

CONTRACT FOR SANITATION SERVICE
by and between
THE CITY OF FLOWERY BRANCH, GEORGIA
and
RED OAK SANITATION, INC.

This Contract for Sanitation Services (hereinafter called the "Contract") is hereby made and entered into this 1st day of November, 2007, by and between the City of Flowery Branch, a municipal corporation of Hall County, Georgia (hereinafter called the "City"), and Red Oak Sanitation, Inc. (hereinafter called the "Contractor"). This Contract supersedes all previous contracts entered into by the City and the Contractor for sanitation service which shall become null and void as of the Commencement Date of this Contract.

WHEREAS, the Contractor did submit an acceptable Proposal to provide sanitation services within the City and to perform such work as may be incidental thereto.

NOW, THEREFORE, in consideration of the following mutual agreements and covenants, it is understood and agreed by and between the parties hereto as follows:

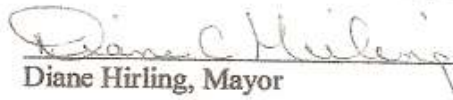
1. The Contract for Sanitation Services dated July 1, 2005 between the City and the Contractor is hereby terminated as of the Commencement Date of this Contract. Both parties waive their right to have ninety (90) days written notice from the other party in order to terminate the Contract for Sanitation Services dated July 1, 2005.
2. The Contractor is hereby granted the sole and exclusive franchise, license and privilege within the territorial jurisdiction of the City and shall furnish all personnel, labor, equipment, trucks and all other items necessary to provide sanitation services as specified and to perform all of the work called for and described in the Contract Documents.
3. The Contract Documents shall include the following documents, and the Contract does hereby expressly incorporate same herein as if fully set forth verbatim in the Contract:
 - a. A statement of the current sanitation services requirements which is attached hereto as Exhibit A;

- b. The Contractor's Proposal for a Three (3) Year Renewable Agreement to continue sanitation services under the current sanitation services requirements which is attached hereto as Exhibit B;
 - c. This written instrument entitled "Contract for Sanitation Services;"
 - d. Any resolution or ordinance of the City authorizing the work and services contemplated herein which is attached hereto as Exhibit C; and,
 - e. Any addenda or modifications of the foregoing documents agreed to by the parties in writing. Said addenda or modifications shall be attached hereto as a sequentially identified Exhibit.
4. The Contract shall extend for a one (1) year term commencing on the 1st day of November, 2007 ("the Commencement Date"), and expiring at midnight local Atlanta, Georgia time on the calendar day immediately preceding the 1st day of November, 2008.
 5. The Contract shall automatically renew for a one (1) year term at the end of the expiration of the first one (1) year term of the Contract and the second one (1) year term unless the City gives written notice to the Contractor at least ninety (90) days prior to the one year anniversary of the Commencement Date.
 6. For the first one (1) year term, the City agrees to pay the Contractor a fee of Ten and 42/100 Dollars (\$10.42) per customer serviced, payable as invoiced by the Contractor. The fee shall be the same for each renewal year.
 7. The Contractor shall supply each customer with one 96 gallon trash container.
 8. Said containers shall remain the property of the Contractor and shall be replaced by the Contractor, at no charge to the customer or the City, if damaged or broken.
 9. The City or the Contractor may terminate the Contract without cause upon ninety (90) days written notice to the other party.
 10. All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no modifications or amendments to this Contract shall be made except upon the written consent of the parties, which consent shall not be unreasonably withheld. No modification or amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such modification or amendment.

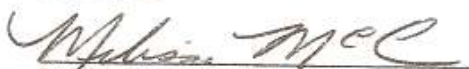
11. The Contract is entered into subject to the following conditions:
- a. The Contractor shall procure and keep in force and effect throughout the term of the Contract such liability insurance with at least \$1 million in coverage to protect the City and the Contractor, as their interest may appear, against claims of any and all persons for personal injury, death or property damage occurring during the Contractor's provision of sanitation services. The Contractor shall produce a certificate of insurance upon request by the City.
 - b. In the event that any provision of portion thereof of any Contract Documents shall be found to be invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion of the Contract Documents.
12. Except for the City's negligence and/or intentional misconduct, the Contractor shall indemnify and save harmless the City from and against any and all liability, penalties, damages, losses, expenses and judgments by reason of any injury or claim of injury to person or property, of any nature and howsoever caused, arising out of the Contractor's provision of sanitation services.

IN WITNESS WHEREOF, we the undersigned contracting parties, by our duly authorized agents, hereto affix our signatures this 3rd day of October, 2007.


CITY OF FLOWERY BRANCH, GEORGIA


Diane Hirling, Mayor

ATTEST:


Melissa McCain, City Clerk

RED OAK SANITATION, INC.


Marlon Luce, CEO

ATTEST:



Lynn Luce, Secretary

EXHIBIT A

Red Oak Sanitation
PO Box 1777
Gainesville, GA 30501

October 3, 2007

To Whom It May Concern:

Pending approval this contract will provide the following services.

Red Oak will pick-up residential garbage curbside one time per week. The allowable volume will be one 96 gallon cart and up to two bags on the side of the cart per week. This service also includes weekly pick-up of recyclables and 1 bulk item per month per residence on the designated week.

Thank you,



Stab Luce

EXHIBIT B

Red Oak Sanitation Inc
2 Ruby Street
PO Box 1777
Gainesville, GA 30501

September 28, 2007

City of Flowery Branch
PO Box 757
Flowery Branch, GA 30542

Attn: Bill Andrew

Re: Broken Trash Carts

Mr. Andrew

As we discussed in our meeting 3 or 4 weeks ago, the ageing carts in the city are failing rapidly. These carts are 10 to 15 years old, if not older. The carts from that time period were sold with a two-year warranty, and quite frankly I am surprised that some of these carts are still on the street. Now they have become so fragile and brittle that every week Martha gets phone calls about broken carts. As you are aware these broken carts can't be dumped with our hydraulic cart tipper. They are either missing the bar that they are lifted with, or missing wheels, which make them impossible to get to the truck. With either situation the carts are left undumped and then called into Martha as missed trash.

As we discussed the solution to the problem is for Red Oak to provide new carts for each city residence.

We could provide all new carts with the cities logo for an additional \$1.92 per month per residence, with an amendment made to the current contract for the price increase and a 3-year extension.

If you have any further questions or concerns please call me at 678-455-7819.

Thank you,


Stuart Luce