

THIRD ADDENDUM TO  
CITY OF LEAGUE CITY  
COMMERCIAL AND RESIDENTIAL  
SOLID WASTE AND RECYCLING CONTRACT

This Third Addendum to Commercial and Residential Solid Waste and Recycling Contract ("Second Addendum") is made and entered into as of <sup>December</sup> November 4, 2014, by and between the City of League City, Texas, a municipal corporation located principally in Galveston County; Texas ("CITY"), and BFI Waste Services of Texas, LP (dba Republic Services) ("CONTRACTOR"), with an effective date of February 1, 2014.

WHEREAS, on October 26, 2012, CITY and CONTRACTOR entered into that certain Commercial and Residential Solid Waste and Recycling Agreement ("Agreement") whereby CONTRACTOR has agreed to provide, and CITY has agreed to accept, the performance of solid waste collection and disposal services for the CITY pursuant to the terms and conditions set forth in the Agreement; and

WHEREAS, pursuant to Section 10 of the Agreement, the CITY and CONTRACTOR agreed on an Annual Rate for the CONTRACTOR's performance of the Scope of Services identified in the Agreement, and thereafter on December 11, 2012 the parties determined a fixed allocation of pricing and fees to be charged and received by the CONTRACTOR, the terms of which were incorporated into an Exhibit B to the Agreement by way of an Addendum to City of League City Commercial and Residential Solid Waste and Recycling Contract; and

WHEREAS, pursuant to Section 29 of the Agreement, the CITY and CONTRACTOR previously agreed on an increase of fees of pricing and fees for services to be charged and received by the CONTRACTOR for the performance of the Scope of Services, and thereafter on January 14, 2014 entered into a Second Addendum in order to incorporate those fees into the Agreement; and

WHEREAS, the CITY and CONTRACTOR mutually agree to provide for the incorporation of provisions into the Agreement in order to address performance requirements and to provide for penalties arising from the CONTRACTOR's failure to provide collection services as scheduled for a Residential Unit, as that term is defined in Section 1 of the Agreement, and the manner of collection of such penalties;

NOW THEREFORE IN CONSIDERATION OF THESE PREMISES, and for good and valuable consideration, the CITY and CONTRACTOR agree as follows:

I.

Section 24 of the Agreement entitled "Complaints" shall heretofore be amended to include a new paragraph 5. which shall read verbatim as follows:

5. It is understood that CONTRACTOR will be subject to penalties for service delivery omissions or acts affecting solid waste collection for Residential Units as set forth below. Effective from the date of the execution of the Third Addendum to this Agreement and continuing through January 31, 2015 (the first "accrual period"), and thereafter for each successive accrual period beginning February 1 and ending the following January 31, the CONTRACTOR will be assessed a penalty for each scheduled Residential Unit collection for

which CONTRACTOR fails to provide collection service on the day scheduled, unless such missed collection is occasioned by the occurrence of a date which is an identified holiday under the Agreement or is due to a force majeure event described in Section 31 of the Agreement. The per unit penalty provided below is to be aggregated per each accrual period identified above.

- 1) Failure to provide collection service for between 1 and 1,000 Residential Units: \$3.00 per each unit.
- 2) Failure to provide collection service for between 1,001 and 2,000 Residential Units: \$6.00 per each unit.
- 3) Failure to provide collection services for between 2,001 and 5,000 Residential Units: \$9.00 per each unit.
- 4) Failure to provide collection services for in excess of 5,000 Residential Units: \$12.00 per unit.

For the purpose of calculating the number of Residential Units for which the per unit penalty shall apply, the parties agree on the following rules of construction:

- a. If 20 or more randomly scattered units are missed within a single pickup day, each such miss shall count for penalty accrual purposes.
- b. If under 20 randomly scattered units are missed within a single pickup day, no penalty shall attach for such units unless otherwise attached for single street misses as provided in subsection c. below.
- c. If 6 or more units are missed on a single street, a penalty shall attach for each missed unit.
- d. For each unit miss which qualifies for the attachment of a penalty, multiple misses of each such specific unit within an accrual period shall each count for penalty accrual purposes.

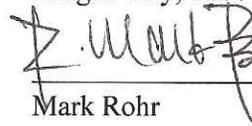
Upon request, the CITY shall provide verification of the penalty assessment to CONTRACTOR. The CITY shall, on a monthly basis, submit an invoice to CONTRACTOR for any penalties assessed pursuant to this paragraph. Within twenty (20) days of such billing, CONTRACTOR shall remit payment in full to the CITY. CONTRACTOR'S failure to remit payment shall give rise to an event of default for which CITY may elect to terminate the Agreement.

## II.

Those parts of the Agreement that are not expressly modified by this Addendum remain in full force and effect.

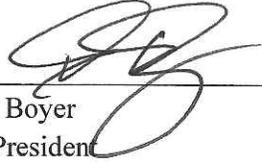
IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first above written.

CITY OF LEAGUE CITY, TEXAS  
300 West Walker  
League City, TX 77573



Mark Rohr  
City Manager

BFI Waste Services of Texas, LP

A handwritten signature in black ink, appearing to read 'Bryan Boyer', written over a horizontal line.

Bryan Boyer  
Area President