

RECYCLING SERVICES AGREEMENT

THIS RECYCLING SERVICES AGREEMENT ("Agreement") is made as of December 5, 2013, by and between WM RECYCLE AMERICA, L.L.C. ("COMPANY"), a Delaware limited liability company with a location at 1001 Fannin, Suite 4000, Houston, TX 77002 and City of Clearwater, Florida ("Customer"), with a location at 112 S. Osceola Avenue, Clearwater, FL 33756.

1. TERM:

The term of the Agreement shall be for a period of one (1) year, commencing December 9, 2013. The Agreement shall automatically renew thereafter for successive terms of one (1) year each, unless either party gives written notice of termination to the other party by certified mail at least ninety (90) days but not more than one hundred eighty (180) days prior to the expiration of the then-existing term.

2. QUANTITY AND QUALITY:

During the term of the Agreement, COMPANY shall be the exclusive provider of the services set forth below and shall take and Customer agrees to provide and deliver one hundred percent (100%) of Customer's residential single stream recyclables ("Recyclables"). Customer represents and warrants that it shall provide and deliver Recyclables in accordance with COMPANY's specifications set forth in Exhibit A ("Specifications"). In the event that the Recyclables do not meet Specifications, Customer shall have the sole responsibility for any resulting settlement or adjustments. Recyclables specifically exclude, and Customer agrees not to deposit or permit the deposit for collection of, any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or other waste not approved in writing by COMPANY (collectively, "Excluded Materials"). Title to Recyclables shall remain with Customer at all times. Title to Recyclables provided by Customer to COMPANY is transferred to Company upon Company's receipt or collection unless otherwise provided in this Agreement or applicable law.

3. RECYCLABLE VALUE:

The value of the residential single stream meeting the Specifications shall be as set forth in Exhibit B.

4. CHARGES; PAYMENTS; ADJUSTMENTS:

Upon receipt of an invoice, Customer shall pay for the services furnished by Company in accordance with this Agreement, as such charges may be adjusted over the term of this Agreement as noted herein (the "Charges"). State and Local taxes, if applicable, will also be added.

Where the value is positive for the Recyclables, Company shall pay Customer on or about the last day of each month for Recyclables purchased during the preceding month, after deduction of any Charges owed to Company by Customer for services performed hereunder.

Company reserves the right to increase the Charges payable by Customer during the term: (a) for any changes or modifications to, or differences between, the actual services provided by Company to Customer and the agreed upon services; (b) to cover any increases in disposal, processing, recycling, storage and/or third party transportation or any other transportation costs; (c) to cover increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges or acts of God such as floods, fires, hurricanes and natural disasters; and (d) no more often than annually from the commencing date for increases in the Consumer Price Index plus four percent of the then current Charges. Any increase in Charges enumerated in clauses (a) through (d) above may include an amount for Company's operating or gross profit margin. In the event Company adjusts the Charges as provided in this Section, Customer and Company agree that this Agreement as so-adjusted will continue in full force and effect for the remaining term. If Company increases the Charges payable by Customer later than thirty (30) days after Company notifies Customer of such increase in Charges in writing. If Customer so notifies Company of its termination of this Agreement, such termination shall be of no force and effect if Company withdraws or removes such increase within fifteen (15) days after Customer provides timely notification of termination. Absent such termination, the increased Charges shall be binding and enforceable against Customer under this Agreement for the remaining term. Any Customer invoice balance not paid within thirty (30) days of the date of invoice is subject to a late fee, and any Customer check returned for insufficient funds is subject to a NSF fee, both to the maximum extent allowed by applicable law. In the event that payment is not made when due, Company retains the right to suspend service until the past due balance is paid in full. In the event that service is suspended in excess of fifteen (15) days, Company may terminate this Agreement for such default and recover any equipment and containers.

5. SERVICE:

Customer shall deliver Recyclables, at Customer's expense, to Company's facilities located at 3518 4th Avenue N, Tampa, FL 33605 ("Tampa Facility") or 12950 40th Street N, Clearwater, FL 33762 ("Clearwater Facility") during the hours set forth by the Facility, Monday through Friday, excluding holidays. Requests to deliver to locations different from the ones mentioned in the previous sentence shall be done in writing, and will only be effective subject to the Customer's acceptance of the alternative facility locale, such acceptance being at the sole discretion of the Customer. All Recyclables must be delivered in the manner most convenient to the Customer, the manner being at the Customer's sole discretion, and the Recyclables will be weighed in and out by Company at the Facility.

6. DEFAULT:

Notwithstanding the term of this Agreement set forth in paragraph one (1) above, in the event of default by a party, which default is not cured within thirty (30) days after written notice from the non-defaulting party, the non-defaulting party, at its option, may terminate this Agreement, upon written notice.

7. INDEMNIFICATION/LIMIT OF LIABILITY:

COMPANY agrees to indemnify, defend and save Customer harmless from and against any and all liability which Customer may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law, to the extent caused by any negligent act, negligent omission or willful misconduct of COMPANY or its employees, which occurs (1) during the collection or transportation of Customer's Recyclables, or (2) as a result of the disposal of Customer's non-Recyclables, after the date of this Agreement, in a facility owned by a subsidiary of Waste Management, Inc., provided that COMPANY's indemnification obligations will not apply to occurrences involving Excluded Materials. Customer agrees to indemnify, defend and save COMPANY harmless from and against any and all liability which COMPANY may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law to the extent caused by Customer's breach of this Agreement or by any negligent act, negligent omission or willful misconduct of the Customer or its employees, agents or contractors in the performance of this Agreement or Customer's use, operation or possession of any containers furnished by COMPANY. Neither party shall be liable to the other for special, consequential, incidental or punitive damages arising out of the performance of this Agreement. Nothing contained herein shall be construed as waiver of any immunity from or limitation of liability the Customer may be entitled to under the doctrine of sovereign immunity or section 768.28, Florida Statutes. Nothing contained herein shall be deemed by parties hereto, nor by any third party, as creating the relationship of principal and agent, or a partnership or joint venture between the parties hereto, it being understood and agreed that neither the method of computation of purchase price, nor any other provision contained herein, nor any acts of the parties herein shall be deemed to create any relationship between the parties hereto other than the relationship of Buyer and Supplier.

8. REMEDIES AND WAIVER:

A party's remedies hereunder are not exclusive and are in addition to any other remedies at law or in equity. A party shall not be deemed to waive any remedy available to it or any right under this Agreement, at law or in equity, by virtue of any act or forbearance in enforcing such rights or remedies.

9. FEES, COSTS AND TAXES:

Customer shall pay all license fees, assessments and sales, use and other taxes imposed as a result of this Agreement, excepting only taxes imposed on or measured by income of the COMPANY.

10. RESERVED

11. NOTICES:

Any notice to be given hereunder shall be sent certified mail to the address set forth above and in the case of COMPANY a copy shall be sent to 1001 Fannin, Suite 4700, Houston, TX 77002, Attn: President and to 4600 N Port Washington Road, Milwaukee, WI 53212, Attn: Law Department. Any notice to the Customer shall be sent certified mail to 1701 N. Hercules Avenue, ATTN: Earl Gloster, Clearwater, FL, 33765-1112 and a copy shall be sent to P.O. Box 4748, ATTN: Legal (Solid Waste/General Services Attorney), Clearwater, FL, 33758-4748.

12. MISCELLANEOUS:

(a) Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control, whether or not foreseeable including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, acts of God, and the inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events; (b) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns; (c) This Agreement represents the entire agreement between the parties and supersedes any and all other recycling services agreements, whether written or oral, that may exist between the parties or its affiliates; (d) This Agreement shall be construed in accordance with the law of the state in which the services are provided; and (e) All written notification required by this Agreement shall be by Certified Mail, Return Receipt Requested. If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement; however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the severed provision. In the event COMPANY successfully enforces its rights against Customer hereunder, the Customer shall be required to pay COMPANY's attorneys' fees and court costs.

BY SIGNING BELOW, EACH SIGNATOR WARRANTS THAT HE OR SHE IS AUTHORIZED TO ENTER INTO A BINDING AGREEMENT ON BEHALF OF THE PARTY SET FORTH.

Dated as of the date first above written.

WM RECYCLE AMERICA, L.L.C.

By: Mary H. Kliesmet

Print Name: Mary Honzik Kliesmet

Title: Assistant Secretary

CITY OF CLEARWATER, FLORIDA

By: Earl Gloster

Print Name: Earl Gloster

Title: Director, Solid Waste/General Services

EXHIBIT A

SPECIFICATIONS

Commingled Recyclables, consisting of recyclable glass, aluminum, cans, plastics and papers, generally collected from residential recycling, as follows:

Materials Accepted:

Aluminum food and beverage containers
Glass food and beverage containers – brown, clear, or green
Ferrous (Iron) cans
PET plastic containers with the symbol #1 – with screw tops only, without caps
HDPE natural plastic containers with the symbol #2 – narrow neck containers only (milk and water bottles)
HDPE pigmented plastic containers with the symbol #2 – narrow neck containers only, without caps (detergent, shampoo bottles, etc.)
Plastics with symbols #3, #4, #5, #6, #7-narrow and screw top containers
Newsprint
Old corrugated cardboard
Magazines
Catalogs
Cereal boxes
Telephone books
Printer paper
Copier paper
Mail
All other office paper without wax liners

Materials Not Accepted, include but are not limited to ("Unacceptable Materials"):

Microwave trays
Mirrors
Window or auto glass
Light Bulbs
Ceramics
Porcelain
Plastics unnumbered
Plastic bags
Coat hangers
Glass cookware/bakeware
Household items such as cooking pots, toasters, etc.

All glass containers must be empty and free of metal caps and rings and contain less than 5% food debris.

All tin cans, bi-metal cans, and aluminum cans must be empty and contain less than 5% food debris.

All aerosol cans must be empty with less than 5% content.

All plastic containers must be empty, caps removed; less than 5% food debris.

All Fiber must be dry and free of food debris and other contaminating material.

Tissues, paper towels or other paper that has been in contact with food is not acceptable.

Tonnage delivered by Customer containing Recyclables may contain up to 10% Unacceptable Materials, provided however, such materials may not:

1. Materially impair the strength or the durability of the COMPANY's structures or equipment; or
2. Create flammable or explosive conditions in COMPANY's facilities;
3. Contain dry cell batteries or lead acid batteries;
4. Contain chemical or other properties which are deleterious or capable of causing material damage to any part of COMPANY's property, its personnel or the public; or
5. Contain Excluded Materials defined as any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or other waste not approved in writing by COMPANY.

COMPANY reserves the right at its sole discretion upon notice to Customer to discontinue acceptance of any category of materials set forth above as a result of market conditions related to such materials and makes no representations as to the recyclability of the materials set forth above.

Loads not meeting the specifications may be rejected in whole or in part by COMPANY.

EXHIBIT B
RECYCLABLE VALUE

The Recyclable Value that the Customer will receive is the Market Value (defined below) less the Processing Fee (defined below) times twenty five percent (25%) per ton of Recyclables. Customer acknowledges that the Mixed Glass and Contamination shall be reflected as negative values when calculating Market Value, and the ultimate Recyclable Value may be negative. For example, where the following commodity percentages reflect the composition of a ton delivered, and the Market Values indicated are given:

Commodity	Percentage	Market Value
ONP:	32.10%	\$18.46
OCC:	12.90%	\$15.48
Mixed Paper	13.30%	\$6.98
Steel Cans:	1.20%	\$1.38
Aluminum Cans:	2.00%	\$27.00
PET:	5.50%	\$18.15
HDPE Natural:	2.50%	\$18.00
HDPE Color:	3.00%	\$15.60
Mixed Plastic:	1.50%	\$0.07
Mixed Broken Glass:	19.00%	(\$1.90)
Contamination:	7.00%	(\$4.90)
Total	100.00%	\$114.32

then the Market Value is equal to \$114.32 per ton, and if 800 tons are delivered to the Clearwater Facility, then the Recyclable Value is calculated as follows:

Market Value per Ton	\$114.32
(Less Processing Fee per Ton)	(\$85.00)
Percentage Revenue Share Per Ton	25.00%
Customer Revenue Per Ton	\$7.33
 Total Inbound Tons	 800.00
(Less Contaminated Tons)	(56.00)
Net Recyclables Tons	744.00
Multiplied by Revenue Per Ton	\$7.33
Recyclable Value to Customer	\$5,452.59

The following will be used to determine the recyclable market value ("Market Value") for materials in the recyclable stream for the month for which per ton revenue amounts are being determined, retroactive to the first of the month.

- For ONP, the value per ton shall be calculated based upon the "OBM" High prices for #8 Old Newsprint (ONP #8), as published by *RISI Pulp and Paper Week* publication for the Southeast Area for the month of shipment*.
- For OCC of the material, the value per ton shall be calculated based upon the "OBM" High prices for #11 Old Corrugated Cardboard (OCC #11) as published by *RISI Pulp and Paper Week* publication for the Southeast Area for the month of shipment*.
- For mixed paper, the value per ton shall be calculated based upon the "OBM" High prices for #2 Mixed Paper as published by *RISI Pulp and Paper Week* publication for the Southeast Area for the month of shipment*.
- For steel/tin cans, shall be Company's nondiscriminatory price for recyclables, with reasonable variances based on quantity, quality and location, based on the market value of each of the materials;
- For aluminum cans, shall be Company's nondiscriminatory price for recyclables, with reasonable variances based on quantity, quality and location, based on the market value of each of the materials;
- For PET, shall be Company's nondiscriminatory price for recyclables, with reasonable variances based on quantity, quality and location, based on the market value of each of the materials;
- For HDPE, shall be Company's nondiscriminatory price for recyclables, with reasonable variances based on quantity, quality and location, based on the market value of each of the materials;
- For Mixed Plastics, shall be Company's nondiscriminatory price for recyclables, with reasonable variances based on quantity, quality and location, based on the market value of each of the materials;
- For all glass bottles and jars, mixed and broken glass, regardless of color, shall be Company's nondiscriminatory price for recyclables, with reasonable variances based on quantity, quality and location, based on the market value of each of the materials;
- Contamination in the single stream shall be reflected as a charge to the Customer of the sum of the costs of transportation and disposal of the contaminated tons a per ton basis multiplied by the number of contaminated tons.
- For the purpose of calculating composition the above commodity percentages shall be used in calculating the Market Value, until a subsequent composition study is performed by Company. A composition study shall be performed within the first thirty (30) days of Effective Date to confirm the composition percentage of each commodity for the Recyclables to reflect the actual composition of Customer's Recyclables. Company reserves the right to conduct subsequent composition studies of the Recyclables, as set forth in this Exhibit B, if there are any changes to the composition noted above. Additional transportation and disposal fees may apply where Contamination exceeds ten (10%) percent.
- Processing Fees:** The Processing Fee shall be Eighty five dollars (\$85.00) per ton for Recyclables delivered to the Clearwater Facility, and eighty dollars (\$80.00) per ton for Recyclables delivered to the Tampa Facility.

[A04-02088 /140970/1] * If the *RISI Pulp and Paper weekly* is no longer reflective of prevailing market conditions or if an alternative publication more accurately reflects such market conditions, then Company may propose to use any such alternative publication(s) or alternate method to determine the price for commodities priced using *RISI Pulp and Paper weekly*. The other party's consent, which shall not be unreasonably withheld, to the use of such alternate publication or method shall be required.