordance with Applicable Law and the provisions hereof.

(C) Emergency Plan. Within 30 days after the Contract Date, the Company shall provide the City with a written emergency plan ("Emergency Plan") describing the Company's back up plan in the event that the Specified Landfill is not available for disposal of the City's Acceptable Waste. In the event the Specified Landfill is not available and the City or the City's subcontractor is required to transport Acceptable Waste to an alternate disposal facility, the Company shall be responsible for the additional costs reasonably incurred by the City in connection therewith unless caused by an Uncontrollable Circumstance, in which case the City shall pay the additional costs incurred by the City in connection therewith. In the event that the Specified Landfill is not available due to an Uncontrollable Circumstance, the Company shall use its best commercially reasonable efforts to make available to the City, the landfill owned or controlled by the Company or an affiliate of the Company that is closest to the City's Transfer Station and will charge the City the same rate that was being charged to the City at the Specified Landfill.

SECTION 3.2. STAFFING. (A) Generally. The Company, at its cost and expense, shall provide staff to perform the Contract Services during the Term of this Agreement

consistent with good industry standards so as to allow for the disposal of Acceptable Waste in accordance with the requirements hereof. All staff performing the Contract Services shall have had proper training, certifications and licenses necessary to perform the applicable Contract Services and shall comply with all applicable procedural and safety rules and regulations.

(B) Service Coordinator. Each of the City and the Company shall designate in writing by the Commencement Date a person to transmit instructions, receive information and otherwise coordinate service matters arising pursuant to this Agreement (each, a “Service Coordinator”). Either party may designate a successor or substitute Service Coordinator at any time by written notice to the other party. The Company’s Service Coordinator shall be intimately familiar with the day-to-day disposal activities and shall be in regular communication with the City’s Service Coordinator.

SECTION 3.3. COMPLIANCE WITH APPLICABLE LAW. The Company shall dispose of Acceptable Waste and otherwise perform all of its obligations hereunder in accordance with Applicable Law including without limitation, all applicable rules and regulations relative to the disposal of Acceptable Waste, and compliance with all federal and State environmental laws and regulations regarding the disposal of Acceptable Waste. In the event that the Company fails at any time to comply with Applicable Law, then the Company shall immediately take action to remedy such failure, and promptly thereafter, complete whatever actions are necessary to remedy such failure at its cost and expense and bear all Loss and Expense of either party and pay any resulting damages, fines, penalties, assessments or other charges resulting therefrom to the extent resulting from the Company’s failure to comply.

SECTION 3.4. LICENSES, PERMITS AND APPROVALS. The Company, at its own expense, shall make all filings, applications and reports necessary to obtain and maintain all permits, licenses and approvals required to be made, obtained or maintained by it under Applicable Law in order to perform the Contract Services. The Company, at its own expense, shall supply all data and information in a timely manner, which may be required by Applicable Law or to obtain a permit, license or approval and shall supply all data and information reasonably requested by the City to assist the City in obtaining, maintaining, renewing, extending and complying with the terms of any permits, licenses and approvals or

other Applicable Law. All data, information and action shall be supplied and taken on a timely basis considering the requirements of Applicable Law. The data and information supplied by the Company to the City and all regulatory agencies in connection therewith shall be correct and complete in all material respects.

SECTION 3.5. REPORTING. The Company shall maintain and submit all records and reports required of a disposer of Acceptable Waste by any Governmental Body in connection with the Contract Services. The Company shall provide the City with monthly operations reports with the Billing Statement no later than 15 days after the end of each month, including the following operating data: (1) a statement of the number of Tons of Acceptable Waste delivered by or on behalf of the City disposed of by the Company during the prior month including a daily breakdown per load; (2) any notices of violations by a Governmental Body in connection with the Contract Services; (3) copies of any reports relating to the Contract Services required to be submitted by the Company to any Governmental Body; and (4) if applicable the dates and times that the Specified Landfill was unavailable to receive Acceptable Waste delivered on behalf of the City.

## ARTICLE IV

### COMPANY DISPOSAL OBLIGATIONS

SECTION 4.1. PROVISION OF DISPOSAL SERVICES BY THE COMPANY. (A) Generally. Upon the occurrence of the Commencement Date and thereafter during the term of this Agreement, the Company shall provide or cause the provision of the service of disposing of all Acceptable Waste from the City's Transfer Station at the Specified Landfill in accordance with the Contract Standards. The Company shall do and perform all acts and things which may be necessary or desirable in connection with its obligations contained in this subsection, including without limitation all planning, development, administration, implementation, construction, operation, maintenance (including proper maintenance of paved and unpaved roadways), management, financing and contract work related thereto or undertaken in connection therewith.

(B) Notice of Unavailability of the Specified Landfill. The Company shall promptly advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the Specified Landfill to receive and dispose of City Acceptable Waste, its effect on the Company's ability to perform its obligations hereunder, and the Company's best estimate of the probable duration. The Company shall confirm such advice in writing within 24 hours of the occurrence of any such inability. The Company shall use its best efforts to resume normal operation of the Specified Landfill as soon as possible.

(C) Compliance with Disposal Service Obligation Not Excused for any Reason. The obligations of the Company to duly observe and comply with its disposal service obligations hereunder shall apply continuously and except as expressly permitted by this Agreement, without interruption for the Term of this Agreement. In the event that any Uncontrollable Circumstance impairs or precludes compliance with the disposal service obligations by the means or methods then being employed by the Company, the Company shall implement and pay for alternative or substitute means and methods to enable it to satisfy the terms and conditions of this Agreement; provided that if an alternative landfill is required due to an Uncontrollable Circumstance the provisions set forth in subsection 3.1(C) shall apply.

(D) Change in Specified Landfill by Mutual Consent. The Specified Landfill has been initially designated as the Uwharrie Environmental Regional Landfill. Any changes to designated disposal facility under this Agreement shall only be made upon the mutual written consent of the parties.

(E) Waiting Time. The Company shall not give preferential treatment to any vehicles in a manner that will adversely affect the City or the City's hauling contractor.

SECTION 4.2. OPERATION AND MAINTENANCE OF THE SPECIFIED LANDFILL. (A) Company Ownership. In the event the Company owns the Specified Landfill, the Company, at its cost and expense, shall at all times operate, or cause to be operated, the Specified Landfill, as applicable, properly and in a sound manner and in accordance with Applicable Law; shall maintain, preserve, and keep the Specified Landfill or cause the Specified Landfill to be maintained, preserved and kept in good repair, working order and condition; shall staff the Specified Landfill with the appropriate number of hourly and salaried employees consistent with good management practice; and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Specified Landfill may be properly and advantageously conducted. The Company shall maintain the safety of the Specified Landfill at a level consistent with Applicable Law, the insurance requirements set forth in this Agreement, and prudent solid waste management practices.

(B) Third Party Ownership. In the event the Specified Landfill is not owned by the Company, the Company, at its cost and expense, shall contract with, for disposal, a Specified Landfill which shall at all times be operated properly and in a sound manner and in accordance with Applicable Law. The Company shall contractually ensure that the safety of the Specified Landfill is maintained at a level consistent with Applicable Law, the insurance requirements set forth in this Agreement, and prudent solid waste management practices.

(C) General. The Specified Landfill must accommodate waste delivery vehicles that are top-loading, tandem-axle, non-compaction, and both self-unloading and non-self-unloading semi-trailers with manually or hydraulically operated top covers.

SECTION 4.3. DISPOSAL RECORDS. The Company shall keep and maintain such logs, records, manifests, bills of lading or other documents as the City may deem to be necessary or appropriate to confirm compliance with the provisions hereof and shall retain all receipts, proofs of delivery or other call information provided to the Company's drivers by the owner or operator of the Specified Landfill.

SECTION 4.4. PAYMENT OF DISPOSAL FEES. The City shall pay all tipping fees and other disposal charges for the disposal of City Acceptable Waste transported by or on behalf of the City in accordance with Article V thereof.

SECTION 4.5. UNACCEPTABLE WASTE SCREENING. The City shall utilize and cause its Subcontractor (if applicable) to utilize all reasonable efforts to prevent the delivery of Unacceptable Waste to the Specified Landfill. The Company shall notify the City upon the discovery of Unacceptable Waste received by the Company from the City and the City shall be responsible for causing the proper disposal of such Unacceptable Waste. If the City directs the Company to properly dispose of such Unacceptable Waste and the Company agrees to do so, the Company shall do so at a fair market price. Title to and liability for such Unacceptable Waste shall at no time pass to the Company.

## ARTICLE V

### SERVICE FEE

SECTION 5.1. SERVICE FEE. (A) Term. Commencing with the first Billing Period and for each Billing Period thereafter, the City shall pay the Company a Service Fee for the Contract Services provided by the Company under the terms of this Agreement. The Service Fee during the Term shall be an amount equal to the sum of: (1) the number of Tons of City Acceptable Waste disposed of by the Company during the Billing Period multiplied by (2) \$20.50/ton plus (i) the Solid Waste Disposal Tax or other per ton fee or tax imposed on the disposal of Solid Waste in the State (excluding host fees) and (ii) increased operational costs or expenses incurred by the Company caused by the adoption or change (including a change in interpretation or enforcement) of any Applicable Laws related to the disposal of Solid Waste at a landfill whether imposed retroactively or prospectively (such amount excluding item (i) above is referred to as the “Disposal Fees”). The Disposal Fees specified in this Section shall be adjusted as follows: effective on each October 1<sup>st</sup> of the Term beginning on October 1, 2013, the Disposal Fees shall be adjusted to reflect the change in the CPI. For the purposes of this Agreement, “CPI” means 100% of the Consumer Price Index for All Urban Consumers, US City Average, all items, as issued by the Bureau of Labor Statistics. The change in the CPI shall be measured by comparing the CPI of August of the then-current year to the CPI of August of the previous year not to exceed 5% each year.

(B) Minimum Tonnage. The City agrees to deliver or cause to be delivered a minimum of 60,000 tons per year to the Specified Landfill (the “Minimum Guaranteed Tonnage”) during the term of the Agreement. If the City fails to deliver 60,000 tons during each Contract Year, then the Company shall provide notice of the deficiency with the Annual Settlement Statement described below, and the City shall pay the Company the difference in 60,000 tons and the actual tonnage delivered multiplied by the Disposal Fees (minus any host fees) in accordance with subsection (C) below.

(C) Annual Settlement. Within 45 days after the end of each Contract Year, the Company shall provide to the City an annual settlement statement (the “Annual Settlement Statement”) setting forth the actual aggregate Service Fee which should have been payable with

respect to such Contract Year, a reconciliation of such amount with the amounts actually paid by the City with respect to such Contract Year and any deficiency from the Minimum Guaranteed Tonnage during the Contract Year. The City or the Company, as appropriate, shall pay all undisputed amounts within 45 days after receipt or delivery of the Annual Settlement Statement. If any amount is then in dispute at the time the Annual Settlement Statement is due, the Annual Settlement Statement shall identify the subject matter and reasons for such dispute or uncertainty and, in cases of uncertainty, shall include a good faith estimate by the party claiming such uncertainty of the amount in question. When the dispute is resolved or the amount otherwise finally determined, the Company shall file with the City an amended Annual Settlement Statement which shall, in all other respects, be subject to this Section.

(D) Service Fee Generally. The Company shall not be entitled to any other compensation for the performance of Contract Services except as set forth in this Article V or Section 8.3(B) of this Agreement. The determination of the number of Tons of City Acceptable Waste disposed of by the Company for which the Company shall receive the Service Fee shall be based solely upon the weight tickets issued for each tractor trailer upon its entry to the Specified Landfill based upon the combined tare weights of the tractor trailer holding the waste upon weighing after loading as well as the weight ticket of the loaded tractor trailer, for those trailers that do not remain coupled with the tractor while onsite.

SECTION 5.2. BILLING OF THE SERVICE FEE. (A) Billing Statements. For each Billing Period the Company shall render a statement (a "Billing Statement") to the City by the 5<sup>th</sup> day of the following Billing Period, which shall set forth each component of the Service Fee. Each Billing Statement shall be accompanied by sufficient data as to permit the City to verify the accuracy of the Billing Statement.

SECTION 5.3. CITY'S PAYMENT OBLIGATIONS. (A) Payment Only for Waste Deliveries. The City shall pay the Company the Service Fee as provided hereunder during the Term of this Agreement within 30 days of receipt of a Billing Statement.

(B) Disputes. If the City disputes any amount billed by the Company in any Billing Statement, the City shall pay that portion of the billed amount which is not in dispute and shall provide the Company with written objection within 15 days of the receipt of such Billing

Statement indicating the portion of the billed amount that is being disputed and providing all reasons then known to the City for its objection to or disagreement with such amount. If the City and the Company are not able to resolve such dispute within 30 days after the City's objection, either party may refer such dispute for dispute resolution pursuant to Section 6.8 hereof.

(C) Off-Sets. To the extent the Company is obligated to reimburse the City for costs and expenses incurred due to the failure of the Company to perform the Contract Services in accordance with the provisions hereof, the City shall be permitted to deduct the amount owed and any amounts due the City pursuant to Section 3.1(C) from the Service Fee. If it is subsequently determined through a dispute resolution process that the City wrongfully offset any amounts, the City shall pay the Company the amount of such wrongfully offset amount with interest at the Overdue Rate.

## ARTICLE VI

### DEFAULT, TERMINATION FOR CAUSE AND DISPUTE RESOLUTION

SECTION 6.1. REMEDIES FOR BREACH. The parties agree that in the event that either party breaches any obligation under this Agreement or any representation made by either party hereunder is untrue in any material respect, the other party shall have the right to take any action at law or in equity it may have to enforce the payment of any damages or the performance of such other obligation hereunder and such right to recover damages or to be reimbursed as provided herein will ordinarily constitute an adequate remedy for any breach of such other obligation or any material untruth in any such representation. Neither party shall have the right to terminate this Agreement for cause except after an Event of Default, determined in accordance with the provisions of this Article VI, shall have occurred and be continuing beyond any applicable cure period.

### SECTION 6.2. EVENTS OF DEFAULT BY THE COMPANY.

(A) Events of Default Not Requiring Notice or Cure Opportunity for Termination. Each of the following shall constitute an Event of Default on the part of the Company for which the City may terminate without any requirement of notice or cure opportunity:

(1) Failure to Provide Contract Services for 24 Hours. The failure of the Company to provide Contract Services for 24 hours excluding the inability to do so due to holidays or other days on which the Specified Landfill is scheduled to be closed or such failure is excused by an Uncontrollable Circumstance.

(2) Voluntary Bankruptcy. The written admission by the Company that it is bankrupt, or the filing by the Company of a voluntary petition under the Bankruptcy Code, or the consent by the Company to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Company of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Company's property or business.

(3) Involuntary Bankruptcy. The final adjudication of the Company as bankrupt after the filing of an involuntary petition under the Bankruptcy Code, but no such adjudication shall be regarded as final unless and until the same is no longer being contested by the Company nor until the order of the adjudication shall be regarded as final unless and until the same is no longer being contested by the Company nor until the order of the adjudication is no longer appealable.

(4) Security Instruments. Failure to obtain and maintain the required security instruments required by this Agreement.

(5) Guarantor Default. Default of the Guarantor under the Guaranty Agreement.

(6) Commencement Date. Failure to achieve the Commencement Date by the date which is 60 days following the Contract Date.

(B) Events of Default Requiring Notice or Cure Opportunity for Termination. The failure or refusal by the Company to perform any other obligation under this Agreement (other than those obligations contained in subsection 6.2(A) above) or the failure of the Company to pay or credit undisputed amounts owed to the City under this Agreement within 60 days following the due date for such payment or credit shall constitute an Event of Default on the part of the Company for which the City may terminate this Agreement; except that no such other failure or refusal shall constitute an Event of Default giving the City the right to terminate this Agreement for cause under this subsection unless:

(1) The City has given prior written notice to the Company stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the Company and which will, in the City's opinion, give the City a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(2) The Company has neither challenged in an appropriate forum the City's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such default

within a reasonable period of time, but not more than 60 days, from receipt of the notice given pursuant to clause (a) of this subsection (but if the Company shall have diligently taken steps to correct such default within a reasonable period of time, the same shall not constitute an Event of Default for as long as the Company is continuing to take such steps to correct such default).

SECTION 6.3. EVENTS OF DEFAULT BY THE CITY. (A) Events of City Default Defined. Each of the following shall constitute an Event of Default on the part of the City for which the Company may terminate this Agreement:

(1) Failure to Pay or Otherwise Comply with Agreement. The repeated or continued failure or refusal by the City to perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance or Company Event of Default or the failure of the City to pay undisputed amounts owed to the Company under this Agreement within 60 days following receipt of a Company invoice therefor; except that no such failure or refusal shall constitute an Event of Default giving the Company the right to terminate this Agreement for cause under this Section unless:

(a) The Company has given prior written notice to the City stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the City and which will, in the Company's opinion, give the Company a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) The City has neither challenged in an appropriate forum the Company's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such default within a reasonable period of time but not more than 60 days from the date of the notice given pursuant to clause (a) of this subsection (but if the City shall have diligently taken steps to correct such default within a

reasonable period of time, the same shall not constitute an Event of Default for as long as the City is continuing to take such steps to correct such default).

(2) Bankruptcy or Insolvency. The filing by the City of a petition seeking relief, a final adjudication of insolvency or bankruptcy, or an assumption by a cognizant regulatory body of supervision of the City's finances, in any case under the Bankruptcy Code or any federal or State statute intended to provide relief or otherwise become effective for political subdivisions which are insolvent, financially unsound or unable to meet their obligations as they mature.

SECTION 6.4. NO WAIVERS. No action of the City or Company pursuant to this Agreement (including, but not limited to, any investigation or payment), and no failure to act, shall constitute a waiver by either party of the other party's compliance with any term or provision of this Agreement. No course of dealing or delay by the City or Company in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or otherwise prejudice such party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the City or Company under this Agreement shall preclude any other, or further exercise thereof, or the exercise of any other right, power or remedy.

SECTION 6.5. NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations or otherwise under this Agreement, or the material falseness or inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory; provided, however, that nothing in this Section shall limit the obligation of a party to indemnify the other party for any special, incidental, consequential, punitive or similar damages payable to third parties resulting from any act or circumstance for which a party is obligated to indemnify the other party hereunder.

SECTION 6.6. GOVERNING LAW AND FORUM FOR DISPUTE RESOLUTION. It is the express intention of the parties that all legal actions and proceedings

related to this Agreement or to any rights or any relationship between the parties arising therefrom shall be governed solely by the laws of the State of North Carolina and shall be commenced before the State courts located in Guilford County. The Company irrevocably consents to the jurisdiction of such courts in any such actions or proceedings, waives any objection it may have to the laying of the jurisdiction of any such action or proceeding. The Company and the City hereby waive their rights to a trial by jury.

SECTION 6.7. CITY CONVENIENCE TERMINATION OPTION.

(A) Termination Right and Fee. The City shall have the right at any time during the Term, exercisable in its sole discretion, for its convenience, without cause and without being deemed to be in breach of this Agreement, to terminate this Agreement upon 90 days' written notice to the Company. If the City exercises its right to terminate the Agreement pursuant to this Section following the Commencement Date, the City shall pay the Company a convenience termination fee equal to \$90,000 for each month remaining in the Initial Term or Renewal Term, as applicable depending upon when such termination occurs.

(B) Payment of Amounts Owning Through the Termination Date. Upon any termination pursuant to this Section, the Company shall also be paid all amounts due for the Contract Services up to the applicable portion of the Service Fee but not yet paid as of the date of termination.

(C) Adequacy of Termination Payment. The Company agrees that the applicable termination fee provided in this Article shall fully and adequately compensate the Company and all Subcontractors for all foregone potential profits, Loss-and-Expense, and charges of any kind whatsoever (whether foreseen or unforeseen), attributable to the termination of the Company's right to perform this Agreement.

(D) Consideration for Convenience Termination Payment. The parties agree that the right of the City to terminate this Agreement for its convenience and in its sole discretion in accordance with this Article constitutes an essential part of the overall consideration for this Agreement, and (i) the Company hereby waives any right it may have under Applicable Law to assert that the City owes the Company a duty of good faith dealing in the exercise of such right and (ii) the City waives any right to claim this termination fee constitutes a penalty.

(E) Completion or Continuance by City. After the date of any termination under this Section, the City may at any time (but without any obligation to do so) take any and all actions necessary or desirable to continue and complete the Contract Services so terminated, including entering into contracts with other contractors.

SECTION 6.8. NON-BINDING MEDIATION. Either party may request non-binding mediation of any dispute arising under the Agreement prior to the initiation of any civil action. The non-requesting party may decline such a request in its sole discretion.

## ARTICLE VII

### TERM

SECTION 7.1. TERM OF AGREEMENT. This Agreement shall become effective on the Contract Date, and shall continue in effect until the third anniversary of the Commencement Date (the “Initial Term”) or, if renewed at the option of the City as provided in Section 7.2, until the last day of the renewal term (the “Renewal Term”; the Initial Term and any Renewal Term being referred to herein as the “Term”), unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination. All rights, obligations and liabilities of the parties hereto shall commence on the Commencement Date, subject to the terms and conditions hereof. The rights and obligations of the parties hereto pursuant to Sections 5.3(C), 6.1, 8.3 and 8.6 hereof shall survive the termination or expiration of this Agreement, and no such termination or expiration of this Agreement shall limit or otherwise affect the respective rights and obligations of the parties hereto accrued prior to the date of such termination or expiration. At the end of the Term of this Agreement, all other obligations of the parties hereunder shall terminate unless extended by mutual agreement of the parties or by operation of law.

SECTION 7.2. CITY RENEWAL OPTION. This Agreement may be renewed and extended at the sole option of the City for one additional consecutive two-year renewal term or two additional one-year renewal terms. The City, not later than 10 days prior to the expiration of the Initial Term, shall give the Company written notice of its intent to exercise its renewal option. All terms and conditions of this Agreement shall apply to both the Initial Term and the Renewal Term, except as otherwise expressly provided.

## ARTICLE VIII

### GENERAL

#### SECTION 8.1. PERFORMANCE SECURITY; INSURANCE. (A)

Performance Bond. On or before the Commencement Date, the Company shall provide to the City an operations performance bond, in the amount of \$5,000,000, in the form set forth in Appendix B. The operations performance bond shall secure performance of all of the Company's obligations, shall be maintained during the Term and shall remain in effect for one year following the expiration of the Agreement. The surety issuing the operations performance bond shall be acceptable to the City, and limited to those companies authorized to transact business in the state of North Carolina, having a resident agent in the state of North Carolina and meeting the following requirements and/or limits: surety shall be rated "A+" as to management and "FSC XV" or better as to the strength by Best's Insurance Guide; the bond shall contain any applicable provisions required by Section 129 of Chapter 143 of the General Statutes of North Carolina and pursuant to Article 3 of Chapter 44-A of the General Statutes of North Carolina, and each and every provision set forth and contained in Section 129 of Chapter 143 and in Article 3 of Chapter 44-A of the General Statutes of North Carolina.

(B) Insurance. On or before the Commencement Date, the Company shall obtain and during the Term of this Agreement shall maintain the Required Insurance for which it is responsible as specified in Appendix A hereto and shall comply with all applicable insurance requirements. Insurance coverage required pursuant to this Section shall be maintained with generally recognized financially responsible insurers reasonably acceptable to the City and qualified and licensed to do business and insure risks in the State.

(C) Guaranty Agreement. The Company shall cause the Guaranty Agreement to be provided and maintained by the Guarantor during the Term hereof in the form attached hereto as a Transaction Form.

#### SECTION 8.2. UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

(A) Performance Excused. Except as otherwise specifically provided in this Agreement, neither the City nor the Company shall be liable to the other for any failure or delay in performance of

any obligation under this Agreement during the period of the Uncontrollable Circumstance (other than any payment at the time due and owing) if such failure is solely due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation. The party experiencing an Uncontrollable Circumstance shall notify the other party by hard copy telecommunication or telephone and in writing, on or promptly after the date the party experiencing such Uncontrollable Circumstance first knew of the commencement thereof, followed within 15 days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began, its estimated duration, and the estimated time during which the performance of such party's obligations hereunder will be delayed, (3) its estimated impact on the other obligations of such party under this Agreement, and (4) potential mitigating actions which might be taken by the Company or City and any areas where costs might be reduced and the approximate amount of such cost reductions. Each party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such Uncontrollable Circumstance shall occur, the party claiming to be adversely affected thereby shall, as promptly as reasonably possible, use its best reasonable efforts to eliminate the cause therefor, mitigate the effect thereof, reduce costs and resume performance under this Agreement. While the Uncontrollable Circumstance continues, the Company or City shall give periodic updates to the other party. The Company shall furnish promptly (if and to the extent available to the Company) any additional documents or other information relating to the Uncontrollable Circumstance reasonably requested by the City.

### SECTION 8.3. INDEMNIFICATION.

(A) Indemnification by the Company. The Company agrees that it will protect, indemnify and hold harmless the City, and its representatives, officers, employees and subcontractors (as applicable in the circumstances), (the "City Indemnified Parties") from and against (and pay the full amount of) all liabilities, obligations, delays, penalties, charges, taxes, fees and costs, deposits, actions, damages, claims, demands, judgments, losses, costs, expenses, and suits (collectively, "Loss and Expense"), and will defend the City Indemnified Parties in any suit, including appeals, for personal injury to, or death of, any person, or loss or damage to

property arising out of (1) the negligence or wrongful conduct of the Company or any of its officers, members, employees, agents, representatives contractors, or Subcontractors in connection with its obligations or rights under this Agreement, or (2) any Company breach. The Company shall not, however, be required to reimburse or indemnify any City Indemnified Party for Loss and Expense to the extent such Loss and Expense is due to (a) any City breach, (b) the negligence or other wrongful conduct of any City Indemnified Party, (c) any Uncontrollable Circumstance, (d) any act or omission of any City Indemnified Party judicially determined to be responsible for or contributing to the Loss and Expense, or (e) any matter for which the risk has been specifically allocated to the City hereunder.

(B) Indemnification by the City. To the extent permitted by law, the City agrees that it will protect, indemnify and hold harmless the Company, and its representatives, officers, employees and subcontractors (as applicable in the circumstances), (the “Company Indemnified Parties”) from and against (and pay the full amount of) all Losses and Expenses, and will defend the Company Indemnified Parties in any suit, including appeals, for personal injury to, or death of, any person, or loss or damage to property arising out of (1) the negligence or wrongful conduct of the City or any of its officers, members, employees, agents, representatives, contractors, or Subcontractors in connection with its obligations or rights under this Agreement, or (2) any City breach. The City shall not, however, be required to reimburse or indemnify any Company Indemnified Party for Loss and Expense to the extent such Loss and Expense is due to (a) any Company breach, (b) the negligence or other wrongful conduct of any Company Indemnified Party, (c) any Uncontrollable Circumstance, (d) any act or omission of any Company Indemnified Party judicially determined to be responsible for or contributing to the Loss and Expense, or (e) any matter for which the risk has been specifically allocated to the Company hereunder.

(C) Process. A party seeking indemnity hereunder (an “Indemnified Party”) shall promptly notify the other party (the “Indemnifying Party”) of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give the Indemnifying Party the opportunity to defend such claim, and shall not settle the claim without the approval of the Indemnified Party. These indemnification provisions are for the protection of the Indemnified

Parties only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection 8.3 shall survive termination of this Agreement.

SECTION 8.4. RELATIONSHIP OF THE PARTIES. The Company is an independent contractor and not an employee or agent of the City, and shall retain the right to exercise full and exclusive control and supervision over its employees, their compensation, and their discharge except as otherwise provided in the Service Contract. The Company's employees shall not be considered employees of the City, and the Company shall be solely responsible for all matters relating to the payment of employee taxes and insurance contributions. The Company shall be fully responsible for its acts and those of its employees during the term of the Service Contract. Nothing in this Agreement shall be construed as creating a partnership, agency, joint venture, or other similar relationship with the City, and the Company shall conduct all its work in its own name and not in the name of or as agent for the City.

SECTION 8.5. ASSIGNMENT AND CHANGE IN CONTROL.

(A) By the Company. The Company shall not assign, transfer, convey, lease, encumber or otherwise dispose of this Agreement, its right to execute the same, or its right, title or interest in all or any part of this Agreement or any monies due hereunder whatsoever, whether legally or equitably, nor shall the Company merge, transfer stock, transfer assets, be acquired or reorganized in such a manner that control of the Company is materially changed (except to the extent that such change in control is to an Affiliate of the Company), without the prior written consent of the City. Any such approval given in one instance shall not relieve the Company of its obligation to obtain the prior written approval of the City to any further assignment. Any assignment of this Agreement which is approved by the City shall require the assignee of the Company to assume the performance of and observe all obligations, representations and warranties of the Company under this Agreement, and no such assignment shall relieve the Guarantor of any of its obligations under the Guaranty Agreement, which shall remain in full force and effect during the Term hereof. For purposes of this Agreement, an "Affiliate" means any person directly or indirectly controlling or controlled by another person, corporation or other entity or under direct or indirect common control with such person, corporation or other entity.

(B) By the City. The City may not assign its rights or obligations under this Agreement without the prior written consent of the Company.

SECTION 8.6. INTEREST ON OVERDUE OBLIGATIONS. Except as otherwise provided herein, all amounts due hereunder, whether as damages, credits, revenues or reimbursements, that are not paid when due shall bear interest at the Overdue Rate on the amount outstanding from time to time, on the basis of a 365-day year, counting the actual number of days elapsed, and all such interest accrued at any time shall, to the extent permitted by law, be deemed added to the amount due, as accrued.

SECTION 8.7. PUBLIC RECORDS. This Agreement is a “public record” and shall be subject to public disclosure consistent with Chapter 132 of the North Carolina General Statutes. Pursuant to the North Carolina Public Records Act, trade secrets or confidential information as defined by the North Carolina Public Records Act that are identified as such prior to disclosure to the City is not public information and will not be released to the public by the City. Company must claim any applicable exemptions to disclosure provided by law at the time the information, document, recording, photograph, electronic data-processing record, or any other type of information that may constitute a public record under Chapter 132 of the North Carolina General Statutes is given or transmitted to the City or in any other way received by the City. Company must identify materials to be protected by placing the materials in a separate, sealed envelope appropriately marked as CONFIDENTIAL INFORMATION – CITY REVIEW ONLY and must state the reasons why such exclusion from public disclosure is necessary and legal.

The City will notify the Company of any public records request for the information or materials the Company has marked as CONFIDENTIAL, and if the Company objects to the City disclosing any of the records responsive to the request, the Company will notify the City in writing within forty-eight (48) hours. If so notified, the City will not disclose the records until ordered to do so by a court of competent jurisdiction, if and only if, the Company immediately enters an appearance as a party in- interest and defend the City in any claim, suit, mediation, litigation, or arbitration proceeding concerning the release of the records to which the Company objected. The Company agrees to indemnify, save harmless, and pay any

and all attorney's fees incurred by the City, and any attorney's fees the City is ordered to pay to any person(s) or organization(s) as a result of the Company's objection to the release of these records. The Company will also indemnify, save harmless, and pay any and all claims for damages, court costs, or other fees the City incurs as a result of the Company's objection to the release of the records requested pursuant to the North Carolina Public Records Act.

SECTION 8.8. CONFLICT OF INTEREST. The Company must comply with the City's Conflict of Interest Policy which is included as Appendix C herein.

SECTION 8.9. CITY APPROVAL OF SUBCONTRACTORS. (A) General. The City shall have the right to approve all Subcontractors engaged to perform the Contract Services costing in excess of \$50,000 per year. The approval or withholding thereof by the City of any proposed Subcontractor shall not create any liability of the City to the Company, to third parties or otherwise. In no event shall any subcontract be awarded to any person debarred, suspended or disqualified from local, State or federal contracting for any services.

SECTION 8.10. ACTIONS OF THE CITY IN ITS GOVERNMENTAL CAPACITY. Nothing in this Agreement shall be interpreted as limiting the rights and obligations of the City in its governmental or regulatory capacity, or as limiting the right of the Company to bring any legal action against the City, not based on this Agreement, arising out of any act or omission of the City in its governmental or regulatory capacity.

SECTION 8.11. BINDING EFFECT. This Agreement shall bind and inure to the benefit of the parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 8.5 hereof.

SECTION 8.12. AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed by both parties.

SECTION 8.13. NOTICES. Any notices or communications required or permitted hereunder shall be in writing and shall be sufficiently given if transmitted by hard copy telecommunication or delivered in person (including, but not limited to, by mail), or by overnight courier to the following:

**If to the Company:**

Uwharrie Landfill  
500 Landfill Road  
Mt. Gilead, NC 27306  
Facsimile: 910-576-3698  
Attn: General Manager

**With a copy to:**

Republic Services of North Carolina, LLC  
1200 Commerce Street SW, Suite A  
Conover, NC 28613  
Facsimile: 828-464-6922  
Attn: Vice-President

**With a copy to:**

Republic Services, Inc.  
18500 N. Allied Way  
Phoenix, AZ 85054  
Attn: Deputy General Counsel, East Region

**If to the City:**

City of Greensboro  
P.O. Box 3136  
Greensboro, NC 27402  
Attn: City Manager

**With a copy to:**

City of Greensboro  
300 W. Washington Street  
Greensboro, NC 27402-3136  
Attn: Director of Field Operations

Changes in the respective addresses to which such notices may be directed may be made from time to time by any party by written notice to the other party. Notices and communications given by mail hereunder shall be deemed to have been given no later than 5 days after the date of dispatch; all other notices shall be deemed to have been given upon receipt.

SECTION 8.14. FURTHER ASSURANCES. Each party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

SECTION 8.15. NO THIRD PARTY BENEFICIARIES. Unless specifically set forth herein, neither party to this Agreement shall have any obligation to any third party as a result of the agreements contained herein.

SECTION 8.16. RIGHT TO INSPECT. The City shall, at all reasonable times, have access to and the right to inspect, audit, examine, and copy all such books, records, and other documents of the Company for the purpose of ensuring compliance with the terms of the Agreement for the current fiscal year plus the past five years.

SECTION 8.17. EQUAL EMPLOYMENT OPPORTUNITY. The Company agrees that in the performance of the services in the Agreement, it will not discriminate in its hiring, employment, and contracting practices with reference to age, sex, race, color, religion, national origin, handicap or disability. The Company shall fully comply with all applicable local, state, and federal laws.

SECTION 8.18. COMPLIANCE WITH CONTRACT STANDARDS. The Company shall perform the Contract Services in accordance with the Contract Standards.

SECTION 8.19. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of the Agreement is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of the Agreement, except as provided for in Chapter 25 of the Greensboro Code of Ordinance. Further, if any section, subsection, sentence, clause, phrase, or portion of the Agreement is ruled invalid by any court of competent jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such section, subsection, sentence, clause, phrase, or portion of the Agreement which shall, to the greatest extent legally permissible, effect the intent of the parties, therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision.

SECTION 8.20. DRUG-FREE WORKPLACE. The Company shall maintain a drug-free workplace.

SECTION 8.21. INCLEMENT WEATHER. The Contract Services shall be performed under all weather conditions (unless the Company is unable to perform due to an Uncontrollable Circumstance). In the event of inclement weather, the Company shall be responsible for taking all reasonable measures necessary to allow for the Company to perform its obligations pursuant to this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first above written.

CITY OF GREENSBORO, NORTH CAROLINA

By: D. Dale Wyrick

Printed Name: D. DALE WYRICK

Title: DIRECTOR, FIELD OPERATIONS

REPUBLIC SERVICES OF NORTH CAROLINA,  
LLC

By: Drew Isenhour

Printed Name: Drew Isenhour

Title: V.P.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first above written.

CITY OF GREENSBORO, NORTH CAROLINA

By: D. D. Wyrick

Printed Name: D. DALE WYRICK

Title: DIRECTOR, FIELD OPERATIONS

REPUBLIC SERVICES OF NORTH CAROLINA,  
LLC

By: Drew Isenhour

Printed Name: Drew Isenhour

Title: V.P.

**APPENDIX A**  
**REQUIRED INSURANCE**

**APPENDIX A**

**REQUIRED INSURANCE**

- (1) The Company must maintain insurance policies at all times throughout the term of the contract with minimum limits as follows:

<u>Coverage**</u>	<u>Minimum Limits</u>
Workers' Compensation	Statutory Limits
Employers' Liability	\$ 500,000
General Liability	\$5,000,000 per occurrence /\$10,000,000 aggregate
Automobile Liability	\$1,000,000
Pollution & Environmental Liability	\$5,000,000 per occurrence/\$10,000,000 aggregate
Property Damage	\$5,000,000 per occurrence/\$10,000,000 aggregate

\*\* Any combination of primary and excess/umbrella policies may be utilized to satisfy the required limits of liability.

- (2) The Company must provide the City with a Certificate of Insurance for review prior to the issuance of any contract. This should be an ACORD form (example can be provided). All Certificates of Insurance will require thirty (30) days written notice by the insurer or contractor's agent in the event of cancellation,. In addition to the notice requirement above, the Company will provide the City with immediate written notice of cancellation, reduction, or other material modification of coverage of insurance within 48 hours of such cancellation, reduction or material modification. Upon failure of the Company to provide such notice, the Company will be solely responsible for all losses incurred by the City for which insurance would have provided coverage. The insurance certificate shall be for the initial contract period of one (1) year and shall be renewed by the Company for each subsequent renewal period of the contract.
- (3) The City shall be added as an additional insured on the Company's general liability insurance policy, which shall be primary and not contributory to any other insurance that may be available to the City. The Pollution and Environmental Liability policy must be maintained in full force and effect for three years after the termination of the contract. The Company will also secure its general liability insurance from an "A" rated insurance company acceptable to the City. The Company will provide the City with additional insured endorsements CG 2010 and CG 2037 with respect to the general liability policy.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/15/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> CANNON COCHRAN MANAGEMENT SERVICES, INC. 17015 N. SCOTTSDALE RD. SCOTTSDALE, AZ 85255	<b>CONTACT NAME:</b>		
	PHONE (A/C No.Ext):	FAX (A/C No.Ext):	
E-MAIL ADDRESS: certificateteam@ccmsi.com			
<b>INSURED</b> REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	INSURER A: OLD REPUBLIC INSURANCE COMPANY		24147
	INSURER B: ILLINOIS UNION INSURANCE COMPANY		27960
	INSURER C: LEXINGTON INSURANCE COMPANY		19437
	INSURER D:		
	INSURER E:		
INSURER F:			

### COVERAGES

CERTIFICATE NUMBER: 285467

REVISION NUMBER: 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR _____ _____ GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC			MWZY 59665	06/30/2012	06/30/2013	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000,000 MED EXP (Any one person) PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS -COMP/OP AGG \$ 5,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> _____			MWTB 21556	06/30/2012	06/30/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			2214223/2214224	06/30/2012	06/30/2013	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A A A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	MWC 117827 00 AOS MWXS 981 Excess WC OH MWXS 980 Excess NSWC TX	06/30/2012 06/30/2012 06/30/2012	06/30/2013 06/30/2013 06/30/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 3,000,000 E.L. DISEASE -EA EMPLOYEE \$ 3,000,000 E.L. DISEASE -POLICY LIMIT \$ 3,000,000

### DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Division Number: 3041 - Named Insured Includes: Republic Services of North Carolina, LLC - Dba: Uwharrie Environmental Regional MSW Landfill

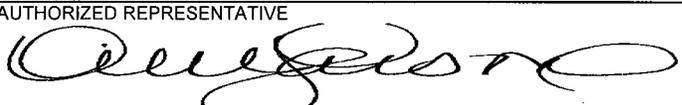
### CERTIFICATE HOLDER

THE CITY OF GREENSBORO  
 300 WEST WASHINGTON STREET  
 PO BOX 3136  
 GREENSBORO, NC 27402  
 United States

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE





## ADDITIONAL REMARKS SCHEDULE

AGENCY <hr/> POLICY NUMBER See First Page <hr/> CARRIER See First Page	NAIC CODE <hr/>	NAMED INSURED REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054 <hr/> EFFECTIVE DATE:
--	--------------------	---

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.  
 FORM NUMBER:  25  FORM TITLE:  CERTIFICATE OF LIABILITY INSURANCE

The following provisions apply when required by written contract. As used below, the term certificate holder also includes any person or organization that the insured has become obligated to include as a result of an executed contract or agreement.

**GENERAL LIABILITY:**

Certificate holder is Additional Insured when required by written contract.  
 Coverage is primary and non-contributory when required by written contract.  
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

**AUTO LIABILITY:**

Certificate holder is Additional Insured when required by written contract.  
 Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY:**

Waiver of Subrogation in favor of the certificate holder is included when required by written contract where allowed by state law.

**TEXAS EXCESS INDEMNITY AND EMPLOYERS LIABILITY:**

Republic Services, Inc. and its subsidiaries are registered non-subscribers to the Texas Workers Compensation Act. Republic Services, Inc. has filed an approved Indemnity Plan with the Texas Department of Insurance which offers an alternative in benefits to employees rather than the traditional Workers Compensation Insurance in Texas. The excess policy (#MWXS 980) shown on this certificate provides excess Indemnity and Employers Liability coverage for the approved Indemnity Plan.

Contractual Liability is included in the General Liability coverage form. The General Liability policy does not contain an endorsement excluding Contractual Liability.

The Excess Liability policy is follow form over the General Liability, Automobile Liability and Employer's Liability policies shown on this certificate.

**IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DESIGNATED ENTITY - NOTICE OF CANCELLATION PROVIDED BY US**

**SCHEDULE**

**Number of Days Notice of Cancellation:** 30

**Person or Organization:**

Per Schedule On File With The Carrier

**Address:**

Per Schedule On File With The Carrier

**Provisions**

If we cancel this policy for any statutorily permitted reason other than nonpayment of premium, and a number of days is shown for cancellation in the schedule above, we will send notice of cancellation to the person or organization shown in the schedule above. We will send such notice to the address shown in the schedule above at least the number of days shown for cancellation in the schedule above before the effective date of cancellation.

GL 458 004 0611

**IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OTHER INSURANCE AMENDMENT - PRIMARY AND NON-CONTRIBUTORY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART/FORM

**SCHEDULE**

**Named Insured:**

**Mailing Address  
(including Zip Code):**

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance** is amended per the following:

**1. The following paragraph is added under a. Primary Insurance:**

This insurance is primary insurance as respects our coverage to an additional insured person or organization, where the written contract or written agreement requires that this insurance be primary and non-contributory. In that event, we will not seek contribution from any other insurance policy available to the additional insured on which the additional insured person or organization is a Named Insured.

**2. The following paragraph is added under b. Excess Insurance:**

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured by attachment of an endorsement to another policy providing coverage for the same "occurrence", claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

Any provision in this Coverage Part not changed by the terms and conditions of this endorsement continue to apply as written.

GL 458 002 0611

**COMMERCIAL GENERAL LIABILITY  
CG 20 37 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Only Those Where Required By Written Contract	"All locations as required by written contract"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

**APPENDIX B**  
**FORM OF PERFORMANCE BOND**

**FORM OF PERFORMANCE BOND**

Bond #105816756

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

**CONTRACTOR (Name and Address):**  
Republic Services of North Carolina, LLC DBA Uwharrie Environmental  
500 Landfill Road  
Mt Gillead, NC 27306

**SURETY (Name and Address of Principal Place of Business):** Travelers Casualty and Surety Company of America  
One Tower Square 3PB  
Hartford, CT 06183

**OWNER (Name and Address):**  
The City of Greensboro  
300 West Washington Street  
Greensboro, SC 27401

**CONTRACT**

**Date:** October 12, 2012  
**Amount:** Five Million and 00/100 Dollars (\$5,000,000.00)  
**Description (Name and Location):**

**BOND**

**Date (Not earlier than Contract Date):** October 15, 2012  
**Amount:** [\$5,000,000]  
**Modifications to this Bond Form:** None

Surety and CONTRACTOR, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Performance to be duly executed on its behalf by its authorized officer, agent or representative.

Republic Services of North Carolina, LLC DBA Uwharrie Environmental  
**CONTRACTOR AS PRINCIPAL**  
Company: \_\_\_\_\_ (Corp. Seal)

Travelers Casualty and Surety Company of America  
**SURETY**  
Company: \_\_\_\_\_ (Corp. Seal)

**Signature:** Michelle Patterson  
**Name and Title:** Michelle Patterson, Attorney-in-Fact

**Signature:** Johanne S. Puckett  
**Name and Title:** Johanne S. Puckett, Attorney-in-Fact  
(Attach Power of Attorney)

(Space is provided below for signatures of additional parties, if required)

**CONTRACTOR AS PRINCIPAL**  
Company: \_\_\_\_\_ (Corp. Seal)

**SURETY**  
Company: \_\_\_\_\_ (Corp. Seal)

**Signature:** \_\_\_\_\_  
**Name and Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_  
**Name and Title:** \_\_\_\_\_

EJCDC No. 1910-25-A (1996 Edition)  
Originally prepared through the joint efforts of the Surety Association of America, Engineers Joint Contract Documents Committee, the Associated General Contractors of America, and the American Institute of Architects.

1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the OWNER for the performance of the Contract, which is incorporated herein by reference.
2. If the CONTRACTOR performs the Contract, the Surety and the CONTRACTOR have no obligation under this Bond, except to participate in conferences as provided in paragraph 3.1.
3. If there is no OWNER Default, the Surety's obligation under this Bond shall arise after:
  - 3.1. The OWNER has notified the CONTRACTOR and the Surety at the addresses described in paragraph 10 below, that the OWNER is considering declaring a CONTRACTOR Default and has requested and attempted to arrange a conference with the CONTRACTOR and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Contract. If the OWNER, the CONTRACTOR and the Surety agree, the CONTRACTOR shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive the OWNER's right, if any, subsequently to declare a CONTRACTOR Default; and
  - 3.2. The OWNER has declared a CONTRACTOR Default and formally terminated the CONTRACTOR's right to complete the Contract. Such CONTRACTOR Default shall not be declared earlier than twenty days after the CONTRACTOR and the Surety have received notice as provided in paragraph 3.1; and
  - 3.3. The OWNER has agreed to pay the Balance of the Contract Price to
    - 3.3.1. The Surety in accordance with the terms of the Contract, or
    - 3.3.2. Another contractor selected pursuant to paragraph 4.3 to perform the Contract.
4. When the OWNER has satisfied the conditions of paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
  - 4.1. Arrange for the CONTRACTOR, with consent of the OWNER, to perform and complete the Contract; or
  - 4.2. Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
  - 4.3. Obtain bids or negotiated proposals from qualified contractors acceptable to the OWNER for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by the OWNER and the contractor selected with the OWNER's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the Bonds issued on the Contract, and pay to the OWNER the amount of damages as described in paragraph 6 in excess of the Balance of the Contract Price incurred by the OWNER resulting from the CONTRACTOR Default; or
  - 4.4. Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances,
    - 4.4.1. After investigation, determine the amount for which it may be liable to the OWNER and, as soon as practicable after the amount is determined, tender payment therefor to the OWNER; or
    - 4.4.2. Deny liability in whole or in part and notify the OWNER citing reasons therefor.
5. If the Surety does not proceed as provided in paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the OWNER to the Surety demanding that the Surety perform its obligations under this Bond, and the OWNER shall be entitled to enforce any remedy available to the OWNER. If the Surety proceeds as provided in paragraph 4.4, and the OWNER refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the OWNER shall be entitled to enforce any remedy available to the OWNER.
6. After the OWNER has terminated the CONTRACTOR's right to complete the Contract, and if the Surety elects to act under paragraph 4.1, 4.2 or 4.3 above, then the responsibilities of the Surety to the OWNER shall not be greater than those of the CONTRACTOR under the Contract, and the responsibilities of the OWNER to the Surety shall not be greater than those of the OWNER under the Contract. To a limit of the amount of this Bond, but subject to commitment by the OWNER of the Balance of the Contract Price to mitigation of costs and damages on the Contract, the Surety is obligated without duplication for
  - 6.1. The responsibilities of the CONTRACTOR for correction of defective Work and completion of the Contract;
  - 6.2. Additional legal, design professional and delay costs resulting from the CONTRACTOR's Default, and resulting from the actions or failure to act of the Surety under paragraph 4; and
  - 6.3. Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of the CONTRACTOR.
7. The Surety shall not be liable to the OWNER or others for obligations of the CONTRACTOR that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the OWNER or its heirs, executors, administrators, or successors.
8. The Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders and other obligations.
9. Any proceeding, legal or equitable, under this bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located and shall be instituted within two years after CONTRACTOR Default or within two years after the CONTRACTOR ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
10. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the address shown on the signature page.
11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here-from and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Definitions.
  - 12.1. Balance of the Contract Price: The total amount payable by the OWNER to the CONTRACTOR under the Contract after all proper adjustments have been made, including allowance to the CONTRACTOR of any amounts received or to be received by the OWNER in settlement of insurance or other Claims for damages to which the CONTRACTOR is entitled, reduced by all valid and proper payments made to or on behalf of the CONTRACTOR under the Contract.
  - 12.2. Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.
  - 12.3. CONTRACTOR Default: Failure of the CONTRACTOR, which has neither been remedied nor waived to perform or otherwise comply with the terms of the Contract.
  - 12.4. OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Contract or to perform and complete or comply



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 225255

Certificate No. 004940296

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Johanne S. Puckett, Jacqueline Hampton, and Michelle Patterson

of the City of Greenville, State of South Carolina, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 26th day of June, 2012

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 26th day of June, 2012, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 15<sup>th</sup> day of October, 2012

  
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

**POWER OF ATTORNEY**

Republic Services, Inc., a Delaware corporation and having its chief place of business at 18500 N. Allied Way, Phoenix, Arizona 85054, hereby makes, constitutes and appoints WELLS FARGO INSURANCE SERVICES USA, INC., acting through and by any of Johanne S. Puckett and/or Michelle Patterson and/or Jacqueline Hampton, its true and lawful attorney and affix its corporate seal to and deliver for and on behalf as surety thereon or otherwise, bonds of any of the following classes, to wit:

1. Surety bonds and/or bid bonds to the United States of American or agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; license and permit bonds or other indemnity bonds under the laws, ordinances or regulations of any state, city, town, village, board, other body organization, public or private; bonds to transportation companies; lost instrument bonds; lease bonds; worker's compensation bonds; miscellaneous surety bonds; and bonds on behalf of notaries public; sheriffs, deputy sheriffs and similar public officials.

2. Surety bonds and/or bid bonds on behalf of REPUBLIC SERVICES, INC. and its subsidiaries in connection with bids, proposals or contracts.

To sign and seal all bid bonds and surety bonds at or below the monetary threshold of Five Million Dollars (\$5,000,000.00) on behalf of REPUBLIC SERVICES, INC. and its subsidiaries, relating to the provision of solid waste collection, transportation, recycling or disposal services by REPUBLIC SERVICES, INC. and its subsidiaries. REPUBLIC SERVICES, INC. hereby agrees to ratify and confirm whatsoever WELLS FARGO INSURANCE SERVICES USA, INC. shall lawfully do pursuant to this power of attorney and the Client Service Agreement dated October 15, 2008 between WELLS FARGO INSURANCE SERVICES USA, INC. and REPUBLIC SERVICES, INC. and until notice or revocation has been given by REPUBLIC SERVICES, INC. the acts of said attorney shall be binding on the undersigned.

IN WITNESS WHEREOF, this Power of Attorney has been signed this 29th day of June, 2012, on behalf of REPUBLIC SERVICES, INC. by its Senior Vice President and Treasurer, Edward A. Lang, III

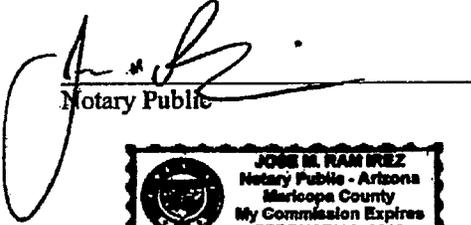
REPUBLIC SERVICES, INC.,  
a Delaware Corporation

  
\_\_\_\_\_  
Edward A. Lang, III

STATE OF ARIZONA

COUNTY OF MARICOPA

Subscribed and sworn to before me this 16<sup>th</sup> day of July, 2012 by Edward A. Lang, III Senior Vice President and Treasurer of Republic Services, Inc.

  
\_\_\_\_\_  
Notary Public



**APPENDIX C**

**CITY OF GREENSBORO CONFLICT OF INTEREST POLICY**

## APPENDIX C

### CITY OF GREENSBORO CONFLICT OF INTEREST POLICY

#### 1.0 POLICY

It is the policy of the City of Greensboro to prohibit its officers, employees, or agents from participating in the selection, award, or administration of any contract where a conflict of interest is involved or may exist, whether real or apparent.

#### 2.0 PURPOSE

It is essential for the City of Greensboro's officers, employees, and agents to remain free from all conflicts of interest, whether real or apparent, in order for the City to maintain the public trust of its citizens. Additionally, Section 4.131 of the City Charter and North Carolina State law prohibits City officers, employees and agents from voting upon or otherwise participating in the selection, award, or administration of contracts in which they have a direct or indirect financial interest.

As a condition of receiving federal and state grant funds, the City is required to have a Conflict of Interest policy that specifies certain conditions that necessitates a finding that a conflict of interest exists. This policy addresses these concerns and complies with all applicable federal and state conflict of interest laws.

#### 3.0 SCOPE

This policy applies to all City officers, employees, or agents as well as sub-grantees or sub-recipients of any federal or state funds received from the City. No officer, employee or agent of the City, and no sub-grantee or sub-recipient of any federal or state funds from the City shall participate in the selection or in the award or administration of a contract supported by federal, state, or city funds if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when any of the following persons or entities has a financial or other interest in the firm selected for the award:

- (i) The employee, officer, agent,
- (ii) Any member of his immediate family,
- (iii) His or her partner, or
- (iv) An organization which employs, or is about to employ, anyone listed in (i) through (iii) above.

The grantee's or sub-grantee's officers, employees or agents will not solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements except as may be allowed in the City's Gift Policy, B-20.

## **4.0 DEFINITIONS**

4.1 Officer - An individual who is elected to or appointed to serve or represent the City of Greensboro, other than an employee or independent contractor of the City.

4.2 Employee - Those individuals who are employed at will by the City of Greensboro for remuneration, whether full time or part time, benefited or non-benefited, and are charged with implementing City policies and City Council goals and objectives.

4.3 Agent - Those individuals or companies who are authorized to act on behalf of the City and who provide services or products, whether contractual or not.

## **5.0 ORGANIZATIONAL RULES**

5.1 In order for the City to maintain the public trust of the citizens it serves, it is essential for the officers, employees, and agents of the City of Greensboro to remain free from all conflicts of interest, whether real or apparent.

## **6.0 PROCEDURES**

6.1 If any officer, employee, or agent of the City has a potential conflict of interest in the selection, award, or administration of any contract supported by federal, state, or city funds in violation of this policy or has knowledge that another officer, employee, or agent of the City has a potential conflict of interest in the selection, award, or administration of any contract supported by federal, state, or city funds in violation of this policy, that person is required to report to their immediate supervisor or other management official in their reporting relationship all of the facts and circumstances concerning the conflict in as much detail as possible. This report should identify (i) the party or parties involved, (ii) the contract involved (iii) the nature of the conflict, and (iv) any other relevant facts and circumstances concerning the conflict.

If any officer, employee, or agent of a sub-grantee or sub-recipient of any federal, state, or city funds has a potential conflict of interest in the selection, award, or administration of any contract supported by federal, state, or city funds in violation of this policy or has knowledge that another officer, employee, or agent of a sub-grantee or sub-recipient of any federal, state, or city funds has a potential conflict of interest in the selection, award, or administration of any contract supported by federal, state, or city funds in violation of this policy, that person is required to report to their immediate supervisor or other management official in their reporting relationship and the City's contact person for that particular grant all of the facts and circumstances concerning the conflict in as much detail as possible. This report should identify (i) the party or parties involved, (ii) the contract involved, (iii) the nature of the conflict, and (iv) any other relevant facts and circumstances concerning the conflict.

**APPENDIX D**  
**FORM OF GUARANTY**

GUARANTY AGREEMENT

from

REPUBLIC SERVICES, INC.

to

THE CITY OF GREENSBORO, NORTH CAROLINA

Dated

October 16, 2012

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS.....1  
SECTION 1.2. INTERPRETATION.....1

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR.....3

ARTICLE III

GUARANTY COVENANTS

SECTION 3.1. GUARANTY TO THE CITY.....5  
SECTION 3.2. RIGHT OF CITY TO PROCEED AGAINST GUARANTOR.....5  
SECTION 3.3. GUARANTY ABSOLUTE AND UNCONDITIONAL .....5  
SECTION 3.4. DEFENSES, SET-OFFS AND COUNTERCLAIMS .....7  
SECTION 3.5. WAIVERS BY THE GUARANTOR .....7  
SECTION 3.6. PAYMENT OF COSTS AND EXPENSES .....8  
SECTION 3.7. SUBORDINATION OF RIGHTS .....8  
SECTION 3.8. SEPARATE OBLIGATIONS; REINSTATEMENT .....9  
SECTION 3.9. TERM.....9

ARTICLE IV

GENERAL COVENANTS

SECTION 4.1. MAINTENANCE OF CORPORATE EXISTENCE.....10  
SECTION 4.2. ASSIGNMENT.....10  
SECTION 4.3. QUALIFICATION IN NORTH CAROLINA.....10  
SECTION 4.4. CONSENT TO JURISDICTION.....10  
SECTION 4.5. BINDING EFFECT .....11  
SECTION 4.6. AMENDMENTS, CHANGES AND MODIFICATIONS .....11  
SECTION 4.7. NOTICES.....11

## GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made and dated as of October 16, 2012, between Republic Services, Inc., a corporation organized and existing under the laws of Delaware (together with any permitted successors and assigns hereunder, the "Guarantor"), and the City of Greensboro, North Carolina, a political subdivision of the State of North Carolina (the "City").

### RECITALS

The City and Republic Services of North Carolina, LLC (the "Company"), a limited liability corporation, have entered into a Service Agreement for the disposal of Solid Waste from the City's Transfer Station, dated October 12, 2012 (the "Service Agreement"), whereby the Company has agreed to dispose of City Acceptable Waste delivered from the City's Transfer Station to the Specified Landfill, as more particularly described in the Service Agreement.

The Company is a subsidiary of the Guarantor.

The City will enter into the Service Agreement only if the Guarantor guarantees the performance by the Company of all of the Company's responsibilities and obligations under the Service Agreement as set forth in this Guaranty Agreement (the "Guaranty").

In order to induce the execution and delivery of the Service Agreement by the City and in consideration thereof, the Guarantor agrees as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. For the purposes of this Guaranty, the following words and terms shall have the respective meanings set forth as follows. Any capitalized word or term used but not defined herein is used as defined in the Service Agreement.

“Obligations” means the amounts payable by, and the covenants and agreements of, the Company pursuant to the terms of the Service Agreement.

“Transaction Agreement” means any agreement entered into by the Company or the City in connection with the transactions contemplated by the Service Agreement, including, but not limited to, the Service Agreement, and any supplements thereto.

SECTION 1.2. INTERPRETATION. In this Guaranty, unless the context otherwise requires:

(A) References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms refer to this Guaranty, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution and delivery of this Guaranty.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Guaranty shall be solely for convenience of reference and shall not constitute a part of this Guaranty, nor shall they affect its meaning, construction or effect.

(E) Entire Agreement. This Guaranty constitutes the entire agreement between the parties hereto with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any person other than the Guarantor, the City and their permitted successors and assigns hereunder any rights or remedies under or by reason of this Guaranty.

(F) Counterparts. This Guaranty may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Guaranty.

(G) Applicable Law. This Guaranty shall be governed by and construed in accordance with the Applicable Laws of the State of North Carolina.

(H) Severability. If any clause, provision, subsection, Section or Article of this Guaranty shall be ruled invalid by any court of competent jurisdiction, the invalidity of any such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Guaranty shall be construed and enforced as if such invalid portion did not exist provided that such construction and enforcement shall not increase the Guarantor's liability beyond that expressly set forth herein.

(I) Approvals. All approvals, consents and acceptances required to be given or made by any party hereto shall be at the sole discretion of the party whose approval, consent or acceptance is required.

(J) Payments. All payments required to be made by the Guarantor hereunder shall be made in lawful money of the United States of America.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR. The Guarantor hereby represents and warrants that:

(1) Existence and Powers. The Guarantor is duly organized and validly existing as a corporation under the laws of Delaware with full legal right, power and authority to enter into and perform its obligations under this Guaranty.

(2) Due Authorization and Binding Obligation. The Guarantor has duly authorized the execution and delivery of this Guaranty, and this Guaranty has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, or moratorium or by general equity principals of reorganization and other similar laws affecting creditors' rights generally and general principals of equity.

(3) No Conflict. Neither the execution or delivery by the Guarantor of this Guaranty nor the performance by the Guarantor of its obligations hereunder (a) to the Guarantor's knowledge conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Guarantor, (b) conflicts with, violates or results in a material breach of any term or condition of the Guarantor's corporate charter or by-laws or any judgment, decree, agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument, or (c) to the Guarantor's knowledge will result in the creation or imposition of any material encumbrance of any nature whatsoever upon any of the properties or assets of the Guarantor except as permitted hereby or by any Transaction Agreement.

(4) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Guaranty by the Guarantor or the performance of its payment or other obligations hereunder, except as such shall have been duly obtained or made.

(5) No Litigation. Except as disclosed in writing to the City, there is no Legal Proceeding, at law or in equity, before or by any Governmental Body pending or, to the best of the Guarantor's knowledge, overtly threatened or publicly announced against the Guarantor, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the validity, legality or enforceability of this Guaranty against the Guarantor, or on the ability of the Guarantor to perform its obligations hereunder.

(6) No Legal Prohibition. The Guarantor has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the Guarantor of this Guaranty and the transactions contemplated by this Guaranty.

(7) Consent to Agreements. The Guarantor is fully aware of the terms and conditions of the Service Agreement.

(8) Consideration. This Guaranty is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor.

## ARTICLE III

### GUARANTY COVENANTS

SECTION 3.1. GUARANTY TO THE CITY. The Guarantor hereby absolutely, presently, irrevocably and unconditionally guarantees to the City for the benefit of the City (1) the full and prompt payment when due of each and all of the payments required to be credited or made by the Company under the Service Agreement (including all amendments and supplements thereto) to, or for the account of, the City, when the same shall become due and payable pursuant to the Service Agreement, and (2) the full and prompt performance and observance of each and all of the Obligations. Notwithstanding the unconditional nature of the Guarantor's obligations as set forth herein, the Guarantor shall have the right to assert the defenses provided in Section 3.4 hereof against claims made under this Guaranty.

SECTION 3.2. RIGHT OF CITY TO PROCEED AGAINST GUARANTOR. This Guaranty shall constitute a guaranty of payment and of performance and not of collection, and the Guarantor specifically agrees that in the event of a failure by the Company to pay or perform any Obligation guaranteed hereunder, the City shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against the Company or exhausting any other remedies against the Company which the City may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the City (1) file suit or proceed to obtain a personal judgment against the Company or any other person that may be liable for the Obligations or any part of the Obligations, (2) make any other effort to obtain payment or performance of the Obligations from the Company other than providing the Company with any notice of such payment or performance as may be required by the terms of the Service Agreement or required to be given to the Company under Applicable Law, (3) foreclose against or seek to realize upon any security for the Obligations, or (4) exercise any other right or remedy to which the City is or may be entitled in connection with the Obligations or any security therefor or any other guarantee thereof, except to the extent that any such exercise of such other right or remedy may be a condition to the Obligations of the Company or to the enforcement of remedies under the Service Agreement. Upon any unexcused failure by the Company in the payment or performance of any Obligation and the giving of such notice or demand, if any, to the Company or Guarantor as may be required in connection with such Obligation or this Guaranty, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the City's right to proceed directly against the Guarantor, the City (or any successor) shall not be entitled to more than a single full performance of the obligations in regard to any breach or non-performance thereof.

SECTION 3.3. GUARANTY ABSOLUTE AND UNCONDITIONAL. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until the Company shall have fully discharged the Obligations in accordance with their respective terms, and except as provided in Section 3.4 hereof, shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Obligations) based on any claim that the Guarantor may have against the Company, the City or any other person. Without

limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by, or further consent of the Guarantor):

(1) the extension or renewal of this Guaranty or the Service Agreement up to the specified Terms of each agreement;

(2) any exercise or failure, omission or delay by the City in the exercise of any right, power or remedy conferred on the City with respect to this Guaranty or the Service Agreement except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim;

(3) any permitted transfer or assignment of rights or obligations under the Service Agreement or under any other Transaction Agreement by any party thereto, or any permitted assignment, conveyance or other transfer of any of their respective interests in the Project or in, to or under any of the Transaction Agreements;

(4) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the City or any other person in any Transaction Agreement or in the Project;

(5) any renewal, amendment, change or modification in respect of any of the Obligations or terms or conditions of any Transaction Agreement;

(6) any failure of title with respect to all or any part of the respective interests of any person in the Project;

(7) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against, the Company or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty or any other Transaction Agreement in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding);

(8) any failure on the part of the Company for any reason to perform or comply with any agreement with the Guarantor;

(9) the failure on the part of the City to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty and to the

Company as a condition to the enforcement of Obligations pursuant to the Service Agreement;

(10) any failure of any party to the Transaction Agreements to mitigate damages resulting from any default by the Company or the Guarantor under any Transaction Agreement;

(11) the merger or consolidation of any party to the Transaction Agreements into or with any other person, or any sale, lease, transfer, abandonment or other disposition of any or all of the property of any of the foregoing to any person;

(12) any legal disability or incapacity of any party to the Transaction Agreements; or

(13) the fact that entering into any Transaction Agreement by the Company or the Guarantor was invalid or in excess of the powers of such party.

Should any money due or owing under this Guaranty not be recoverable from the Guarantor due to any of the matters specified in subparagraphs (1) through (13) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of the Company pursuant to the terms of the Service Agreement and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce the Company's rights, benefits, duties or obligations under the Service Agreement. To the extent that any of the matters specified in subparagraphs (1) through (5) and (7) through (13) would provide a defense to, release, discharge or otherwise affect the Company's Obligations, the Guarantor's obligations under this Guaranty shall be treated the same.

SECTION 3.4. DEFENSES, SET-OFFS AND COUNTERCLAIMS. The Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which the Company may have under the Service Agreement or under Applicable Law (other than bankruptcy or insolvency of the Company and other than any defense which the Company has expressly waived in the Service Agreement or the Guarantor has expressly waived in Section 3.5 hereof or elsewhere hereunder), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which the Company is permitted to assert pursuant to the Service Agreement if any.

SECTION 3.5. WAIVERS BY THE GUARANTOR. The Guarantor hereby unconditionally and irrevocably waives:

(1) notice from the City of its acceptance of this Guaranty;

(2) notice of any of the events referred to in Section 3.3 hereof except to the extent that notice is required to be given as a condition to the enforcement of Obligations;

(3) to the fullest extent lawfully possible, all notices which may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Company required pursuant to the Service Agreement or Applicable Law as a condition to the performance of any Obligation;

(4) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to guarantors (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(5) any right to require a proceeding first against the Company;

(6) any right to require a proceeding first against any person or the security provided by or under any Transaction Agreement except to the extent such Transaction Agreement specifically requires a proceeding first against any person (except the Company) or security;

(7) any requirement that the Company be joined as a party to any proceeding for the enforcement of any term of any Transaction Agreement;

(8) the requirement of, or the notice of, the filing of claims by the City in the event of the receivership or bankruptcy of the Company; and

(9) all demands upon the Company or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 3.5, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

SECTION 3.6. PAYMENT OF COSTS AND EXPENSES. The Guarantor agrees to pay the City on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), incurred by or on behalf of the City in successfully enforcing by Legal Proceeding observance of the covenants, agreements and obligations contained in this Guaranty against the Guarantor, other than the costs and expenses that the City incurs in performing any of its obligations under the Service Agreement, or other applicable Transaction Agreement, where such obligations are a condition to performance by the Company of its Obligations.

SECTION 3.7. SUBORDINATION OF RIGHTS. The Guarantor agrees that any right of subrogation or contribution which it may have against the Company as a result of any payment or performance hereunder is hereby fully subordinated to the rights of the City hereunder and under the Transaction Agreements and that the Guarantor shall not recover or seek to recover any payment made by it hereunder from the Company until the Company and the Guarantor shall have fully and satisfactorily paid or performed and discharged the Obligations giving rise to a claim under this Guaranty.

SECTION 3.8. SEPARATE OBLIGATIONS; REINSTATEMENT. The obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (1) to the extent permitted by

Applicable Law, constitute separate and independent obligations of the Guarantor from its other obligations under this Guaranty, (2) give rise to separate and independent causes of action against the Guarantor and (3) apply irrespective of any indulgence granted from time to time by the City. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of the Company is rescinded or must be otherwise restored by the City, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Service Agreement, or any applicable Transaction Agreement, or the Company's enforcement of such terms under Applicable Law.

SECTION 3.9. TERM. This Guaranty shall remain in full force and effect from the date of execution and delivery hereof until all of the Obligations of the Company have been fully paid and performed.

## ARTICLE IV

### GENERAL COVENANTS

#### SECTION 4.1. MAINTENANCE OF CORPORATE EXISTENCE.

(A) Consolidation, Merger, Sale or Transfer. The Guarantor covenants that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the successor is the Guarantor; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if: (1) the successor entity (if other than the Guarantor) (a) obtains the written consent of the City, which consent shall not be unreasonably withheld, (b) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the State of North Carolina, and (c) delivers to the City an opinion of counsel to the effect that its obligations under this Guaranty are legal, valid, binding and enforceable subject to applicable bankruptcy and similar insolvency or moratorium laws.

(B) Continuance of Obligations. If a consolidation, merger or sale or other transfer is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section. No such consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty as provided in this Section.

SECTION 4.2. ASSIGNMENT. Except as provided in Section 4.1, this Guaranty may not be assigned by the Guarantor without the prior written consent of the City.

SECTION 4.3 SECTION 4.4 .CONSENT TO JURISDICTION. The Guarantor irrevocably: (1) agrees that any Legal Proceeding arising out of this Guaranty shall be brought in the courts of the State of North Carolina located in the City or, when circumstances allow for federal jurisdiction (based on diversity of citizenship or otherwise), federal court having jurisdiction over the City; (2) consents to the jurisdiction of such courts in any such Legal Proceeding; (3) waives any objection which it may have to the laying of the jurisdiction of any such Legal Proceeding in any of such courts; and (4) waives its right to a trial by jury in any Legal Proceeding in any of such courts.

SECTION 4.5. BINDING EFFECT. This Guaranty shall inure to the benefit of the City and its permitted successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

SECTION 4.6. AMENDMENTS, CHANGES AND MODIFICATIONS. This Guaranty may not be amended, changed or modified or terminated and none of its provisions may be waived, except with the prior written consent of the City and of the Guarantor.

SECTION 4.7. NOTICES.

(A) Procedure. All notices, demands, requests and other written communications given pursuant to the terms of this Guaranty shall be: (1) in writing and delivered in person; (2) transmitted by certified mail, return, receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally-recognized overnight courier service with signed verification of delivery; or (3) given by facsimile transmission, if a signed original is deposited in the United States mail within two days after transmission. Notices shall be deemed given only when actually received as the address first given below with respect to each party. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

(B) Guarantor Notice Address. Notices required to be given to the Guarantor shall be addressed as follows:

Republic Services, Inc.  
18500 N. Allied Way  
Phoenix, AZ 85054  
Attn: Treasury Department

With a copy to:

Republic Services, Inc.  
18500 N. Allied Way  
Phoenix, AZ 85054  
Attn: General Counsel

(C) City Notice Address. Notices required to be given to the City shall be addressed as follows:

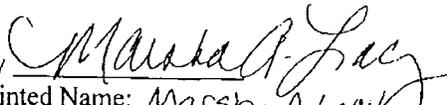
City of Greensboro  
P.O. Box 3136  
Greensboro, NC 27402  
Attn: City Manager

City of Greensboro  
P.O. Box 3136  
Greensboro, NC 27402  
Attn: City Attorney

(D) Revisions to Notice Addresses. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

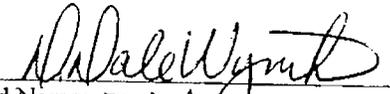
IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

REPUBLIC SERVICES, INC.  
as Guarantor

By:   
Printed Name: Marsha A. Lacy  
Title: Assistant Treasurer

Accepted and Agreed to by:

THE CITY OF GREENSBORO, NORTH CAROLINA

By:   
Printed Name: D. DAVE WYRICK  
Title: DIRECTOR, FIELD OPERATIONS

**FIRST AMENDMENT TO THE MUNICIPAL SOLID WASTE  
DISPOSAL SERVICE AGREEMENT**

**THIS FIRST AMENDMENT TO THE MUNICIPAL SOLID WASTE DISPOSAL SERVICE AGREEMENT** between the City of Greensboro, a political subdivision of the State of North Carolina (the “City”) and Republic Services of North Carolina, LLC, a limited liability company organized under the laws of the State of North Carolina (the “Company”), is made and dated October [ ], 2012 (the “First Amendment”).

**RECITALS**

**WHEREAS**, the City and the Company have entered into a Municipal Solid Waste Disposal Service Agreement dated October 12, 2012 (the “Agreement”); and

**WHEREAS**, Section 7.2 of the Agreement provides that the City may opt to renew the Agreement for an additional two-year renewal term or two additional one-year renewal terms provided that it gives the Company 10 days written notice prior to the expiration of the Initial Term; and

**WHEREAS**, the City and the Company have mutually agreed that the current language in Section 7.2 of the Agreement should be changed to reflect that the City may opt to renew the Agreement for two additional one-year renewal terms provided that it gives the Company 180 days written notice prior to the expiration of the Initial Term.

It is therefore agreed as follows:

**SECTION 1. CITY RENEWAL OPTION.** Section 7.2 of the Agreement shall be deleted and replaced with the following:

**SECTION 7.2 CITY RENEWAL OPTION.** This Agreement may be renewed and extended at the sole option of the City for two additional consecutive one-year renewal terms. The City, not later than 180 days prior to the expiration of the Initial Term or the expiration of the first Renewal Term, if applicable, shall give the Company written notice of its intent to exercise its renewal option. All terms and conditions of this Agreement shall apply to both the Initial Term and the Renewal Term(s), except as otherwise expressly provided.

**SECTION 2. TERMS OF AGREEMENT REMAIN IN EFFECT; DEFINED TERMS; REPRESENTATIONS.** All terms and conditions of the Agreement which do not conflict with the terms of this First Amendment shall remain in effect. All capitalized terms contained herein and not defined herein shall have the meaning set forth

in the Agreement. Each of the Company and the City represent and warrant that this First Amendment has been duly executed and delivered by it and constitutes its legal, valid and binding obligation enforceable in accordance with its terms.

SECTION 3. COUNTERPARTS. This First Amendment may be executed in counterparts which together shall constitute one and the same instrument.

SECTION 4. MISCELLANEOUS.

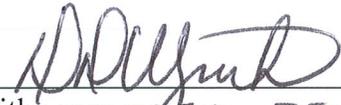
(A) This First Amendment shall be construed in accordance with and governed by the internal laws of the State of North Carolina without giving effect to its conflict of laws principles.

(B) This First Amendment shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties.

(C) All notices, communications, agreements, certificates, documents or other instruments executed and delivered after the execution and delivery of this First Amendment may refer to the Agreement without making specific reference to this First Amendment, but nevertheless all such references shall include this First Amendment unless the context requires otherwise.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed and delivered by their duly authorized officers or representatives as of the date first above written.

CITY OF GREENSBORO,  
NORTH CAROLINA

By:   
Title: DIRECTOR, FIELD OPERATIONS

REPUBLIC SERVICES OF NORTH  
CAROLINA, LLC

By:   
Title: J.P.



**City of Greensboro  
Contract Signature Authorization Sheet  
Field Operations**

**Vendor:** Republic Services Inc See V258

**Tracking number:** 4,962

**Contract Number:**

**Change Order Number:**

**Service, Item or Project Description:**

Contract for the disposal of municipal solid waste.

**Signatures**

*[Signature]* Date: 10/18/12  
**Department Head Recommendation/Authorization**

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

*[Signature]* Date: 10-22-12  
**Deputy Finance Officer**

*[Signature]* Date: 10/19/12  
*Chief Deputy* **City Attorney: Approved as to form**

*[Signature]* Date: 10/23/12  
**Assistant City Manager: Authorized**  
*DEPUTY*

\_\_\_\_\_ Date: \_\_\_\_\_  
**Mayor: Executed**

*[Signature]* Date: 10-23-12  
*DF* **City Clerk: Attested**