HARDIN COUNTY FISCAL COURT
RESOLUTION NO. 2014-114

BE IT RESOLVED, upon recommendation of Judge/Executive Harry L. Berry, with the concurrence of the Solid Waste Committee, to award the franchise for solid waste collection and disposal for residential customers in the unincorporated areas of the county, beginning October 1, 2014, and ending September 30, 2017 to Red River Waste Solutions, L.P.

BE IT FURTHER RESOLVED, to authorize the Judge/Executive and the County Attorney to negotiate the terms and conditions and execute the agreement on behalf of Hardin County.

ADOPTED, by the Hardin County Fiscal Court in its regular meeting of 12 August 2014.

Harry L. Berry
Hardin County Judge/Executive

ATTEST:

Kenneth L. Tabb
Hardin County Clerk

CONTRACT AND FRANCHISE AGREEMENT

The Contract and Franchise Agreement made and entered into this 12th day of August, 2014, by and between Hardin County, Kentucky, by and through its duly elected Fiscal Court, hereinafter referred to as "County", and Red River Waste Solutions LP, 4004 E US Hwy 290, Dripping Springs, TX 78620, a Texas limited partnership, hereinafter referred to as "Franchisee".

WITNESSETH: Whereas County has heretofore adopted Ordinance No. 163, Series 2001, AN ORDINANCE RELATING TO THE STORAGE, COLLECTION, PROCESSING, TRANSPORTATION AND DISPOSAL OF SOLID WASTE; and Ordinance No. 263, Series 2008, AN ORDINANCE RELATING TO THE AMENDMENT OF ORDINANCE NO. 163, SERIES 2001, AN ORDINANCE RELATING TO THE STORAGE, COLLECTION, PROCESSING, TRANSPORTATION AND DISPOSAL OF SOLID WASTE; and

WHEREAS, bids were received for these franchising rights therein referred; and,

WHEREAS, the Franchisee, Red River Waste Solutions LP, was awarded the bid for the exclusive rights for the collection of solid waste of residential customers within the territorial limits of the non-incorporated areas of Hardin County, Kentucky, pursuant to an Order of the Hardin Fiscal Court entered on 12th day of August, 2014; and

WHEREAS, it is desired of both parties that the rights and obligations and terms and provisions of this Franchise Agreement be set out at length in this Agreement; and,

WHEREAS, County has complied with Section 163 and Section 164 of the Kentucky Constitution and all applicable statutes concerning the letting of a franchise;

NOW, THEREFORE, for and in consideration of the mutual promises, agreements and covenants contained herein, the Parties do hereby contract, franchise and agree as follows, to wit:

I. DEFINITIONS

For the purpose of this Ordinance, the word "shall" is mandatory and not merely directory, and the following terms shall be deemed to have the meaning indicated below:

1.1 Agricultural Use: Operations for the production of agricultural or horticultural crops, including but not limited to livestock, livestock products, poultry, poultry products, grain, hay, pastures, soybeans, tobacco, timber, orchard fruits, vegetables, flowers, or ornamental plants, including provision for dwellings for persons and their families who are engaged in the above agricultural use on their tract.

1.2 Bulky Waste: Non-putrescible solid wastes consisting of combustible and/or noncombustible waste materials from residential dwelling units such as chairs, sofas, mattresses, bed springs, carpet, playground boxes, toys, bicycles, tricycles, plastic swimming pools, plumbing fixtures, water heaters, stoves, washers, dryers, dishwashers, small amounts of lumber and posts that have been cut to less than four (4) feet in length and have been bundled, and refrigerators, freezers and window air conditioners that bear proper certification of prior CFC removal, placed by the resident at the roadside or curbside for collection.

1.3 Cabinet: The Environmental and Public Protection Cabinet of the Commonwealth of Kentucky.

1.4 Collection: Removal of solid waste from the designated pick-up location to the transfer vehicle.

1.5 Commercial Solid Waste: Solid waste resulting from the operation of any commercial, industrial, institutional or agricultural establishment.

1.6 County: The County of Hardin, Kentucky.

1.7 Demolition and Construction Waste: Waste resulting from the construction, remodeling, repair, and demolition of structures and roads, and for the disposal of uncontaminated solid waste consisting of vegetation

resulting from land clearing and grubbing, utility line maintenance, and seasonal and storm related cleanup.

1.8 Director: The Director of the Solid Waste Management Program of the County shall be the person nominated by the Hardin County Judge/Executive and approved by the Hardin County Fiscal Court.

1.9 Disposal: The discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or any constituent thereof may enter the environment, be emitted into the air or be discharged into any water, including groundwater's.

1.10 Disposable Solid Waste Container: Disposable plastic or paper sacks with the capacity of 10 to 35 gallons specifically designed for storage of solid waste.

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

1.12 Franchise Area: The unincorporated areas of Hardin County, Kentucky.

1.13 Hardin County Solid Waste Appeal Board: A board or commission of the Hardin County Fiscal Court consisting of three (3) members nominated by the Hardin County Judge/Executive and approved by the Hardin County Fiscal Court. The three members shall consist of the following: (1) The chairperson of the Solid Waste Committee of the Hardin County Fiscal Court or his or her designee; (2) A representative of the collector franchised pursuant to this Contract and Franchise Agreement; and (3) a citizen of the unincorporated area of Hardin County.

1.14 Hazardous Waste: Any discarded material or material intended to be discarded or substance or combination of such substances intended to be discarded, in any form which because of its quantity, concentration or physical, chemical or infectious characteristics may cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness or pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

1.15 Occupant: Any person who, alone or jointly or severally with others, shall be in actual possession of any dwelling unit or any other improved real property, either as an owner or as a tenant.

1.16 Open Burning: Burning of any matter in such manner that the combustion resulting from burning is emitted directly into the outdoor atmosphere without passing through a stack or chimney.

1.17 Open Dump: Any facility or site for the disposal of solid waste which does not have a valid permit issued by the Cabinet and/or the Director does not meet the environmental performance standards for a sanitary landfill under regulations promulgated by the Cabinet.

1.18 Owner: That person or persons, or any other legal entity authorized under Kentucky law to hold title to real property, identified as the title holder to any particular piece of property as determined by the Property Tax Roll listings maintained by the Hardin County Property Valuation Administrator.

1.19 Person: An individual, trust, firm, joint stock company, corporation (including a government corporation), partnership, association, federal agency, state agency, city, commission, political subdivision of the State of Kentucky, or any interstate body.

1.20 Processing: Incinerating, composting, baling, shredding, salvaging, compacting and other processes whereby solid waste containers are modified or solid waste quantity is reduced.

1.21 Residential Dwelling Unit: A building or portion thereof, providing complete housekeeping facilities for one (1) person or one (1) family.

1.22 Residential Solid Waste: Solid waste resulting from the maintenance of dwelling units.

1.23 Recycling: Means any treatment process for the reclamation of material or energy from waste.

1.24 Sanitary Landfill: A permitted facility for the disposal of solid waste which complies with the "environmental performance standards" specified in 401 KAR 47:030.

1.25 Sludge: Any solid, semi-solid, or liquid waste generated from a municipal, commercial, or industrial wastewater treatment plant, water supply treatment plant, or air pollution control facility exclusive of the treated effluent from a wastewater treatment plant or any other such waste having similar characteristics and effects.

1.26 Solid Waste: Any garbage, refuse, sludge, yard waste and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from any residential use, but does not include industrial, commercial, mining (including coal mining waste, coal mining by-products,

refuse and overburden), agricultural operations, and from community activities, and further does not include solid or dissolved material in domestic sewage, or solid or dissolved materials in irrigation return flows or industrial discharges which are point sources subject to permits under Section 402 of the Federal Water Pollution Control Act, as amended (86 Stat. 880), or source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954, as amended (68 Stat. 923) or recycling material or hazardous waste.

1.27 Storage: Keeping, maintaining or storing solid waste from the time of its production until the time of its collection.

1.28 Transfer: The placement of solid waste from smaller collection vehicles into larger vehicles for transportation to intermediate or final disposal facilities.

1.29 Transportation: The transporting of solid waste from the place of collection or processing to a solid waste processing facility or permitted solid waste disposal site.

1.30 Yard Waste: Grass clippings, shrub trimmings and leaves in bags not exceeding 50 pounds each and tree branches bundled under 4 feet in length not exceeding 50 pounds each. The total amount of yard waste bags and bundles shall not exceed three (3) per week per residential dwelling unit.

II. GRANT OF FRANCHISE

The County does hereby grant unto the Franchisee the exclusive franchise and right to pick up, collect and transport garbage and solid waste for residential customers (only) residing within the non-incorporated limits of Hardin County, Kentucky, this franchise and right being subject to all conditions, terms and obligations as hereinbefore and hereinafter set out, and as set out in the Ordinances hereinbefore adopted by the County relating hereto, not inconsistent herewith.

III. STIPULATION CONCERNING RESIDENTIAL CUSTOMERS

It is expressly agreed and understood between the parties hereto that this exclusive franchise and right is limited to residential solid waste only.

IV. TERM OF FRANCHISE

The term of this franchise shall be for a period beginning on October 1, 2014, ending on September 30, 2017, unless terminated by County prior to the end of the term in accordance with the conditions of this franchise or unless extended by agreement of the County and the Franchisee upon such terms and conditions as agreed.

V. SCOPE OF SERVICES

5.1 Collection

A. The Franchisee shall collect weekly from each residential dwelling unit within the Franchise Area all residential solid waste without limitations as to the volume at the roadside or curbside within public rights of way. The franchisee may collect residential solid waste during reasonable hours (not prior to 6:00 a.m.) taking efforts to minimize the noise and disturbance to residents. The Franchisee shall leave the resident's solid waste container and property in a clean and neat condition.

B. The Franchisee shall collect from each residential dwelling unit within the Franchise Area all bulky waste placed at the roadside or curbside. The Franchisee shall provide the next working day pick-up for bulky waste on an "on-call" basis, up to once per month per residential dwelling unit.

C. The Franchisee shall be responsible for determining its collection routes. The collection routes identified in the attached Exhibit A shall require the use of two-man tipping teams plus a driver, or a tipper and a driver in a vehicle specifically designed to facilitate quick entry and exit to allow the driver to accomplish tipping functions, for collection by the Franchisee. The Franchisee shall communicate to residents their collection dates and any alteration in collection dates.

D. To the greatest extent possible the collection of residential solid waste and bulky waste shall occur on the same day.

E. If the resident places unacceptable solid waste in the residents' container or at the curb for collection, the Franchisee must leave behind all unacceptable waste and a statement explaining why the waste cannot be collected.

5.2 Transport

A. The Franchisee shall transport all residential solid waste and bulky waste it collects under this Agreement in compliance with all federal, state and local statutes and regulations and in such a manner as to prevent the

blowing of debris. The Franchisee shall not allow debris, liquid or waste to escape from collection vehicles.

B. The Franchisee shall obtain all necessary federal, state, and local permits to collect and transport solid waste. The Franchisee shall deliver to the County copies of all permits required for the collection and transport of solid waste and subsequent permit revisions or modifications.

5.3 Disposal

A. The Franchisee shall dispose of all solid waste collected in Hardin County and at Fort Knox in the Hardin County Recycling and Disposal Facility located at Pearl Hollow. The Franchisee shall be required to pay any charges for disposal as any other landfill customer. In the event this disposal designation of the franchise is for any reason found illegal, invalid or unconstitutional, the County shall have the right to exercise its option to terminate this franchise.

5.4 Public Education

A. The Franchisee shall execute a public education program designed to inform all residential dwelling units within the Franchise Area of the following: collection schedules, set-out procedures for residential solid waste and bulky waste collection procedures and guidelines, explanatory list of unacceptable items and any other information necessary to inform each residential unit of accepted procedures.

B. The Franchisee shall provide a local customer service telephone line that is staffed at least 8 hours per day, 5 days per week to respond to customer calls and other requests for information. Additionally, an answering machine shall be provided on such customer service telephone line after hours and on weekends and shall be checked for messages with responses, if appropriate, at least every twelve hours.

5.5 Equipment and Personnel

A. The Franchisee shall have sufficient personnel and shall have on hand at all times, and in good working order, such equipment and vehicles as necessary to permit the Franchisee to adequately and efficiently perform all services described in this Agreement. All equipment shall be kept in good repair, appearance and in a sanitary and clean condition at all times. Equipment and vehicles shall be painted uniformly with the name of the Franchisee, business telephone number and vehicle number. All vehicles shall be numbered and a record kept of the vehicles to which each number is assigned.

B. The Franchisee's supervisory personnel must be available for consultation with the County and/or customers within a reasonable time after notification of a request for such consultation.

C. The Franchisee's employees shall service the public in a courteous, helpful and impartial manner. Care shall be taken to prevent damage to a resident's property including containers, trees, shrubs, landscaping, flowers and other plants.

D. The Franchisee's employees shall wear a clean and presentable uniform bearing the company and employee's name.

E. The Franchisee shall comply with state, federal and local laws relating to wages, hours and other applicable laws relating to the employment and protection of employees, now or hereafter in effect.

5.6 <u>County Facilities</u>

A. The Franchisee shall provide collection service and the identified containers to the following county facilities at no charge.

1.	Hardin County Detention Center 100 Lawson Drive 2 – 6 yard dumpsters 2 – 4 yard dumpsters 1 – 30 yard roll-off box 1 – 2 yard dumpster for crusher 1 – 95 gallon trash container for 911	Three times per week
2.	Hardin County Ambulance Service & EMS 1 – 2 yard dumpster	Once a week
3.	Hardin County Court House Public Square County owned containers	Three times per week
4.	Hardin County Animal Shelter 220 Peterson Drive 1-4 yard dumpster	Wednesday and Friday (between noon and 3:00 p.m.)
5.	Hardin County Road Department, 501 Bacon Creek Road 1 – 6 yard dumpster 1 – 30 yard roll off box	Twice a week On call as needed
6.	R. R. Thomas Building, 116 N. Main 6 – tote bins (95 gallon waste containers)	Three times per week

7. Hardin County Public Library, 100 Jim Owens Drive 1 – 4 yard dumpster — Twice a week

8. Hardin County Government Office Bldg. N. Provident Way 1 – 6 yard dumpster — Three times per week

VI. FEE STRUCTURE, FRANCHISE FEES AND ENVIRONMENTAL REMEDIATION FEES

6.1 Fee Structure and Franchise Fees

A. The monthly rate for collection of residential solid waste authorized herein to be billed to each residential dwelling unit within the Franchise Area regardless of participation shall be $16.99 for the service described herein.

B This charge shall be billed to each residential dwelling unit by the County pursuant to a Billing Service Agreement with Hardin Billing Service, LLC. The Franchisee acknowledges and agrees that the County shall deduct eight percent (8%), or $1.75, whichever is less, from the monthly charge collected for such billing services and five percent (5%) as a franchise fee.

For example:

Actual Collections Greater Than Guaranteed Minimum (for month x)

$16.99	Monthly Rate
x 13,600	Residential Dwelling Units Paid
$231,064.00	Gross Collection
- 18,485.12	Retained by County for Billing Service (8% on 1.75 X 13,600 which ever is less)
- 11,553.20	5% Retained by County for Franchise Fee
$201,025.68	Net Payment to Franchisee

C. The Franchisee shall be paid on the 15th and 30th of each month the net collected charge as herein provided.

D. The charge for collection services as provided in paragraph 6.1A shall increase or decrease in accordance with changes in the

Consumer Price Index, all urban consumers, all items, unadjusted (1967=100) as published by U.S. Department of Labor, Bureau of Labor Statistics, hereinafter referred to as "CPI", annually beginning January 2016 on a calendar year basis.

(1) As promptly practicable after January 1, 2016, and each January thereafter during the term of this franchise, the County shall compute the change, if any, in the cost of living for the preceding one-year period, based upon the CPI.

(2) The CPI number for January 2015, and each January thereafter during the term of this franchise shall be the "base index number" and the corresponding CPI number for December 2015 and each December thereafter during the term of this franchise shall be the "current index number" for the first CPI adjustment period.

(3) The current index number shall be divided by the base index number. From the quotient thereof, there shall be subtracted the integer 1, and any resulting positive or negative number shall be deemed to be the percentage of increase or decrease in the CPI.

(4) The percentage of increase or decrease multiplied by the monthly rate shall be the change required to determine by this paragraph.

(5) The County shall, within a reasonable time after obtaining the appropriate data necessary for computing such increase or decrease give the Franchisee notice of any increase or decrease so determined, which shall be binding on all parties unless the Franchisee shall, within thirty (30) days after the giving of such notice, notify the County of any claimed error therein.

(6) The CPI adjusted monthly rate for collection services shall become effective and billed as of April 1 thru March 31.

For illustration purposes:

Assume: (1) January 2015 CPI = 134.00; (2) December 2015 CPI = 139.00; and (3) Monthly rate for collection services = $16.99

139.00 ÷134.00 = 1.037 – 1.000 = .037 or 3.7% increase

$16.99	Monthly rate thru March 31, 2016
.63	(3.7% increase)
$17.62	Monthly rate effective April 1, 2016 thru March 31, 2017

E. In the event the actual average monthly residential solid waste collected in a calendar year beginning January 1, 2015 as herein provided exceeds 300 pounds per billed residential dwelling unit the charge for collection services as provided in paragraph 6.1 A shall be proportionately adjusted as follows:

Actual residential solid waste collected pursuant to this Contract and Franchise Agreement for the calendar year (in pounds) divided by twelve (12)

- 300 pounds times the average monthly billed residential dwelling units for the calendar year

= Average monthly additional residential solid waste collected (if negative number no adjustment)

÷ 300 pounds times the average monthly billed residential dwelling units for the calendar year

= percentage of increase

x monthly rate

= adjusted monthly rate

(1) The County shall, within a reasonable time after obtaining the appropriate data necessary for computing such increase or decrease give the Franchisee notice of any increase or decrease so determined, which shall be binding on all parties unless the Franchisee shall, within thirty (30) days after the giving of such notice, notify the County of any claimed error therein.

(2) The volume adjusted monthly rate for collection services, <u>if any</u>, shall become effective and billed as of April 1 thru March 31, <u>beginning in 2015</u>.

For illustration purposes:

Assume: (1) Actual residential solid waste collected for January 1, 2015 thru December 31, 2015 = 4,176,00 pounds; (2) Average monthly billed residential dwelling units for January 1, 2015 thru December 31, 2015 = 13,600; and (3) Monthly rate for collection services = $16.99

4,176,000
<u>-4,080,000</u> (300 x 13,600)
= 96,000

÷4,080,000
= .02 or 2% increase

$16.99 Monthly rate thru March 31, 2015
.02 (2% increase)
$17.01 Monthly rate effective April 1, 2015 thru March 31, 2016

F. In the event the County increases the disposal fee charged to the Franchisee at its Pearl Hollow Landfill Facility from the beginning disposal fee of $26.50 per ton, exclusive of the remediation fee as described in paragraph 6.2 herein, the monthly charge as provided in paragraph 6.1A shall be proportionately adjusted as follows:

Average monthly solid waste and bulky waste tonnage disposed at the Pearl Hollow Landfill pursuant to this Franchise for the 12 full months immediately preceding the disposal fee increase.

x The per ton change in the disposal fee

= Additional per month cost to Franchisee directly caused by an increase of Pearl Hollow Landfill disposal fee

÷ Average monthly residential dwelling units billed pursuant to this Franchise for the preceding 12 months

= Monthly increase in the charge for collection services as provided in paragraph 6.1 A.

- For illustration purposes:

Assume: (1) Pearl Hollow disposal fee increase from $26.50 per ton to $28.00; (2) Average monthly solid waste and bulky waste for preceding 12 months equal to 1,318 tons; and (3) Average monthly residential dwelling units billed for preceding 12 months equal to 13,600

1,318 average tons
x 1.50 change in disposal rate
1,977 additional cost
÷ 13,600 average residential dwelling units billed
= .1453
= .15 rounded increase to monthly charge for collection services

$16.99 Previous monthly collection services charge
+ .15 Increase
$17.14 Modified monthly collection services charge

6.2 Environmental Remediation Fee

KRS Chapter 224.43 requires that a $1.75 per ton fee be paid to the Commonwealth of Kentucky by generators of solid waste and collected at waste disposal facilities such as Pearl Hollow Landfill in addition to all other applicable fees and taxes assessed. Thus, the Franchisee shall be obligated to pay such Environmental Remediation Fee for all solid waste collected pursuant to this Franchise. The collection fee as provided in paragraph 6.1A ($16.99) includes such environmental remediation fee and thus no additional charge or fee shall be billed to residential dwelling units covered by this agreement.

6.3 Persons Exempt from Paying Collection Fee

A. The County may exempt from paying the fee for the collection of solid waste as provided by this Franchise for a residential dwelling unit occupant who earns less than the Federal poverty level guidelines as determined from time to time by the United States Department of Health and Human Services. The Director shall promulgate an appropriate form supported by verifiable information which shall be submitted by each head of household requesting such exemption. The Director shall approve or deny each application. The decision of the Director may be appealed to the Hardin County Solid Waste Appeal Board by any interested party. The decision of the Hardin County Solid Waste Appeal Board shall be final. An approved exemption shall be valid for a maximum period of one (1) year unless otherwise modified or revoked by the Director based on a change of circumstances of the applicant. Any approved applicant who has an increase in income is required to report same to the Director within twenty (20) days of receipt of same.

B. The County may exempt from paying the fee for the collection of solid waste as provided by this Franchise for any residential dwelling unit upon presentation of satisfactory proof to the Director that such unit is unoccupied and not generating any solid waste. The decision of the Director may be appealed to the Hardin County Solid Waste Appeal board by any interested party whose decision shall be final. It shall be the responsibility of the owner(s) of such premises to notify the Director within five (5) days of renewed occupancy or generation of any solid waste and service fee shall commence. Occupancy for any part of a month shall constitute occupancy for an entire month.

C. Any owner of a residential dwelling that is also a sole owner of a business that utilizes a commercial solid waste collection/disposal licensed service may file an application with the Director for a special permit exempting all or part of the applicant's solid waste from the provisions of this

Franchise. The Director shall promulgate an application form, which shall require the applicant to certify the following:

1. The name, address, social security number or employer identification number of the occupant;

2. The volume and content of the solid waste generated by the applicant;

3. A description of the disposal method proposed to be utilized by the applicant;

4. The name, address, social security number or employer identification number of the person or entity to be responsible for the disposal of the applicants solid waste, including a notarized statement from the person or entity acknowledging responsibility, term and method of disposal of the applicant's solid waste; and

5. Any other information reasonably necessary to review the application as determined by the Director.

D. Any person properly exempted from paying the collection fee as provided in 6.3 A, B, or C shall not be counted in the computation in the payment to Franchisee or the guaranteed collection of the County as provided in 6.1.

VII. RECORDS

A. The Franchisee shall keep records of all customers served pursuant to this franchise and shall provide to the County such information and reports as reasonably necessary and to facilitate future collection services. The customer list (names and addresses) accumulated pursuant to this franchise shall not constitute propriety information of the Franchisee. The County shall have the right to inspect or audit such records at any time.

VIII. REQUIRED INSURANCE AND BONDING

8.1 Insurance

A. General Liability Insurance - the Franchisee shall maintain insurance from companies approved by the County, such approval shall not be unreasonably withheld. Said insurance coverage must protect the County

and the Franchisee and their officials officers, agents, employees and representatives from and against any and all claims, losses, damages, costs and expenses including costs of defense and reasonable -attorneys fees for injury or damage to persons or property, both real and personal, caused by the Franchisee's operations under the terms of this Agreement. The Franchisee bears all responsibility for all costs associated with this coverage. The Franchisee shall maintain the following minimum coverage:

Bodily Injury/ per person	$2 Million
Bodily Injury/per occurrence	$4 Million
Property Damage/per occurrence	$2 Million

B. Automobile Insurance - the Franchisee shall maintain sufficient automobile insurance from companies approved by the County, such approval not to be unreasonably withheld, to protect eh County and the Franchisee and their officials, officers, agents, employees and representatives from and against any and all claims, losses, damages, costs and expenses, including cost of defense and reasonable attorneys' fees for injury or damage to persons or property, both real and personal, caused by the operation of the Franchisee's vehicles. The Franchisee bears all responsibility for all costs associated with this coverage. The Franchisee shall maintain the following policy limits:

Bodily Injury/ per person	$2 Million
Bodily Injury/per occurrence	$4 Million
Property Damage/per occurrence	$2 Million

C. Workers' Compensation Insurance - the Franchisee shall maintain workers' compensation insurance as required by the laws of the Commonwealth of Kentucky. The Franchisee bears all responsibility for all costs associated with this coverage.

D. County as Additional Insured/Loss Payee - All insurance required under the terms of the Agreement shall name the county as additional insured and shall provide a thirty day notice to the County in the event of a material alteration or cancellation of any coverage prior to the effective date of said alteration or cancellation. Copies of all policies required under this Agreement shall be furnished to and filed with the Director.

8.2 Performance Bond

A. Upon the effective date of the Agreement, the Franchisee shall furnish proof of the posting of a faithful performance bond in the amount of One Hundred

Thousand Dollars ($100,000.00) running to the County with good and sufficient surety approved by the County.

B. The bond shall be conditioned that the Franchisee shall observe, fulfill and perform the terms and conditions of this Agreement and that in the case of any breach of condition of the bond, the amount thereof shall be recoverable from principal and surety, jointly and severally, for all damages resulting from the failure of Franchisee to observe and perform its obligations under this Agreement. The bond shall be maintained by the Franchisee throughout the term of this Agreement.

C. The Franchisee shall give 30 days notice to the County of any change or alteration on the performance bond.

SECTION IX: INDEMNIFICATION, DUTY TO DEFEND, RELEASE & WAIVER

A. The Franchisee hereby agrees to indemnify and hold harmless the County, its officials, officers, employees, agents and representatives for all claims, losses, damages, costs and expenses including costs of defense and reasonable attorney's fees which arise from the award of this Franchise and this Agreement and the activities of the Franchisee under the terms of this Agreement. The Franchisee specifically agrees that it will pay all damages and penalties which the County, its officials, officers, employees, agents and representatives are legally required to pay as a result of the award of this Franchisee and this Agreement and the activities of the Franchisee under the terms of this Agreement. Such damages and penalties shall include but not be limited to damages arising out of liability suits, regulatory enforcement actions, and other damages arising out of collection, transport, processing and disposal of residential solid waste, residential yard waste and collection of oversized goods under the terms of this Agreement. The Franchisee's obligations shall continue beyond the term of this Agreement should losses, damages, costs and expenses be incurred after the termination of this Agreement.

B. If a claim is asserted or a lawsuit is filed against the County, either independently or jointly with the Franchisee, which relate to the award of this Franchisee or the Franchisee's activities under the terms of this Agreement, the Franchisee shall, upon notice to it, defend the County, its officials, officers, employees, agents and representatives against the action. Subject to the approval of the County, which approval shall not unreasonably be withheld, the Franchisee shall be permitted to appoint counsel to defend the County, its officials, officers, employees, agents and representatives. The Franchisee may elect to settle any action filed against the Franchisee, independently or jointly with the County, with respect to the Franchise upon the terms and conditions acceptable to the Franchisee in its sole discretion. The Franchisee shall be responsible for any and all settlement costs, including reasonable attorney's

fees, and hold the County, its officers, officials, employees, agents and representatives harmless therefrom. This duty to defend shall continue beyond the term of this Agreement should a claim or lawsuit be asserted or continue beyond the term of this Agreement. In the event of a final judgment 'being obtained against the County, either independently or jointly with the Franchisee, the Franchisee shall pay said judgment and all costs, including reasonable attorney fees, and hold the County, its officials, officers, employees and representatives harmless therefrom.

C. The Franchisee hereby releases the County, its officials, officers, employees, agents and representatives, and waives any and all claims, losses, damages, costs and expenses arising from the franchise process, including the selection of the Franchisee, negotiation of this agreement or any other Agreement pertaining to solid waste, and enactment of any and all ordinances associated with the franchise process and this Agreement.

D. Should any court or regulatory agency, state or federal, ever seek to establish liability against the County, its officials, officers, employees, agents and representatives for the cost of an environmental clean up, recovery, or other corrective action, or criminal or civil penalty provided by applicable law in connection with the collection, transport and/or disposal of solid waste and bulky waste collected under this Agreement, the Franchisee hereby agrees to defend the County upon notice and indemnify and the County for any and all fines, losses, costs or expenses, including attorneys fees. It is the intention of the parties that this obligation of the Franchisee to defend and indemnify the County extends only to solid waste and bulky waste that the Franchisee collects, transports and/or disposes of pursuant to this Agreement, and does not extend to solid waste or bulky waste collected, transported and/or disposed of in Hardin County by persons other than the Franchisee. Subject to the approval of the County, which approval shall not be unreasonably withheld, the Franchisee shall be allowed to appoint counsel to defend the County, its officials, officers, employees, agents and representatives against the action.

SECTION X: MODIFICATIONS AND TRANSFERS

10.1 Modification

A. Either party may seek a modification of this Agreement.

B. All requests for modifications shall be made in writing to each party's designated representative.

C. The Franchisee shall furnish, upon the County's request, information, documents, data and other applicable items pertaining to its request.

10.3 Transfers

A. The Franchisee shall not assign, transfer, or convey this Agreement, or its rights, duties or obligations hereunder, without prior written consent of the County. Any attempt to assign, transfer, or convey any part of this Agreement without the approval of the County shall render this Agreement void.

B. Any change in ownership of the Franchisee which differs materially from that described by the Franchisee in its proposal shall be considered an assignment, transfer or conveyance of this Agreement, requiring approval from the County.

C. The Franchisee may not subcontract with a separate entity to perform any service encompassed by this Agreement without the approval of the County. Any attempt to subcontract with a separate entity to perform service encompassed by this Agreement without County approval shall render this Agreement voidable.

D. When seeking the County's approval for a transfer, assignment or conveyance of this Agreement, or approval of a subcontract, the Franchisee must provide, upon the County's request, information relating to the contemplated transfer, assignment, conveyance or subcontract.

SECTION XI: REMEDIES

12.1 Breach

A. As used in this Agreement, "breach" shall mean:
1. a failure to perform or observe any term, provision or requirement of this Agreement;
2. a failure to comply with any state, federal or local permit under which the Franchisee operates or performs services under this Agreement
3. a failure to comply with any state or federal statute or regulation or any local ordinances;
4. the acceptance or handling of unacceptable waste by the Franchisee,
5. the making of an untrue representation to the County or the public;
6. the failure to pay franchise fees;
7. the occurrence of any act of insolvency by the Franchisee.

12.2 Cure

A. In the event of a breach, the County may in its discretion give the Franchisee notice of the breach and opportunity to cure. The County may

place a reasonable time limit or other conditions upon the Franchisee's opportunity to cure.

12.3 Remedies

A. In the event of a breach, the County shall have the right to take such action as is necessary to safeguard its rights and interests as set forth in this Agreement, at the County's opinion, all such remedies being cumulative.

B. The remedies available to the County include:
   1. termination of the Franchise and this Agreement;
   2. immediate closure of all facilities operated by the Franchisee under this Agreement and the cessation of all activities by the Franchisee relating to this Agreement.
   3. the right of possession of all equipment and vehicles of the Franchisee utilized by the Franchisee under this Agreement as well as all accounts receivable or sums due the Franchisee under this Agreement.
   4. the right to bring any legal proceeding in the nature of injunction, specific performance or other equitable remedy. The Franchisee hereby acknowledges that any breach of this Agreement will cause irreparable harm to the County, and that damages at law are an inadequate remedy for a breach of this Agreement;
   5. prosecution of criminal violations of applicable federal, state and local laws;
   6. any other remedy provided by this Agreement;
   7. any other remedy allowed by applicable law.

C. Remedies Cumulative. Each right, power and remedy provided in this Agreement, or now or hereafter existed at law, in equity, by statute, or otherwise shall be cumulative and concurrent, and shall be in addition to every other such right, power or remedy. The exercise, or the beginning of the exercise, or the forbearance of the exercise, by the County of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the County of any or all such rights, powers or remedies.

D. Failure to insist upon strict performance of any covenant, obligation, term or requirement of this Agreement shall not be a waiver of a right to demand strict performance in the future.

E. The rights of the Franchisee, and all other lien holders or other persons having any interest in any piece of equipment, machinery, vehicle or facility, is subordinate to the interest held by the County in the event of the breach of this Agreement. The Franchisee hereby agrees to give notice of the County's superior interest to all other lien holders, or other persons

having any interest in any piece of equipment, machinery, vehicles, or facility, of the County's superior interest.

SECTION XII: INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT

12.1 Complete Agreement

A. This Agreement, along with the County's Ordinance No. 163, Series 2001, the published request for bid proposal and the Franchisee's bid, constitutes the entire agreement and understanding between the parties hereto, and replaces, cancels and supersedes any prior agreements and understandings relating to the subject matter hereof. The Franchisee and the County agree and warrant that there is no agreement, representation or other inducement for the execution of this Agreement other than the consideration recited herein.

12.2 Governing Law

A. This Agreement is executed in the Commonwealth of Kentucky and all matters pertaining to the validity, construction, interpretation and effect of this Agreement shall be governed by the laws of the Commonwealth of Kentucky.

12.3 Construction

A. Should any provision of this Agreement require interpretation or construction, it is agreed by the parties hereto that the Court, administrative body or other entity interpreting or constructing this Agreement shall not apply a presumption that the provisions hereof shall be more strictly construed against one party than another by reason of the rule of construction that a document is to be more strictly construed against the party who itself or through its agent prepared the same. The headings or sections and subsections are for convenience only and shall not affect or control the meaning or construction of any of the provisions of this Agreement.

12.4 Notices

A. All notices, requests, demands or other communications required under this Agreement shall be made in writing and shall be served by hand delivery or by placing such in the United States Mail, certified mail, return receipt requested and bearing adequate postage. Each notice shall be effective upon receipt. Rejection, refusal to accept or the inability to deliver because of changed address or status shall be deemed to be receipt of the notice sent.

B. The Franchisee shall notify the Hardin County Solid Waste Director of any change of address or change of personnel to whom all notices, requests, demands or other communications should be directed.

12.5 Severability

A. In the event that any term, provision, or covenant hereunder shall be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain valid and enforceable by any party, and the invalid or unenforceable covenant shall automatically be deemed modified and amended to provide for the maximum rights available under applicable law to the party who is the beneficiary of the covenant in question.

12.6 Third Parties

A. Nothing in this Agreement, express or implied, is intended to confer any right or remedies on any person other than the parties expressly named herein and their respective permanent successors, assigns and legal representatives.

12.7 Authority of Parties

A. The individuals who have executed this Agreement on behalf of the respective parties expressly represent and warrant that they are authorized to sign on behalf of such entities for the purpose of daily binding such entities to this Agreement.

12.8 Not a Public Utility or Facility

A. The Franchisee acknowledges and understands that the award of this Franchise from Hardin County, Kentucky DOES NOT confer on the Franchisee any immunity from any zoning regulations; DOES NOT confer on any facilities owned or operated by the Franchisee the status of "Public Facility" as defined in KRS 100.111 (19); and DOES NOT confer on the Franchisee any special status equal to, or as a subdivision of, Hardin County, Kentucky, or any other governmental status.

IN TESTIMONY WHEREOF, the County has caused this Agreement to be executed for and on its behalf by its duly authorized Judge Executive and attested by the

Fiscal Court Clerk, and Red River Waste Solutions LP, has caused this instrument to be executed by Weldon James Smith, President.

HARDIN COUNTY

By: _____
HARRY L. BERRY
HARDIN COUNTY JUDGE/EXECUTIVE

RED RIVER WASTE SOLUTIONS LP

By: Weldon James Smith
WELDON JAMES SMITH
PRESIDENT

Attest by:
Kenneth L. Tabb
KENNETH L. TABB
HARDIN COUNTY COURT CLERK

COMMONWEALTH OF KENTUCKY
COUNTY OF HARDIN

SUBSCRIBED AND SWORN TO BEFORE ME by WELDON JAMES SMITH, PRESIDENT, RED RIVER WASTE SOLUTIONS LP, to be his voluntary act and deed on this the 12th day of August, 2014.

_____
NOTARY PUBLIC
My Commission Expires: August 5, 2018
ID# 424882

F:\14-025\REDRIVERCONTRACTFINAL2014(16.99)

EXHIBIT A

Valley Creek Road
Springfield Road

Kentucky 210
Kentucky 222
US 31

U.S. 62-W
Kentucky 86
Kentucky 84 (from White Mills to Eastview)

Kentucky 1600
Kentucky 1357 St. John Road
Kentucky 220

Ireland School Road

Red Hill Road

None

Deckard School Road
Hutcherson Lane

Kentucky 434
Kentucky 251
US 62 E