Special Project Agreement

Curbside Recycling Project

THIS AGREEMENT dated the ____ day of _____, 2001, is made by and between the Virginia Peninsulas Public Service Authority (hereinafter designated "VPPSA"), an authority created under the Virginia Water and Waste Authorities Act, Va. Code §15.2-5100 et seq. (the “Act”), having its principal place of business at 300 McLaws Circle, Suite 200, Williamsburg, Virginia 23185; and the County of York (hereinafter designated as "Community").

The obligation of the parties under this Agreement is subject to participation by other member jurisdictions (hereafter designated as "local jurisdiction") listed below. Should the withdrawal of any local jurisdiction, or reduction in any service to any jurisdiction designated for participation in the curbside recycling project result in a change in prices proposed by the Contractor (defined below), the Community shall have the option of continuing the participation at the negotiated cost or withdrawing from the project. Local jurisdictions initially included in the curbside recycling project are:

County of James City
City of Poquoson
City of Williamsburg
County of York

Article I - Purpose:

This Agreement is entered into pursuant to the authorization of the Act and in accordance with the Articles of Incorporation of the Virginia Peninsulas Public Service Authority, as adopted by its member jurisdictions. Its purpose is to establish a special project pursuant to paragraph (e) of the Articles.

VPPSA intends, subject to the execution of Special Project Agreements by the local jurisdictions, to enter into a Contract entitled "Agreement for Recycling Collection Services between the Virginia Peninsulas Public Service Authority and Tidewater Fibre Corporation " (hereinafter designed as "Proposed Contract"), a copy of which is attached to this

Agreement, to implement a regional curbside recycling service (the “Project”).

The Community agrees to participate in the Project according to the terms and conditions of this Agreement and the Proposed Contract including, but not limited to, performance of the following duties:

Designate those households which are to receive services and take effective measures to guarantee that recyclable materials are placed for recycling as specified in Section 3.1.1 of the Proposed Contract.

Verification of household count.

1. Receipt of requests for and verification of households to be provided front porch collection.

2. Designation of representative responsible for community supervision of the Project.

3. Approval of expansion of the Project.

4. Receipt of requests for an approval of second container issuances.

5. Receipt of requests for and approval of container replacement.

6. Advising citizens on reasons for and correction of contamination problems.

7. Receiving complaints and notifying contractor or VPPSA of such.

The parties agree that VPPSA will implement the Project through the Proposed Contract with Tidewater Fibre Corporation (“Contractor”) and the Community agrees to be bound by the provisions of the Proposed Contract applicable to the Community.

Article II - Definitions:

1. **Recyclable Materials:** As defined in the Proposed Contract.

Solid Waste: All materials, other than hazardous and medical waste as defined by the Virginia Department of Environmental Quality, customarily referred to as garbage and refuse and also sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but not including 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 by-product material as defined by the Atomic Energy Act of 1954, as amended (68 STAT.923).

Disposal Solid Waste (hereinafter "DSW"): Any solid waste material other than hazardous waste, including material having value as recyclable secondary material, but currently being discarded without recovery of any recyclable material.

Service Fees: Sums charged per household, condominium, townhouse, or manufactured home, as defined in the Proposed Contract, collectible from the Local Jurisdictions and established by VPPSA to meet the expenses involved in establishing, operating and closing down the program described in the Proposed Contract.

Article III - Term of Agreement:

This Agreement shall become effective and operations hereunder shall commence on the effective date of the Proposed Contract. This Agreement shall continue for a term of five years and eight months beginning November 1, 2001. This Agreement may be extended for one five-year renewal or five one-year renewals as the parties mutually agree

in writing on or before Aug 30, 2006 and every August 30 thereafter until August 30, 2010.

Article IV - Delivery Conditions:

The Community agrees to cooperate with the Contractor in implementing the Project. At VPPSA's request, the Community will take all reasonable and lawful actions which assist in successful implementation of the Project. Such actions may include but not be limited to designation of collection service areas, and subject to legal authority, prevention of scavenging or recyclable materials put out for collection.

Article V - Recyclable Material Collection, Processing and Marketing Service:

VPPSA shall, through the Contractor and in accordance with the Proposed Contract, collect Recyclable Material and process and market it for reuse pursuant to State recycling mandates, and shall require proper disposal of rejected, non-recyclable DSW by the Contractor in existing permitted landfills. VPPSA shall have the right to expand the list of targeted Recyclable Materials covered under this Project provided that any increased charges for such expansion are acceptable to the Community.

Any local jurisdiction, including the Community, may request the inclusion of new residential areas in the Project in accordance with the Proposed Contract, and VPPSA shall honor such requests provided:

1. that the local government agrees to pay all additional charges associated with the provision of contract service to the additional areas,
2. that the Contractor is capable of serving such additional areas according to the terms of the Proposed Contract, without any degradation of service to the other local governments,
3. that there is no increase in cost to the other local governments participating in the program. Any local jurisdiction desiring to increase or decrease its participation in this Agreement shall provide VPPSA ninety (90) days advance written notice.

Article VI - Service Fees:

The Community shall pay VPPSA, for services provided pursuant to this Agreement, the Service Fees stated in the Proposed Contract. The Community agrees to pay any vendor cost adjustment stated in the Proposed Contract, to be applied to all local jurisdictions participating in the Agreement. VPPSA shall use such payments to pay the Contractor under the Proposed Contract.

The Community will pay for services quarterly pursuant to this Agreement, with payments due 25 days after receipt of an invoice. Payments are to be made in advance of service received. The invoice shall be based on the estimated number of households included in the program and the appropriate unit price from the Proposed Contract. On or about April 1 of every year VPPSA shall submit a revised invoice showing any necessary adjustments as a result of the addition or deletion of households included in this project. A supplemental invoice may be issued in July if the total cost incurred by the Community exceeds the amount invoiced for any fiscal year.

In the event that this Agreement is terminated for any reason, unused funds will be refunded to the Community.

Nothing in this article shall require the Community to pay service fees for recyclable material collections by anyone other than the Contractor pursuant to the Proposed Contract.

Payments by the Community of Service Fees hereunder are payments for services rendered and the obligation to make such payments does not constitute a debt of the Community for constitutional, statutory or charter limitations.

Article VII - Title to Recyclable Materials:

The Community hereby assigns and transfers to the Contractor all of their right, title and interest, if any, in and to all recyclable materials collectable under this Agreement.

Article VIII - No Partnership:

Nothing herein shall be construed to constitute a joint venture between VPPSA and the Community or other jurisdictions or the formation of a partnership.

Article IX - Force Majeure:

"Force Majeure" shall mean any cause beyond the reasonable control of the party whose performance is affected, including but not limited to acts of God, war, riot, fire, explosion, wind storm, flood, strikes, labor disputes or action by governments not party to this Agreement. Force Majeure shall not include equipment failure.

Failure of any party to perform under this Agreement or the Proposed Contract by reason of Force Majeure shall not constitute default or be cause for termination of this Agreement. However, the party so failing to perform shall immediately notify VPPSA and the other participating local governments in writing of the failure, including reasons therefor, and shall make reasonable efforts to correct such failure and to continue performance at the earliest possible date.

Should VPPSA be unable to complete performance under this Agreement due to the Contractor's failure to perform by reason of Force Majeure, it shall, where practicable, take all reasonable steps to secure another vendor to perform the work as described in the Proposed Contract according to the already established schedule of rates, fees and charges. Should VPPSA be unable to secure a vendor to perform according to the established schedule of rates, fees and charges, the parties may agree to a new schedule by written amendment attached to this Agreement. If the parties are unable to agree on a new schedule, this Agreement shall terminate.

The Community shall have the right, but not the obligation, to collect or cause to be collected recyclable material from designated participating curbside recycling areas within its jurisdiction by means other than VPPSA selected vendor at any time during which Force Majeure is in effect in the Community. For the period Force Majeure is in effect in the Community, VPPSA shall not impose any rate, fee or charge for recyclable material collection, processing and marketing and residue disposal by or within the Community. Any additional costs incurred by Community as a result of using another recyclable collection method (by reason of Force Majeure) other than the vendor under contract to VPPSA shall be borne by the local government.

Article X - Termination:

1. In the event the Community participating in this Agreement lawfully fails to appropriate funds to pay for its services received or to be received under this Agreement, this Agreement shall terminate.

2. The Community shall endeavor to give VPPSA thirty (30) days advance written notice of its intent to terminate its participation in the program under paragraph 1 above.

3. In the event that VPPSA or its contractor is unable to perform under the conditions of the Proposed Contract or remedy the non-performance under Section 27 of the Proposed Contract, this Agreement shall terminate.

Article XI - Audit Provisions:

VPPSA's records, which shall include but not be limited to accounting records, policies and procedures, subcontract files (including proposals of successful and unsuccessful bidders), payroll records, original estimates, estimating worksheets, correspondence, change order files (including documentation covering negotiated settlements), and any other supporting evidence necessary to substantiate charges related to this Agreement (all the foregoing hereinafter referred to as "records") shall be open to inspection by the Community and subject to audit and/or reproduction, during normal working hours or at such other times as are mutually agreed upon by the parties, to the extent necessary to adequately permit evaluation and verification of any invoices, payments or claims submitted by VPPSA or any of its agents or vendors pursuant to this Agreement.

For the purpose of such audits, inspections, examinations and evaluations, the Community's agent or authorized representative shall have access to records from the effective date of this Agreement, for the duration of the Agreement, and until five (5) years after the date of final payment by the Community to VPPSA pursuant to this Agreement.

The Community's agent or authorized representative shall have reasonable access to VPPSA's facilities, shall have reasonable access to all necessary records, and shall be

provided reasonable access to adequate and appropriate work space, in order to conduct audits in compliance with this article. The Community's agent or authorized representative shall give VPPSA reasonable advance notice of intended audits.

Article XII - Licenses, Permits and Certificates:

VPPSA shall be responsible for requiring that all licenses, permits and certificates required in connection with any and all parts of the recycling project are secured by the Contractor.

Article XIII - Governing Law:

This Agreement shall be governed by the laws of the Commonwealth of Virginia.

Article XIV - Extent of Agreement:

This Agreement represents the entire agreement for the Curbside Recycling Project between VPPSA and the Community and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended by written document signed by both the Community and VPPSA.

Article XV - Dispute Resolution:

The parties hereto agree to undertake to resolve any disputes hereunder by good faith negotiation prior to instituting any legal proceedings related to such dispute.

Article XVI - Severability and Waiver:

In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

IN WITNESS WHEREOF, VPPSA and the Community have caused this Agreement to be executed on their behalf, as of the day and year first above written.

ATTEST:

VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY

_____

By_____
Executive Director

APPROVED AS TO FORM:

_____
Special Counsel to VPPSA

ATTEST:

COUNTY OF YORK

_____

By_____

County Administrator

APPROVED AS TO FORM:

_____

County Attorney

Special Project Agreement

Drop-Off Recycling Project

THIS AGREEMENT dated the ____ day of _____, 2001, is made by and between the Virginia Peninsulas Public Service Authority (hereinafter designated "VPPSA") an authority created under the Virginia Water and Waste Authorities Act, Va. Code §15.2-5100 et. seq. (the “Act”) having its principal place of business at 300 McLaws Circle, Suite 200, Williamsburg, Virginia 23185; and the County of York (hereinafter designated as "Community").

The obligation of the parties under this Agreement is subject to participation by other member jurisdictions (hereafter designated as "local jurisdiction") listed below. Should the withdrawal of any local jurisdiction, or reduction in any service to any jurisdiction designated for participation in the drop-off recycling project result in a change in prices to provide the service, the Community shall have the option of continuing the participation at the negotiated cost or withdrawing from the project. Local jurisdictions initially included in the drop-off recycling project are:

County of Essex
County of James City
County of King and Queen
County of King William
County of Mathews
County of Middlesex
County of York

Article I - Purpose:

This Agreement is entered into pursuant to the authorization of the Act and in accordance with the Articles of Incorporation of the Virginia Peninsulas Public Service Authority, as adopted by its member jurisdictions. Its purpose is to establish a special project pursuant to paragraph (e) of the Articles.

VPPSA intends, subject to the execution of the Special Project Agreements by the

local jurisdictions, to provide drop off collection services and to enter into a Contract entitled, "Agreement for Recycling Collection Services between the Virginia Peninsulas Public Service Authority and Tidewater Fibre Corporation " (hereinafter designed as "Proposed Contract") a copy of which is attached to this Agreement to implement a regional drop off recycling service (the “Project”).

The Community agrees to participate in the Project according to the terms and conditions of this Agreement and the Proposed Contract including, but not limited to, performance of the following duties:

1. Designation of drop-off sites.

2. Designation of representative responsible for community supervision of the Project.

3. Requesting pick-up or drop-off containers except where this responsibility has not been assigned to VPPSA.

4. Approval of disposal of contaminated drop-off containers.

The parties agree that VPPSA will process and market Recyclable Materials through the Proposed Contract with Tidewater Fibre Corporation (“Contractor”) and the Community agrees to be bound by the provisions of the Proposed Contract applicable to the Community.

Article II - Definitions:

1. Recyclable Materials: As defined in the Proposed Contract.

Solid Waste: All materials, other than hazardous and medical waste as defined by the Virginia Department of Environmental Quality, customarily referred to as garbage and refuse and also sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including

solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but not including 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 by-product material as defined by the Atomic Energy Act of 1954, as amended (68 STAT.923).

Disposal Solid Waste (hereinafter "DSW"): Any solid waste material other than hazardous waste, including material having value as recyclable secondary material, but currently being discarded without recovery of any Recyclable Material.

Service Fees: Sums charged for rental and collection of drop-off containers and disposal fees collectible from the Local Jurisdictions and established by VPPSA to meet the expenses involved in establishing, operating and closing down the drop-off recycling project.

Article III - Term of Agreement:

This Agreement shall become effective and operations hereunder shall commence on the effective date of the Proposed Contract. This Agreement shall continue for a term of five years and eight months beginning November 1, 2001. This Agreement may be extended for one five-year renewal or five one-year renewals as the parties mutually agree in writing on or before August 30, 2006 and every August 30 thereafter until August 30, 2010.

Article IV - Delivery Conditions:

The Community agrees to cooperate with VPPSA and the Contractor in implementing the Project. At VPPSA's request, the Community will take all reasonable and lawful actions which assist in successful implementation of the Project. Such actions

may include but not be limited to designation of drop-off sites, and requests for additional drop-off containers, and subject to legal authority, prevention of scavenging or Recyclable Materials put out for collection.

Article V - Recyclable Material Collection, Processing and Marketing Service:

VPPSA shall provide drop-off recycling containers at the following locations:

Essex County:

- Champlain Convenience Center
- Airport Road Convenience Center
- Bray's Fork Convenience Center
- Center Cross Convenience Center
- Transfer Station

James City County:

- Toano Convenience Center
- Landfill Convenience Center
- Tewning Road Convenience Center

King & Queen County:

- Owenton Convenience Center
- Dahlgren Convenience Center
- Mascot Convenience Center
- Traveller's Rest Road Convenience Center

King William County:

- Epworth Convenience Center
- Landfill Convenience Center
- VFW Road Convenience Center
- Transfer Station

Mathews County:

Convenience Center

Middlesex County:

Jamaica Convenience Center

Hartfield Convenience Center

Deltaville Convenience Center

Transfer Station

York County:

Waste Management Center

VPPSA will deliver drop-off recycling containers to the Contractor as requested when the containers are full. Collections will be made before the close of business on the day following the request for the collection. VPPSA shall at its sole cost and expense, except as provided herein, furnish all materials, labor, and equipment required to provide the collection and delivery of Recyclable Materials from the designated drop-off location to the Contractor for processing and marketing.

VPPSA shall, through the Contractor process and market Recyclable Material for reuse pursuant to State recycling mandates, and shall require proper disposal of rejected, non-recyclable DSW by the Contractor in existing permitted landfills. VPPSA shall have the right to expand the list of targeted Recyclable Materials covered under this recycling program provided that any increased charges for such expansion are acceptable to the Community.

Article VI - Service Fees:

The Community shall pay VPPSA, for services provided pursuant to this Agreement, at the Service Fees established by the VPPSA Board of Directors. For FY-02, the Service Fees have been established as follows:

Container Rental - $54/month/container

Container Collection - $151/collection

The Community also agrees to pay any fee charged by the Contractor for delivery of material. Any revenue received by VPPSA for delivery of the Recyclable Material will be credited to the Community.

VPPSA will invoice the Community monthly with payments due 25 days after receipt of an invoice.

In the event that this Agreement is terminated for any reason, unused funds will be refunded to the Community.

Nothing in this article shall require the Community to pay service fees for Recyclable Material collections by anyone other than VPPSA.

Payments by the Community of Service Fees hereunder are payments for services rendered and the obligation to make such payments does constitute a debt of the Community for constitutional, statutory, or charter limitations.

Article VII - Title to Recyclable Materials:

The Community hereby assigns and transfers to VPPSA all of their right, title and interest, if any, in and to all Recyclable Materials collectable under this Agreement.

Article VIII - No Partnership:

Nothing herein shall be construed to constitute a joint venture between VPPSA and the Community or other jurisdictions or the formation of a partnership.

Article IX - Force Majeure:

"Force Majeure" shall mean any cause beyond the reasonable control of the party whose performance is affected, including but not limited to acts of God, war, riot, fire, explosion, wind storm, flood, strikes, labor disputes, or action by governments not party to this Agreement. Force Majeure shall not include equipment failure.

Failure of any party to perform under this Agreement or the Proposed Contract by reason of Force Majeure shall not constitute default or be cause for termination of this Agreement. However, the party so failing to perform shall immediately notify VPPSA and

the other participating local governments in writing of the failure, including reasons therefor, and shall make reasonable efforts to correct such failure and to continue performance at the earliest possible date.

Should VPPSA be unable to complete performance under this Agreement due to the Contractor's failure to perform by reason of Force Majeure, it shall, where practicable, take all reasonable steps to secure another vendor to perform the work as described in the Proposed Contract according to the already established schedule of rates, fees and charges. Should VPPSA be unable to secure a vendor to perform according to the established schedule of rates, fees and charges, the parties may agree to a new schedule by written amendment attached to this Agreement. If the parties are unable to agree on a new schedule, this Agreement shall terminate.

The Community shall have the right, but not the obligation, to collect or cause to be collected Recyclable Material from designated drop-off collection sites within its jurisdiction by means other than VPPSA at any time during which Force Majeure is in effect in the Community. For the period Force Majeure is in effect in the Community, VPPSA shall not impose any rate, fee or charge for Recyclable Material collection, processing and marketing and residue disposal by or within the Community. Any additional costs incurred by Community as a result of using another recyclable collection method (by reason of Force Majeure) other than the vendor under contract to VPPSA shall be borne by the local government.

Article X - Termination:

1. In the event the Community participating in this Agreement lawfully fails to appropriate funds to pay for its services received or to be received under this Agreement, this Agreement shall terminate.

2. The Community shall endeavor to give VPPSA thirty (30) days advance written notice of its intent to terminate its participation in the program under paragraph 1 above.

3. In the event that VPPSA or its contractor is unable to perform under the conditions of the Proposed Contract or remedy the non-performance under Section 27 of the Proposed Contract, this Agreement shall terminate.

Article XI - Audit Provisions:

VPPSA's records, which shall include but not be limited to accounting records, policies and procedures, subcontract files (including proposals of successful and unsuccessful bidders), payroll records, original estimates, estimating worksheets, correspondence, change order files (including documentation covering negotiated settlements), and any other supporting evidence necessary to substantiate charges related to this Agreement (all the foregoing hereinafter referred to as "records") shall be open to inspection by the Community and subject to audit and/or reproduction, during normal working hours or at such other times as are mutually agreed upon by the parties, to the extent necessary to adequately permit evaluation and verification of any invoices, payments or claims submitted by VPPSA or any of its agents or vendors pursuant to this Agreement.

For the purpose of such audits, inspections, examinations and evaluations, the Community's agent or authorized representative shall have access to records from the effective date of this Agreement, for the duration of the Agreement, and until five (5) years after the date of final payment by the Community to VPPSA pursuant to this Agreement.

The Community's agent or authorized representative shall have reasonable access to VPPSA's facilities, shall have reasonable access to all necessary records, and shall be provided reasonable access to adequate and appropriate work space, in order to conduct audits in compliance with this article. The Community's agent or authorized representative shall give VPPSA reasonable advance notice of intended audits.

Article XII - Licenses, Permits and Certificates:

VPPSA shall be responsible for requiring that all licenses, permits and certificates required in connection with any and all parts of the recycling project are secured by the Contractor.

Article XIII - Governing Law:

This Agreement shall be governed by the laws of the Commonwealth of Virginia .

Article XIV - Extent of Agreement:

This Agreement represents the entire agreement for the Drop-off Recycling Project between VPPSA and the Community and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended by written document signed by both the Community and VPPSA.

Article XV - Dispute Resolution:

The parties hereto agree to undertake to resolve any disputes hereunder by good faith negotiation prior to instituting any legal proceedings related to such dispute.

Article XVI - Severability and Waiver:

In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

Article XVII - Delegation:

Neither the Community nor VPPSA shall delegate its duties under this Agreement without the written consent of the other

IN WITNESS WHEREOF, VPPSA and the Community have caused this Agreement to be executed on their behalf, as of the day and year first above written.

ATTEST: VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY

_____ By_____

Executive Director

APPROVED AS TO FORM:

_____

Special Counsel to VPPSA

ATTEST:

COUNTY OF YORK

_____

By_____

County Administrator

APPROVED AS TO FORM:

_____

County Attorney

AGREEMENT FOR RECYCLING COLLECTION SERVICES
between the
VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY
and
TIDEWATER FIBRE CORP

WHEREAS, the Virginia Peninsulas Public Service Authority (hereinafter referred to as the "Authority") operates a voluntary curbside and drop-off recycling program; and

WHEREAS, the Virginia Peninsulas Public Service Authority desires to hire Tidewater Fibre Corp (herein after referred to as "Tidewater Fibre"), to provide Recycling Collection Services as defined herein; and

WHEREAS, Tidewater Fibre, desires to provide Recycling Collection Services as defined herein;

NOW THEREFORE, the Authority and Tidewater Fibre do hereby agree as follows:

Section 1 Definitions

For purposes of this Agreement, the following terms shall apply:

Recycling Collection Services: Collection, processing, and marketing of Recyclable Materials by Tidewater Fibre for the term of the Agreement.

Processing Facility: Facility for the purpose of accepting, sorting and/or preparing Recyclable Materials (as defined herein) for sale, to be operated and maintained by Tidewater Fibre

Recyclable Materials: Corrugated Cardboard, newspapers, mixed paper, glass bottles and jars, metal cans, aluminum foil products, HDPE (#2 plastic) and PET (#1 plastic) bottles, and other materials as the parties mutually agree in writing. Mixed paper shall include bond paper, computer paper, magazines, catalogs, bulk mailings, telephone and other directories, carrier stock, and chipboard. Mixed paper shall not include wax paper, carbon paper, chemically treated or coated paper that renders paper unrecyclable, envelopes with plastic windows, or any paper that does not tear. Glass shall include clear, brown and green bottles and jars. Metal cans shall include aluminum, steel, bimetal, and tin cans excluding paint cans and aerosol cans. HDPE plastic bottles shall exclude automotive product containers and pesticide containers. Plastic bottles shall be defined as having a narrower neck, a pour spout, and a screw top. Recyclable Material shall be substantially clean, dry, and free from contamination.

Recycling Containers: An 18-gallon container made of rigid plastic construction, or other such containers as the parties mutually agree in writing.

Household: Single-family home, condominium, apartment, townhouse, manufactured home, individual unit in a duplex residential unit. Individual small businesses may be added as the parties mutually agree in writing.

Curbside: That portion of the right of way within approximately 3 feet of the paved or traveled roadway.

Service Area: The service area for curbside collection shall include the jurisdictions of James City, Poquoson, Williamsburg, and York.

Force Majeure: Shall mean any cause beyond the reasonable control of the party whose performance under this Agreement is affected, including but not limited to acts of God, war, riot, fire, explosion, wind storm, snow, flood, strikes, labor disputes or action by governments not party to this Agreement. Force Majeure shall not include equipment failure.

Authority-Designated Personnel: Shall mean designated members and alternates of the Authority Board of Directors, Authority employees or agents, and elected or appointed officials or employees of the member local governments of the Authority or such other public officials as the Authority may designate under this Agreement.

Rejects: Shall mean materials collected from either curbside or drop-off collection programs, which are not targeted for recycling by the Authority or have been rendered unmarketable by the processes of collection and processing.

Section 2 Term of Agreement

The term of this Agreement shall commence on November 1, 2001, and end on June 30, 2007. This Agreement may be extended for one five-year renewal or five one-year renewals as the parties mutually agree in writing on or before September 30, 2006, and every September 30 thereafter until September 30, 2010.

Section 3 Scope of Services

3.1 Curbside

Tidewater Fibre shall perform Recycling Collection Services in the Service Area as follows:

3.1.1 General

Households shall be required to have their Recycling Container at the curbside no later than 7:00 a.m. on their collection day. Tidewater Fibre shall collect and remove all Recyclable Materials which are placed in or adjacent to Recycling Containers at the curbside or from some other specifically defined location as designated by both parties. Recyclable Materials placed adjacent to the Recycling Container must be in an open paper

bag or container so that the materials are contained and clearly visible. Collection services shall be provided for each household in the Service Area once per week as designated by the Authority. The approximate number of households for which service is to be provided in each jurisdiction is presented in
Table 1.

Table 1
Approximate Households
Curbside Collection
As of September 2000

Jurisdiction	Households
Poquoson	4,000
Williamsburg	2,600
James City County	14,500
York County	18,100

3.1.2 Hours of Collection

Collection shall be done between the hours of 7:00 a.m. and 6:00 p.m. Monday to Friday on a schedule approved by the Authority. Collection activities may take place after 6:00 p.m. under unusual circumstances after Tidewater Fibre notifies the Authority. Collections may be made on Saturday during holiday weeks or, in the event of cancellation of service, as described in Section 3.1.12.

3.1.3 Containers

The households identified in Section 3.1.1 have been supplied with one or more recycling bins. Tidewater Fibre shall procure, store, and deliver infill, second, and replacement collection containers to households in the service area. Tidewater Fibre shall maintain a sufficient inventory so that recycling containers are always available when needed for delivery. Containers shall be procured, maintained, and warranted by Tidewater Fibre but shall be paid for by the Authority as they are delivered by Tidewater Fibre. Containers will be Rehrig-Pacific Company Huskylite 18-gallon recycling containers, or approved equal, as specified in Exhibit A. The color will be green. Containers will be imprinted with the logo provided by the Authority. Substitution will be made only with the approval of the Authority. Replacement containers needed as a result of damage of original container by Tidewater Fibre shall be provided at Tidewater Fibre expense. Tidewater Fibre shall not be responsible for damage to containers not caused by Tidewater Fibre. Containers needed for households added to the collection program, containers given to new residents moving into the service area, second containers provided to residents, or replacement containers for stolen original containers shall be billed to the Authority at the prevailing unit cost. Rehrig-Pacific lids and containers assembled with rollers will be provided as requested by the Authority or Authority Designated Personnel.

3.1.4 Vehicles

Tidewater Fibre shall obtain an adequate number of vehicles to support the regularly scheduled collections as described herein. Collection vehicles shall be equipped with communication equipment to allow immediate access through a base station or office. Collection equipment shall be capable of preventing accidental discharge of materials, water, engine or hydraulic fluids, or any other contaminants.

Any accidental discharge shall be immediately cleaned up by Tidewater Fibre or its agent.

All vehicles, whether for collection or transportation of collected materials, shall be maintained in good repair, in a clean and presentable condition, and must ensure that no materials are allowed to fall or blow off the vehicle at any time. The intent of the Authority to promote recycling shall not be discouraged by equipment that is maintained or operated in an unattractive condition.

3.1.5 Service Requests

Tidewater Fibre shall maintain an office within the Service Area or the Cities of Hampton or Newport News for the purpose of providing a contact point for the Authority, Authority Designated Personnel and the general public. Tidewater Fibre shall provide appropriate means of direct communication between the central office staff and all collection crews and supervisory personnel to resolve complaints and answer questions from the public and the Authority.

Tidewater Fibre shall designate a responsible supervisor with a vehicle who shall be present when collection operations are in progress. The supervisor shall be available at all times to monitor collections, receive and respond to complaints, answer inquiries, and resolve disputes with respect to the services supplied pursuant to this Agreement.

Unless otherwise directed, all service requests from households will be made directly to the city or county in which the service is performed and then forwarded to Tidewater Fibre. Each service request shall be given prompt and courteous attention by Tidewater Fibre upon being notified. All missed collections shall be picked up by the end of the day if Tidewater Fibre receives notification before noon and by noon the following day if Tidewater Fibre receives notification after noon. All other requests received by Tidewater Fibre by noon shall be addressed by the end of the collection day. All other requests received by Tidewater Fibre after noon shall be addressed by noon of the following collection day. In the case of requests received on Friday or before a holiday, Tidewater Fibre shall make an effort to address the request on the day received. For the purpose of this section, “address” shall mean to determine the action to be taken and the time to complete the action, at a minimum. All calls relating to complaints and missed pick-ups shall be logged by Tidewater Fibre as required by Section 4 of this Agreement.

3.1.6 Handling Contaminated/Non-targeted Material

Tidewater Fibre shall not be obligated to collect non-targeted materials or Recyclable Materials which are substantially contaminated or containers which are improperly set out. At the time that contaminated or non-targeted materials are set out or the container is improperly set out for collection, Tidewater Fibre will collect the non-

contaminated targeted Recyclable Materials and leave the contaminated or non-targeted materials in the container. If a container is substantially contaminated, Tidewater Fibre may leave the entire contents of the container. On every occasion, that some material is left uncollected Tidewater Fibre will issue a notice to the household, which contains the reason that the material was not collected, and instructions for the proper preparation and placement of the container. If a household receives two such notices within a period of thirty (30) days, Tidewater Fibre shall notify the Authority immediately. The Authority will take appropriate actions to educate the residents on correctly participating in the program. If the matter cannot be resolved by the Authority, the Authority in coordination with representatives of the local jurisdiction may elect to discontinue service to the household. Tidewater Fibre will not discontinue service to any household without specific direction from the Authority. Tidewater Fibre and the Authority agree that commingling of the Recyclable Materials shall not be construed as contamination.

3.1.7 Front Porch Collection

Tidewater Fibre agrees to provide "front porch" collection service to households where all occupants, due to medical reasons or advanced age, are unable to carry the container to the curb, for up to 3.5% of the households for each jurisdiction in the Service Area. Requests for "front porch" service shall be directed to Authority Designated Personnel who will direct Tidewater Fibre to provide such service. Authority designated personnel will be responsible to verify that residents who receive this service quality for the service based on the requirements set forth in this section. Tidewater Fibre shall provide the Authority a list of the "front porch" collections by address and jurisdiction and this list shall be kept current on a monthly basis. The recipient household addresses will be maintained on a list provided to collection crews on each route in the service area. Failure by Tidewater Fibre to provide "front porch" collection service to designated residences will only be excused by the Authority where any of the following apply:

- Access to the front porch is impeded by gates, which are inoperative, locked, or tied
- A dog is loose, tied near, or blocks free access to the front porch where the container has been placed
- The resident refuses initial delivery of the collection container
- The criteria specified in Section 3.1.6 hereof (Handling Contaminated/ Non-targeted Material) are met.

In the event that the Authority receives more applications for "front-porch" pick-up than the allowed number provided for under this Agreement, the Authority Designated Personnel shall determine which households qualify for "front-porch" collection. Tidewater Fibre agrees to provide additional "front porch" collections above the 3.5% allocation if directed by the Authority. Additional front porch collections above the allocation of 3.5% shall be invoiced at the rate of an additional $1.00 per household per month.

3.1.8 Large Quantities of Corrugated Cardboard

Tidewater Fibre shall provide for the collection of large quantities of corrugated cardboard generated from special circumstances from households receiving curbside collection service (for example, from recent occupants of households, or other situations in which large quantities of cardboard are generated). All corrugated will be flattened and cut in size to no larger than 3 feet by 4 feet by the generator. If scheduled in advance, larger corrugated will be collected but will be required to be flattened and reduced in size to fit in a pick-up truck.

3.1.9 Infill - Within Service Area

During the term of this Agreement, Tidewater Fibre agrees to provide curbside recyclable material collection service to newly constructed and occupied households located in the Service Area. Tidewater Fibre shall automatically provide service to new households on all streets that have been routed. Tidewater Fibre will provide service to households on streets not routed only after receipt of authorization from the Authority. Upon receipt of said authorization Tidewater Fibre shall provide the collection bin and program promotional material to initiate collection service delivery to the households. Tidewater Fibre may adjust the monthly billing to reflect the additional number of households included in the program resulting from infill development within the service area.

3.1.10 Distribution of Educational Materials

Tidewater Fibre shall deliver educational, promotional, or publicity materials to each household in the Service Area up to four times per year. Materials will be delivered by placing in or under the Recycling Container after collection. Materials may include handouts or flyers and will be prepared or approved by the Authority.

3.1.11 Holidays

The following days shall be considered holidays for the purpose of this Agreement:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Tidewater Fibre may decide to observe any or all of the above mentioned holidays by suspending service; however, Tidewater Fibre shall still provide once-a-week collection service during the same week. The schedule for service during a holiday week shall be determined by Tidewater Fibre. Every year on October 1 Tidewater Fibre shall notify the Authority of the schedule for the upcoming calendar year. Generally any holiday falling on Tuesday or Wednesday will be made up on the preceding Saturday and any holiday falling on Wednesday, Thursday or Friday will be made up on the following Saturday. The selected schedule should minimize route rescheduling. The Authority, at its sole discretion, may direct Tidewater Fibre to observe a holiday listed above without providing an alternate collection but Tidewater Fibre will receive compensation as if the collection was provided.

3.1.12 Cancellation of Service

Tidewater Fibre may temporarily cancel service to any or all portions of the Service Area due to inclement weather or other unforeseen circumstances. If service is cancelled, Tidewater Fibre will notify the Authority so that notification can be made regarding cancellation of service and make up of the service. If the service is not made up Tidewater Fibre will receive 35% of the normal fee for that day based on the actual number of days in that month.

In the event that Tidewater Fibre has provided service to more than 75% of the households in the Service Area and service is cancelled due to inclement weather or other unforeseen circumstances, Tidewater Fibre will receive full compensation for the day.

3.1.13 Verification of Household Count

Tidewater Fibre and the Authority will agree on the household count as of November 1, 2001, in each jurisdiction. Tidewater Fibre will provide route sheets to the Authority on June 1, 2001 to establish the household count. The Authority will verify the household counts as determined by the route sheets.

If at any time during the term of the Agreement, the Authority or Tidewater Fibre demonstrates that the household count is inaccurate, appropriate adjustments will be made and future invoices will reflect the adjustments. Retroactive billing adjustments will not be made.

Tidewater Fibre agrees to provide all route sheets to the Authority upon request for the purpose of verifying household counts or for other purposes.

3.2 Drop-off Collection

The Authority will collect Recyclable Materials from drop off sites in the Counties of Essex, James City, King and Queen, King William, Mathews, Middlesex, and York.

The Authority shall deliver all Recyclable Materials collected in drop off containers and Tidewater Fibre shall accept, process, and market all Recyclable Materials which have been delivered to the Processing Facility by the Authority.

Section 4 Program Reports

Reports shall be prepared by Tidewater Fibre to provide data upon which to evaluate curbside and drop-off collection programs, as well as to assist the Authority in measuring progress toward achievement of the State-mandated recycling levels. Collection of data for these reports is necessary for the optimum development of the program. Data provided shall be factual and accurate to the best ability of Tidewater Fibre. The minimum reporting requirements are presented in Exhibit B.

Section 5 Annual Program Review

On or about July 1 of every year during the term of this Agreement, an Annual Program Review Meeting will be held to evaluate the program and to develop recommendations for improvements to the program.

Section 6 Expansion of Program

The Service Area may be expanded as follows:

6.1 Expansion Proposal by the Authority

At such time as the Authority desires to expand the Recycling Collection Services into other areas subject to the Authority's jurisdiction but not designated as part of the Service Area as defined herein, the Authority may submit to Tidewater Fibre a written proposal for such expansion (hereafter "Expansion Proposal"). The Expansion Proposal shall include a description of the area of service to be considered, the nature of the service to be performed, the term of the proposal service (not to exceed the then unexpired term of this Agreement), and the proposed payment to Tidewater Fibre.

Upon receipt of the Expansion Proposal from the Authority, Tidewater Fibre shall have thirty (30) days in which to submit a written response to the Authority. Following receipt of Tidewater Fibre's written response, the Authority shall have sixty (60) days in which to act upon Tidewater Fibre's response. During this sixty (60) day period, the Authority and Tidewater Fibre agree to negotiate in good faith any terms or conditions in the Expansion Proposal and Tidewater Fibre’s response thereto. If an agreement is reached, Tidewater Fibre will achieve full service of the expansion area within one hundred and twenty (120) days of the date of execution of the service expansion agreement. If the Authority and Tidewater Fibre fail to reach agreement with respect to the terms and conditions for expansion of the Recycling Collection Services within the time specified herein, Tidewater Fibre will continue to perform Recycling Collection Services as provided by this Agreement for the remaining term hereof.

6.2 Expansion Proposal by Tidewater Fibre

At such time as Tidewater Fibre desires to expand the Recycling Collection Services into additional areas under the Authority's jurisdiction, Tidewater Fibre shall submit to the Authority an Expansion Proposal.

Upon receipt of the Expansion Proposal from Tidewater Fibre, the Authority shall have thirty (30) days in which to submit a written response to Tidewater Fibre.

Following receipt of the Authority's written response, Tidewater Fibre shall have sixty (60) days in which to act upon the Authority's response. During this sixty (60) day period, Tidewater Fibre and the Authority agree to negotiate in good faith any terms or conditions in the Expansion Proposal and the Authority's response thereto upon which there is disagreement. If an agreement is reached, Tidewater Fibre will achieve full service of the expansion area within sixty (60) days of the date of execution of the service expansion agreement. If Tidewater Fibre and the Authority fail to reach agreement with respect to the terms and conditions for expansion of the recycling program within the time specified herein, Tidewater Fibre will continue to perform Recycling Collection Services as provided by this Agreement for the remaining term hereof.

Section 7 Marketing of Materials

Tidewater Fibre agrees that all Recyclable Materials, with the exception of Rejects, that are collected pursuant to this Agreement will be recycled. Tidewater Fibre shall have

complete responsibility for the sale of such Recyclable Materials. Any Recyclable Materials disposed of in any manner other than as secondary materials shall require prior approval of the Authority. The Authority shall not unreasonably withhold such approval when Tidewater Fibre demonstrates that viable markets for a material do not exist.

Section 8 Processing Facility

Tidewater Fibre shall maintain one or more Processing Facilities. At least one of the facilities must be located within the Service Area or within the limits of the City of Newport News or Hampton at which Tidewater Fibre will accept Recyclable Materials delivered by the Authority from the drop-off collection sites listed in Section 3.2. All loads shall be weighed upon delivery to the Processing Facility.

With advance notice, Tidewater Fibre shall also accept Recyclable Materials delivered by the Authority at their Processing Facility in Chesterfield County during normal operating hours.

Tidewater Fibre shall notify the Authority, in writing, not less than thirty (30) days before any relocation of the Processing Facility. Relocation outside the Service Area or the Cities of Newport News or Hampton may be made only with the prior written approval of the Authority.

Tidewater Fibre shall maintain all Processing Facilities in good repair at all times. Tidewater Fibre shall notify the Authority, in writing, if at any time the Processing Facility is in a condition in which all Recyclable Materials cannot be processed.

Tidewater Fibre shall be responsible for managing all rejects derived from both the curbside and drop-off collection programs. Tidewater Fibre shall bear all costs (unless specified otherwise herein) and full responsibility for the transport and disposal of rejects to a permitted disposal site.

Section 9 Labor and Other Costs

Tidewater Fibre shall, at its sole cost and expense, except as otherwise provided herein, furnish all labor materials and equipment required to perform curbside collection and processing and marketing of Recyclable Materials pursuant to this Agreement.

Section 10 Authority's Representative

For the purposes of this Agreement, the Authority has designated the Executive Director as its representative and has empowered the Executive Director with the authority necessary to administer the provisions of this Agreement.

The Authority shall designate a local representative for each participating jurisdiction.

Section 11 Tidewater Fibre's Representatives

Tidewater Fibre shall assign qualified persons to be in charge of the services described herein, and agrees to give the name of such persons to the Authority no later

than July 1, 2001. The supervisor shall be available to monitor collections, receive and respond to complaints, answer inquiries, and resolve disputes with respect to the services provided pursuant to this Agreement. An office located within the Service Area or the Cities of Newport News or Hampton shall serve as the base of operations for the supervisor of the curbside collection service.

It is the intent of this contract that the supervisor or designated customer service representative be available during normal collection hours to receive customer inquiries and complaints, to respond quickly, to resolve problems, and to present the recycling program and recycling philosophy positively. The Authority shall have the right to review with Tidewater Fibre the performance of the supervisor or customer service representative and to request changes in personnel if in the opinion of the Authority the customer service and relations of Tidewater Fibre are not adequate. Such a request will be made in writing and responded to by Tidewater Fibre in writing.

Tidewater Fibre shall provide a toll-free telephone number for the public, the Authority, or its representative, to call from throughout the program service area. The telephone number shall be made available to all residents of the designated service areas. During normal business hours Tidewater Fibre agrees to provide adequate central office staffing and telephone support to answer questions from the general public or the Authority, and to take and respond to complaints.

Section 12 Compensation for Services

Tidewater Fibre shall submit invoices monthly by the 10th day of the month for service rendered by Tidewater Fibre under this Agreement for the previous month.

The Authority agrees to make monthly payments to Tidewater Fibre, within thirty (30) days of receipt of a complete billing invoice.

If the Authority fails to make payment of any undisputed portion of an invoice within sixty (60) days, Tidewater Fibre may suspend service.

Payment for curbside collection services shall be based on the household count and the unit prices in effect at the time of service.

These payments may be adjusted by written amendment of this Agreement as a result of expansion of the program as provided under Section 6 of this Agreement.

Tidewater Fibre 's billing invoice will not be considered by the Authority to be complete and payable if it fails to provide the required reports specified in Exhibit B of this Agreement. Failure by Tidewater Fibre to include specified reports and appropriate documentation shall be deemed by the Authority as cause to withhold payment for the previous month of Recycling Collection Service by Tidewater Fibre until such time as the required reports and documentation are received by the Authority.

From November 1, 2001 to June 30, 2003, Tidewater Fibre will receive compensation as follows:

Curbside collection service	$1.69 per household per month
Curbside container	$5.50 per container
Container lid	$3.50 per lid
Container with rollers	$7.75 per container

These rates shall be adjusted on July 1, 2003 in accordance with Section 14.

Section 13 Payment for Drop off Materials

Tidewater Fibre will make payment to the Authority for Recyclable Materials collected by the Authority at VPPSA drop off facilities and delivered to the Processing Facility as follows:

Loads containing paper materials only	$5.00 per ton

The Authority will make payment to Tidewater Fibre for Recyclable Materials collected by the Authority at VPPSA drop off facilities and delivered to the Processing Facility as follows:

Loads containing containers only	$8.00 per ton
Mixed loads of paper and containers	$15.00 per ton

These payments shall remain in effect for the term of this agreement.

Section 14 Annual Adjustment

The compensation rates in Section 12 will be increased by 3% on July 1, 2003 and every July 1 thereafter for the term of the agreement.

Section 15 Non-Appropriation

The recycling program governed by this Agreement is funded solely through funds appropriated to the Authority by the participating local jurisdictions. Failure of any jurisdiction to appropriate or pay to the Authority the funds necessary to cover the cost of that jurisdiction's portion of the program service area shall terminate Tidewater Fibre's obligation to provide service under this contract in that jurisdiction and if such failure to appropriate or to pay results in fewer participating households in the Curbside Service Area at anytime after the dates indicated thereon, Tidewater Fibre shall be entitled to renegotiate the terms of this Agreement. In the event Tidewater Fibre and the Authority are unable to reach agreement on new terms, this Agreement shall terminate. Furthermore, should the Authority fail to appropriate funds for this Agreement, this Agreement shall be terminated when existing funding is exhausted. Failure by one or more jurisdictions to appropriate or pay funds to the Authority shall not be a breach or default under this contract and Tidewater Fibre 's sole remedy shall be the right to terminate the Agreement.

In the event of non-appropriation by one of the participating local jurisdictions, said jurisdiction shall not contract for similar services with another vendor from the date of non-appropriation until June 30, 2007.

Section 16 Protection of Recyclable Materials

Tidewater Fibre shall take title to the Recyclable Materials upon set out of a curbside container or upon acceptance of the Recyclable Materials at the Processing Facility from a drop-off container. The Authority agrees to take such steps as may be reasonably necessary to protect Tidewater Fibre 's ownership of all Recyclable Materials set out for curbside collection by residents of the service area for collection by Tidewater Fibre under the terms of this Agreement and shall encourage local governments to enforce any anti-scavenging or other ordinance as may be deemed necessary and which may be developed and adopted for the purpose of this section subject to legal authority. Tidewater Fibre shall not take title to any hazardous or regulated medical waste delivered in the Authority drop-off containers.

Section 17 Permits for Processing Center & Recycling Collection Services

The Authority shall lend its full cooperation to Tidewater Fibre in connection with obtaining all permits (including zoning permits), licenses and approvals necessary for Tidewater Fibre to operate or construct a processing facility of sufficient size to administer the area-wide recycling program pursuant to this Agreement.

Section 18 Permits and Licenses

Tidewater Fibre, at its sole cost and expense, shall maintain throughout the term of this Agreement all permits, licenses and approvals necessary or required for Tidewater Fibre to perform the work and services described herein, including but not limited to the operation of the Tidewater Fibre Processing Facility.

Section 19 Compliance with Laws & Regulations

Tidewater Fibre agrees that, in its operation of Recycling Collection Services and the Processing Facility and the performance of other work and services required of it under this Agreement, Tidewater Fibre will qualify under and comply with any and all federal, state and local laws, regulations and permits now in effect, or hereafter enacted during the term of this Agreement, which are applicable to Tidewater Fibre, its employees, agents or subcontractors, if any, with respect to the work and services described herein. In the event changes in laws or regulations increase Tidewater Fibre’s cost of providing the services, Tidewater Fibre shall be entitled to renegotiate its rates with the Authority. If Tidewater Fibre and the Authority are unable to successfully renegotiate the rates, this Agreement shall terminate.

If at any time during the term of this agreement, Tidewater Fibre becomes aware of any non compliance with any federal, state or local law, regulation or permit Tidewater Fibre shall provide written notice to the Authority of such noncompliance within 24 hours.

Section 20 Law to Govern

This Agreement is entered into and is to be performed in the Commonwealth of Virginia. The Authority and Tidewater Fibre agree that the laws of the Commonwealth of

Virginia shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and shall govern the interpretations of this Agreement.

Section 21 Independent Contractor

Tidewater Fibre shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of the Authority. Except as otherwise provided under this Agreement, Tidewater Fibre shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder and all persons performing the same and nothing herein shall be construed as creating a partnership or joint venture between the Authority and Tidewater Fibre. No person performing any of the work or services described hereunder shall be considered an officer, agent, servant, or employee of the Authority, and no such person shall be entitled to any benefits available or granted to employees of the Authority or its member jurisdictions.

Section 22 Subcontractors

Tidewater Fibre hereby agrees that no subcontractor will be used to perform any of the services to be provided to the Authority under this agreement without written approval of the Authority. Tidewater Fibre further agrees that any subcontractor shall meet all Authority requirements imposed on Tidewater Fibre. The Authority agrees that approval of the use of a subcontractor will not be unreasonably withheld.

Section 23 Non-Assignment

Neither Tidewater Fibre nor the Authority shall assign, transfer, convey, or otherwise hypothecate this Agreement or their rights, duties or obligations hereunder or any part thereof without the prior written consent of the other.

Section 24 Insurance

Tidewater Fibre shall obtain and maintain throughout the term of this Agreement, at Tidewater Fibre 's sole cost and expense, not less than the insurance coverage set forth below:

Workers Compensation & Employer's Liability

Coverage A - Statutory Requirements
Coverage B - $100,000/$100,000/$500,000
Coverage C - $100,000/$100,000 Accident and/or Disease
All States Endorsement

Automotive Liability, Including Owned, Non-Owned, & Hired Car Coverage

Limits of Liability =
Bodily Injury - $1,000,000 each occurrence
OR

Property Damage - $1,000,000 each occurrence

Comprehensive General Liability

Limits of Liability =
Bodily Injury - $1,000,000 each occurrence
OR
Property Damage - $1,000,000 each occurrence
Including: A. Completed operations/products
B. Contractual liability for specified Agreements

Excess Liability

Bodily Injury
OR - $5,000,000 each occurrence
Property Damage

Tidewater Fibre shall deliver to the Authority, prior to the execution date of this Agreement, Certificates of Insurance from carriers licensed in the Commonwealth of Virginia acceptable to the Authority for the limits specified above. The Commercial General Liability policy shall name the Authority and the member jurisdictions of the Authority as additional insureds on a primary basis, not contributing with and not excess of coverage, which the Authority or member jurisdictions may carry. In addition, the insurer shall agree to give the Authority thirty (30) days written notice of its decision to cancel, change, or fail to renew coverage.

Section 25 Performance Bond

Tidewater Fibre shall furnish to the Authority a performance bond on July 1, 2001, for the faithful performance of this Agreement and all obligations arising hereunder for the period of November 1, 2001, to June 30, 2002, in the amount of thirty three percent (33%) of the contract amount for that period. On June 1, 2002, and every June 1 each year thereafter, Tidewater Fibre shall furnish a performance bond in the amount of 33% of the contract amount for that year, which shall be determined based on the annual budget established for Recycling Collection Services and approved by the Authority Board. The bond shall be executed by a surety company licensed to do business in the Commonwealth of Virginia in a form acceptable to the Authority. A certificate from the surety company showing that the bond premiums are paid in full shall accompany the bond. The bond shall be extended annually thereafter thirty (30) days in advance of the anniversary date in an amount equal to the total amount of the contract for that year.

Section 26 Indemnification

Tidewater Fibre shall indemnify and hold the Authority, member jurisdictions and their officers, agents, and employees harmless from and against all claims, damages, losses, and expenses, including attorney's fees, of whatever kind or nature arising out of or resulting from Tidewater Fibre 's providing, or failure to provide any construction, product, goods, or services required hereunder, including but not limited to any such claim, damage, loss, or expense, that is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, or to economic loss; provided, however, that Tidewater Fibre 's indemnification obligation hereunder shall be limited to claims, damages, losses, and expenses caused in whole or in part by any negligent act or omission of Tidewater Fibre's , or any subcontractor (a "Subcontractor") performing work required by this Agreement, or anyone directly or indirectly employed by any of them or anyone for whose acts Tidewater Fibre or any Subcontractor may be liable. Bringing of a suit on one or more causes of action will not prejudice or bar subsequent suits on any other causes of action, whether it occurred before or after the first suit.

Tidewater Fibre 's indemnification obligation in Section 26 of this Agreement, with respect to any and all claims by any employee or statutory employee of Tidewater Fibre, or any Subcontractor, or by anyone directly or indirectly employed by any of them, or anyone for whose acts Tidewater Fibre or Subcontractor may be liable, shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Tidewater Fibre or any Subcontractor under Workers Compensation Acts, Disability Benefit Acts, or other Employee Benefit Acts.

Section 27 Default

In the event Tidewater Fibre defaults in the performance of any of the material covenants or agreements to be kept, done, or performed by it under the terms of this Agreement, the Authority shall notify Tidewater Fibre in writing of the nature of such default. Within fifteen (15) days following such notice:

Tidewater Fibre shall correct the default; or In the event of a default not capable of being corrected within fifteen (15) days, Tidewater Fibre shall commence correcting the default within fifteen (15) days of the Authority's notification. The Authority will grant an extension providing that, in the Authority's reasonable judgement, Tidewater Fibre is diligently pursuing a correction.

If Tidewater Fibre fails to correct the default as provided above, the Authority, without further notice, shall have all of the following rights which the Authority may exercise singly or in combination, in addition to any other right or remedy allowed by law.

The right to declare that this Agreement together with all rights granted Tidewater Fibre hereunder are terminated, effective upon such date as the Authority shall designate; and

The right to contract with others to perform the services otherwise to be performed by Tidewater Fibre or to perform such services itself; and

The right to pursue all legal and equitable remedies against Tidewater Fibre or on its bond posted under Section 25 hereof to recover the costs, expenses, and losses caused by such default.

Section 28 Notices

All notices required or contemplated by this Agreement shall be personally served or mailed by U.S. Mail, postage prepaid - return receipt requested, addressed to the parties as follows:

To the Authority:	Executive Director Virginia Peninsulas Public Service Authority 300 McLaws Circle, Suite 200 Williamsburg, Virginia 23185
With a copy to:	Vernon Geddy, III Geddy, Harris, Franck & Hickman P.O. Box 379 Williamsburg VA 23187
To Tidewater Fibre :	Tidewater Fibre Michael Benedetto 1958 Diamond Hill Road Chesapeake, Virginia 23324
With a copy to:	Kaufman & Canoles Attn: Chuck McPhillips 1 Commerce Place P.O. Box 3037 Norfolk VA 23514

Section 29 Tidewater Fibre Records

Tidewater Fibre shall maintain its books and records related to the performance of this Agreement in accordance with the following minimum requirements.

Tidewater Fibre shall maintain any and all ledgers, books of account, invoices, vouchers, and cancelled checks, as well as all other records or documents evidencing or relating to charges for services, expenditures or disbursements borne by the Authority for a minimum period of five (5) years, or for any longer period required by law, from the date of final payment to Tidewater Fibre pursuant to this Agreement.

Tidewater Fibre shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of five (5) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time, during regular business hours, upon written request by the Authority Designated Personnel. The records shall be

available to the Authority Designated Personnel at Tidewater Fibre 's address indicated for receipt of notices in this Agreement or at such other location as designated in writing by Tidewater Fibre.

Section 30 Inspections

Tidewater Fibre agrees to permit Authority-Designated Personnel to inspect its routes, processing, and hauling facilities, recyclables, equipment, complaint logs, or procedures to the extent such facilities, equipment, etc. apply to the performance of this Agreement. VPPSA will honor all requests from Tidewater Fibre to maintain the confidentiality of proprietary information to the extent allowable by law.

Section 31 Waiver

A waiver of any breach of any provision of this Agreement shall not constitute or operate as a waiver of any other breach of such provision or of any other provisions, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision.

Section 32 Force Majeure

It is mutually understood and agreed by the parties that Tidewater Fibre shall be relieved of its obligation under this Agreement during any period or periods of time when Force Majeure, as defined under Section 1 of this Agreement, render impossible its performance under this Agreement. Upon the occurrence of an event of Force Majeure, Tidewater Fibre shall promptly give the Authority notice of its best, good faith estimate of the period of time it expects Force Majeure to render impossible its performance hereunder.

Should Tidewater Fibre be unable to render performance under this Agreement by reason of Force Majeure, the Authority shall have the right to secure another vendor to perform any or all portions of the service provided by Tidewater Fibre under this Agreement for the period of expected Force Majeure set forth in the notice from Tidewater Fibre described herein. The Authority and the participating local jurisdictions supporting the Authority in this Agreement shall have the right to negotiate for alternative service to be provided by any other vendor during Force Majeure. In the event the period of Force Majeure should end prior to the expiration of this alternative service Agreement, the Authority, in its sole discretion, shall have the right to continue service during the notice period with any alternate vendor procured during the notice period or instruct Tidewater Fibre to resume services notwithstanding anything herein to the contrary. The Authority shall resume service with Tidewater Fibre according to the terms of this Agreement after expiration of the notice period.

At any time that Force Majeure is in effect, it is understood by the parties to this Agreement that the Authority shall not be obligated to pay service fees to Tidewater Fibre for any or all service interrupted by reason of Force Majeure other than for work already completed.

Section 33 Compliance with Equal Opportunity

During the performance of this contract, Tidewater Fibre agrees as follows:

Tidewater Fibre shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of Tidewater Fibre Tidewater Fibre agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

Tidewater Fibre, in all solicitations or advertisements for employees placed by or on behalf of Tidewater Fibre, will state that Tidewater Fibre is an equal opportunity employer.

Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purposes of meeting the requirements of this section.

Tidewater Fibre will include the provisions of the foregoing paragraphs of this section in every subcontract or purchase order of over $10,000 so that the provisions will be binding upon each subcontractor or vendor.

Tidewater Fibre shall comply with Executive Order No. 11246, entitled "Equal Employment Opportunity" as supplemented in Department of Labor Regulation (41 CFR, Part 60). During the performance of this Agreement, Tidewater Fibre, for itself, its assignees, and successors in interest, agrees to comply with Title VI of the Civil Rights Act of 1964, which is made part of this Agreement by reference, and with any other applicable provision of federal or state law guaranteeing equal employment opportunity.

Section 34 Titles of Sections

Section headings inserted herein are for convenience only, and are not intended to be used as aids to interpretation and are not binding on the parties.

Section 35 Amendment

This Agreement may be modified or amended only by a written agreement duly executed by the parties hereto or their representatives.

Section 36 Severability

The invalidity of one or more of the phrases, sentences, clauses, or sections contained in this Agreement shall not affect the validity of the remaining portion of the Agreement so long as the material purposes of this Agreement can be determined and effectuated.

Section 37 Successors and Assigns

This Agreement shall be binding upon the parties hereto, their successors, and assigns.

Section 38 Entirety

This Agreement and any Exhibits attached hereto contain the entire Agreement between the parties as to the matters contained herein. Any oral representations or modifications concerning this Agreement shall be of no force and effect.

The signatories to this Agreement have been lawfully authorized by their principals to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands as of this ____day of _____, 2001.

VIRGINIA PENINSULAS
PUBLIC SERVICE AUTHORITY

By:_____
Stephen B. Geissler
Executive Director

APPROVED AS TO FORM

_____
Geddy, Harris, Franck & Hickman
Special Counsel to the
Virginia Peninsulas Public Service Authority

TIDEWATER FIBRE

By:_____
Michael Benedetto
Executive Vice President

Exhibit A

Specifications for

Curbside Collection Containers

Exhibit B

Program Reports

Reports shall be prepared by Tidewater Fibre to provide data upon which to

evaluate curbside and drop-off collection programs, as well as to assist the Authority in measuring progress toward achievement of the State-mandated recycling levels. Collection of data for these reports is necessary for the optimum development of the program. Data provided shall be factual and accurate to the best ability of Tidewater Fibre. The following are the minimum required reports, with additional reports to be prepared at the option of Tidewater Fibre.

- **24-Hour Reports:** The Authority shall be notified in writing by Tidewater Fibre within 24 hours of the occurrence of a significant event such as but not limited to missed collection of more than five percent (5%) of any neighborhood area, any occurrence of private property damage, or any personal injury to a member of the general public (not including collection crews) resulting from the recycling collection and transport operation.

  Daily Reports: Tidewater Fibre will receive service requests from participating communities and/or VPPSA on a daily basis. Tidewater Fibre shall respond to these requests immediately and provide a written response to the community.

- **Monthly Reports:**

  Household Count: The monthly report shall include a summary of household count by route and jurisdiction including:
    - Household count at beginning of period
    - Households added during the period
    - Households subtracted during the period
    - Total households at end of period

  Container Count: The monthly report shall include a summary of the container count by jurisdiction including:
    - Containers issued at beginning of period
    - Containers issued for damage or loss during period and to date
    - Containers issued for request for second container during the period and to date
    - Containers replaced as a result of defect or damage by Tidewater Fibre during period and to date
    - Total containers issued at end of period

  Weights of Materials Collected: Weights of material collected by routes and community. Weighing of recyclables collected by route shall be performed daily. When routes cover more than one community, estimates of weights collected from each community's service area shall be derived from the combined community weight collected on that route.

  Marketing Report: To verify existence and reliability of markets, each

month Tidewater Fibre shall report sales of secondary materials by type, quantity, list of purchasing markets, and range of sales prices.

Participation Report: Tidewater Fibre shall track and report monthly set-out rates for each route in each community along with weights collected per route. The information will be used to generate a performance report for communities.

Service Requests/Rejection/Delivery Logs: Tidewater Fibre shall develop logs listing all service requests received during the month. Copies of the on-board log documenting the household addresses and dates of issuance of warning and/or rejection stickers provided to residents in the collection are shall be provided to VPPSA. Copies of the on-board log documenting the household addresses and dates of delivery and the number of replaced or supplemental containers provided to residents in the collection area.