



## ENVIRONMENTAL SERVICES AGREEMENT

Stericycle Environmental Solutions, Inc., a Delaware corporation (“SRCL” or “Contractor”) and City of League City, a municipal corporation (“Customer”) enter into and agree as provided in this Environmental Services Agreement (the “Agreement”) effective as of the \_\_\_ day of \_\_\_\_\_, 2016 (the “Effective Date”).

1. **Purpose and Term of Agreement.** This Agreement sets forth the terms and conditions under which Contractor shall provide services to Customer (“Services”). The term of this Agreement shall commence on the Effective Date and shall continue in effect for three (3) years or until terminated in accordance with Paragraph 13 below (“Initial Term”). After the Initial Term, this Agreement will automatically renew for successive renewal terms (“Renewal Term”) equal in length to the Initial Term unless either party gives written termination notice at least twelve months before expiration of the Initial Term or any subsequent Renewal Term. The parties agree that if any Services are performed prior to the Effective Date or the Initial Term, the terms and conditions of this Agreement shall govern.
2. **Services.** When Customer requires any Services covered by this Agreement, Customer may issue to Contractor, in writing, a purchase order, work authorization, notice to proceed, bid, or proposal (hereinafter “Work Order Authorization”). Any Work Order Authorization issued by Customer is subject to the terms and conditions of this Agreement and any other terms referenced herein. In the event of any conflict, the controlling order is this Agreement, any attachment(s) to, or references within, this Agreement, then the Work Authorization. Customer agrees to exclusively use Contractor for the Services at the locations and/or facilities indicated below during the Initial Term and any subsequent Renewal Term.

Location of Customer Facility or Facilities	Services
1000 FM 2004 Road	Household Hazardous Waste Collection, Transportation, and Disposal
La Marque, Texas	

3. **Fees and Billing.** (a) Amount. Customer agrees to pay Contractor for the performance of the Services at the fees or rates set forth in a price sheet or in a Work Order Authorization, or, if not specified therein, at Contractor’s standard fees or rates for such Services at the time the Services are rendered. Customer is responsible for all sales and use taxes associated with the Services. Any payments made by credit card will be assessed a 2.5% service fee; (b) Invoices. Contractor shall invoice Customer for the Services performed, and Customer shall pay such invoice within thirty (30) days after the date of the invoice. In the event Customer has a good-faith objection to an invoice, Customer shall pay the undisputed amount pursuant to the terms of this Agreement and notify Contractor of said objection in writing within fifteen days; failure to object in writing within fifteen days constitutes waiver of objections to invoices. (c) Late Payment. For any late payment received by Contractor, Contractor shall charge Customer a service charge of one and one-half percent per month of the amount of the invoice or the maximum percentage allowed by law, whichever is less. Customer shall pay all reasonable costs of collection, including attorneys’ fees and expenses, incurred by Contractor in the collection of payment of invoices which are not timely paid by Customer; (d) Non-Payment of Invoices. If payment of Contractor invoices is not maintained on a 30-day current basis, Contractor may suspend further performance of any or all Services and/or withhold any and all materials, labor, work or data from Customer until full payment is made; (e) Change in Fees or Rates. Contractor shall have the right to revise any of the prices upon fifteen days’ written notice to Customer. In the event that Contractor’s energy costs relating transportation over a three month period increase by more than ten percent on an annualized basis, Contractor shall be permitted to add an Energy Charge.
4. **Customer Site Access.** Customer shall provide access to Customer’s property and/or worksite during regular business hours as necessary to perform Services hereunder. Customer shall provide Contractor, its employees and subcontractors a safe working environment for any Services performed. Contractor, its employees and subcontractors shall comply with Customer’s safety procedures, provided such procedures are conspicuously and legibly posted in the working area or have been delivered, in writing, to Contractor prior to the commencement of Services. Customer grants to Contractor and warrants (if the project site is not owned by Customer) that permission has been granted by all persons necessary for Contractor, its employees, agents and subcontractors to enter the property on which the Services are to be performed for the purposes of performing the Services.
5. **Independent Contractor.** The relationship between Contractor and Customer under this Agreement shall be that of independent contractors. Each party shall exercise its own discretion in the method and manner of performing its duties, and neither party shall exercise control over the other except insofar as may be necessary to ensure performance and compliance with this Agreement. Employees, methods, equipment and facilities used by a party shall at all times be under its exclusive direction and control. Nothing in this Agreement shall be construed to designate either party, or any of its employees, as employees, agents, joint venturers or partners of the other party.

By signing in the space indicated below, Customer agrees to all terms and conditions of this Agreement, including those terms and conditions on the attached Environmental Services Addendum.

Between	Stericycle Environmental Solutions, Inc.	And:	City of League City, Texas
Name:		Name:	
Title:		Title:	
Date:		Date:	

6. **Warranties, Representations, and Standard of Care.** Contractor warrants and represents that (i) it possesses the business, professional, and technical expertise to perform the Services, (ii) it possesses the equipment, facilities, and employees to perform the Services, (iii) it shall perform the Services, within the limits prescribed by Customer, in a safe and workmanlike manner consistent with the care and skill ordinarily exercised for such services by other companies providing similar services under similar circumstances and conditions at the same time and in the same locality, (iv) it shall perform the Services in material compliance with all valid and applicable laws and regulations, and (v) its facilities have been issued, as of the date of this Agreement, all material permits, licenses, certificates, or approvals required by applicable statutes, ordinances, orders, rules and regulations necessary to perform the Services (hereinafter the "Standard of Care"). CONTRACTOR MAKES NO OTHER WARRANTIES OF ANY KIND, WHETHER WRITTEN, ORAL, EXPRESS, STATUTORY, OR IMPLIED (WHETHER ARISING UNDER LAW OR EQUITY OR CUSTOM OF USAGE), INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.
7. **Damage Limitations.** CONTRACTOR SHALL NOT BE LIABLE TO CUSTOMER FOR INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES. CONTRACTOR'S SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY FOR ANY DAMAGES SHALL BE LIMITED TO, AT CONTRACTOR'S OPTION, THE REFUND OF THE PRICE FOR THE ASSOCIATED WORK ORDER OR RE-PERFORMANCE OF THE SERVICE(S) IN QUESTION. CUSTOMER MUST NOTIFY CONTRACTOR OF ANY CLAIM WITHIN FIFTEEN DAYS OF THE EVENT GIVING RISE TO SUCH CLAIM OR SUCH CLAIM IS WAIVED. THE LIMITATIONS CONTAINED IN THIS SECTION SHALL APPLY REGARDLESS OF WHETHER THE CLAIM FOR DAMAGES IS BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY, TORT OR OTHERWISE, AND SHALL APPLY EVEN WHERE SUCH DAMAGES ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE, GROSS NEGLIGENCE OR ACTS AND OMISSIONS OF THE PARTY CLAIMING DAMAGES OR THE PARTY FROM WHOM DAMAGES ARE SOUGHT. AS USED IN THIS SECTION, THE TERM "CUSTOMER" AND "CONTRACTOR" SHALL INCLUDE ALL AFFILIATES OF EACH. THE PROVISIONS GOVERNING DAMAGE LIMITATIONS AND INDEMNITY SET FORTH IN THIS AGREEMENT SHALL SURVIVE EXPIRATION, TERMINATION, OR CANCELLATION OF THIS AGREEMENT.
8. **Insurance.** Contractor agrees to furnish to Customer insurance certificates upon request. In no event shall Contractor's liability under this Agreement, including the indemnity obligations contained herein, exceed the amount of Contractor's insurance.
9. **Delays.** In the event that Contractor's Services are interrupted due to causes outside of its control (except for Force Majeure), Contractor shall be compensated for the labor, equipment, and other costs (in accordance with Contractor's current Schedule of Fees) associated with maintaining the availability of its work force and equipment during the interruption or any other delay charges reasonably incurred by Contractor.
10. **Force Majeure.** Except for the obligation to pay for Services, any delay or failure of either party to perform its obligations hereunder shall be excused if, and to the extent, caused by acts of God, action of a governmental authority (including, but not limited to, revocation of permits and changes in applicable laws, regulations, rules or administrative practices of any governmental authority), fire, flood, windstorm, explosion, riot, war, sabotage, labor problems (including lockouts, strikes and slowdowns), court injunction or order or other such causes that are beyond the reasonable control of the affected party and without its fault or negligence; provided, that prompt notice of such delay shall be given by the affected party to the other party. Each of the parties hereto shall be diligent in attempting to remove such cause or causes but shall not be under any obligation to settle strikes by its employees.
11. **Termination.** (a) Either party may terminate this Agreement or any Services under this Agreement upon five (5) days prior written notice if the other party has breached any material provision of this Agreement, including non-payment and/or partial payment of invoices. The notice of termination shall specify the date when this Agreement or Services terminates and the reasons for termination. (b) If this Agreement is terminated under this paragraph, Customer shall pay Contractor for the Services performed by Contractor up to the date of the termination of this Agreement or of any Services performed hereunder plus reasonable costs incurred by Contractor in terminating this Agreement or such Services, including but not limited to demobilization expenses.
12. **Waiver.** Any failure by either party to enforce any of the terms or conditions of this Agreement shall not constitute a waiver of such terms or conditions and shall not affect or impair such terms or conditions in any way or the right of either party at any time to avail itself of such remedies as it may have for any default in the performance of such terms or conditions.
13. **Disputes.** All claims, disputes, or controversies arising out of or relating to the interpretation, application, performance or enforcement of this Agreement shall be submitted to mediation (or, if the parties then agree, to arbitration) prior to initiating any court proceedings. Each party shall bear its own costs, including its own attorneys' and/or expert fees and costs. The cost of the mediation (or, if applicable, arbitration) service shall be borne equally by both parties unless otherwise agreed by the parties. If legal action is brought in connection with any dispute arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees (whether in-house or outside counsel is used), court costs, collection agency fees, and all other reasonable costs incurred in connection with the legal action.
14. **Miscellaneous.** (a) Customer represents that Customer is contractually free to enter into this Agreement and to perform hereunder and shall indemnify and defend Contractor against all allegations brought against Contractor if Customer's representation is not correct. (b) Except where otherwise expressly authorized, notice shall be by facsimile, by first class certified or registered mail, or by commercial delivery service issuing a receipt for delivery and addressed as set forth on the signature page, unless changed in writing by the party to whom the notice is being sent. Notice shall be effective upon delivery, except that notice via facsimile shall be effective upon the next business day after receipt, provided that a confirming copy of the notice is also mailed via first class mail to the applicable address. (c) Neither party shall assign its rights or obligations under this Agreement without prior written consent of the other party; provided however, that such consent shall not be unreasonably withheld. Notwithstanding, Contractor may assign its rights or obligations under this Agreement to its parent, corporate affiliates, or subsidiaries without the consent of Customer. Additionally, Contractor may subcontract, orally or in writing, for performance of some or all of the Services with any of its corporate affiliates, parent or subsidiaries without the consent of Customer. If Customer transfers a material part of its assets and/or its operations at any facility or its stock to a third party, Customer shall require the third party to accept an assignment of this Agreement, as it relates to any applicable Facility, in form and content acceptable to Contractor. (d) This Agreement shall be construed in all respects in accordance with laws of the state in which the Services were provided. (e) Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement. Capitalized terms in this Agreement, including Attachments, shall carry their meanings throughout as defined in this Agreement. All references to this Agreement shall include all Attachments hereto as amended and supplemented from time to time. (f) This Agreement shall apply to, inure to the benefit of, and be binding upon Contractor and Customer and their respective permitted successors and assigns. (g) This Agreement (including all Attachments, Work Plans, Work Order Authorizations, Online Terms and Conditions, or other documents incorporated into this Agreement) is the entire Agreement and understanding of Contractor and Customer regarding the Services. This Agreement supersedes any and all prior or contemporaneous contracts, agreements, purchase orders, representations, terms and conditions, whether oral or written relating to the Services. All previous representations relating to this Agreement or the Services, whether written or oral, are void. No terms, conditions, prior course of dealings, course of performance, usage of trade, understandings, purchase orders, or agreements purporting to modify, vary, supplement or explain any provision of this Agreement shall be effective unless in writing and signed by authorized representatives of each party. In no event shall the pre-printed terms or conditions in any Customer Work Order Authorization or similar document be considered an amendment or modification whether such terms conflict or not, with this Agreement, even if such documents are signed by representative of both parties. Except where this Agreement expressly provides for modification by one party, no modification of this Agreement shall be binding on either party unless it is specifically negotiated, in writing and signed by an authorized representative of each party. If any provision of this Agreement is prohibited by or invalid under any applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any other provision of this Agreement.

**Environmental Services Addendum**  
**(Waste Management Services)**

1. **Receipt or Delivery of Waste Materials.** (a) The term "Waste Materials" refers to the materials described in the Generator Waste Profile or Profile Acceptance Letter (collectively, the "Profile Acceptance Letter"). (b) Customer shall tender delivery of the Waste Materials to Contractor at those times and places, in those quantities, and in the manner agreed to by Contractor and Customer. Receipt by Contractor of the Waste Material at its processing facilities and the taking of possession and control of the Waste Materials shall not, in itself, constitute acceptance of the Waste Materials for processing. (c) Customer shall, at the same time and place, tender to Contractor those completed documents, shipping papers or manifests as are required for lawful transfer of the Waste Materials to Contractor, and applicable statutes, ordinances, orders, rules or regulations of the federal, state or local governments, including, but not limited to, the Hazardous Materials Transportation Act ("HMTA"), 49 U.S.C. §§1801, et seq., as amended, the Toxic Substances Control Act ("TSCA"), 15U.S.C. §§ 2601 et seq., as amended, and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §§ 6901 et seq., as amended. (d) Customer shall permit Contractor reasonable access to Waste Materials for purposes of sampling and testing, and Contractor may conduct such sampling and testing of the Waste Materials, before or after acceptance for processing, as it may determine to be appropriate in its sole discretion. Contractor's sampling and testing, or Contractor's failure to sample and test, shall not relieve Customer of any of its responsibility or liability under the Service Agreement. Contractor shall accept for processing conforming Waste Materials which have been tendered and delivered in conformance with the Service Agreement.
2. **Acceptance, Rejection, or Revocation of Acceptance of Non-Conforming Waste Materials.** (a) If Contractor determines that any unit of the Waste Materials is non-conforming for any reason, Contractor may deem all units of such Waste Materials that are tendered or accepted at the same time as the non-conforming unit to be non-conforming for the same reason. Within a reasonable time after Contractor actually discovers the non-conformity, Contractor may, in its sole discretion, reject or revoke acceptance of all non-conforming Waste Materials or accept for processing all or any part of such Waste Materials. If Contractor accepts non-conforming Waste Materials, Contractor shall process the Waste Materials at its then prevailing rates for Waste Material of like character and description. Contractor shall give prompt notice of the nature of the non-conformity to Customer within five (5) business days of the discovery of the non-conformity. Waste Materials tendered by Customer, and their containers, shall be considered "non-conforming": (i) if the Waste Materials are not in accordance with the warranties, descriptions, specifications or limitations stated in this Agreement or Profile Acceptance Letter, or (ii) if they have constituents or components, not specifically identified in the applicable Profile Acceptance Letter, which increase the nature or extent of the hazard and risk undertaken by Contractor in agreeing to handle, load, transport, store, treat, process, recycle and/or dispose of the Waste Materials, insofar as such activity is to be performed by Contractor hereunder, or (iii) if the storage, treatment, processing, disposal, recycling facility or Contractor's Processing Facility is not permitted. (b) If Contractor rejects or revokes acceptance, of all or any units of Waste Materials and, at the time of such rejection or revocation, such Waste Materials are in Contractor's possession or control, Contractor shall, within a reasonable time after such rejection or revocation, prepare such Waste Materials for lawful transportation and return, or cause the return of such Waste Materials to Customer or to such other location as Customer may direct. In such case, Customer shall pay to Contractor the cost of transportation to Contractor's facility, the cost of return transportation to Customer's facility (or such other location as Customer may direct), and other reasonable charges incurred by Contractor for testing, storage, and other reasonable actions to manage the Waste Materials.
3. **Title and Risk of Loss.** Customer shall at all times retain title to and liability for the Waste Materials. The title to the Waste Materials transported to a treatment/storage/disposal facility shall transfer directly from Customer to the treatment/storage/disposal facility upon acceptance. Excluding any prior written agreements to the contrary, Contractor will have ownership rights in, title to, and risk of loss for, any products which Contractor reclaims from any Waste Materials which it has accepted from Customer. If Contractor revokes its acceptance of Waste Materials, title, risk of loss, and all other incidents of ownership to the Waste Materials, to the extent same were transferred to Contractor, shall be transferred from Contractor and re-vest in Customer at the time notice of such revocation of acceptance is received by Customer, provided that Contractor shall exercise reasonable care as long as it has possession of such rejected Waste Materials.
4. **Customer Warranties and Representations.** (a) Waste Materials. Customer warrants and represents that: i) the description of the Waste Materials in the Waste Profile Letters, manifests and shipping documents is true and correct in all material respects; ii) all Waste Materials to be delivered to Contractor by Customer hereunder shall conform to such description; iii) it shall fairly advise Contractor of the hazards and risks known by Customer to be incident to the handling, loading, transporting, storing, treating, processing, recycling and disposal of the Waste Materials; iv) containers of Waste Materials delivered to Contractor shall conform to the container specifications, marking and label requirements under the law; and are otherwise in full compliance with all material description requirements of applicable statutes, ordinances, orders, rules and regulations of the United States, state and local governments in whose jurisdictions such Waste Materials are tendered to Contractor. (b) New Information. Customer warrants and represents that it shall promptly inform Contractor of any information known or learned of by it during the term of this Agreement, including but not limited to whether the Waste Materials present or may present a hazard or risk to persons or the environment which was not apparent from the information or description provided to Contractor. Such information shall include, but not be limited to, any relevant notification of substantial risk required to be given by Customer pursuant to Section 8(e) of TSCA. (c) Title to Waste Materials. Customer further represents and warrants that it has sole title to Waste Materials which will be tendered to Contractor and is under no legal restraint, statutory, regulatory, administrative or judicial, which prohibits the transfer of possession or title to such Waste Materials.
5. **Pharmaceutical Formulary.** If applicable, it shall be Customer's responsibility to provide to Contractor a classified formulary in accordance with federal, state and local requirements, including but not limited to the Resource Conservation and Recovery Act and any regulations promulgated by the Drug Enforcement Administration. It shall also be Customer's responsibility to maintain the accuracy of such formulary, updating it periodically to accurately reflect current pharmaceuticals used by Customer, and any applicable changes in the law. Alternatively, Customer may choose to have Contractor provide such a formulary. A Contractor-provided formulary shall be used by the Customer solely for the purpose of managing Customer's pharmaceutical waste in connection with the provision of Services by Contractor. Further, any Contractor-provided formulary, or other information related to the segregation and disposition of pharmaceutical waste, is Contractor's confidential business information and constitutes the intellectual property of Contractor. Customer does not have any rights in, nor does Customer possess a license to use such information, other than in connection with the provision of Services by Contractor.
6. **Medicare Disclosure/Access.** If required by law, the Comptroller General, Department of Health and Human Services and their duly authorized representatives shall have access to this Agreement and records for all times covered by this Agreement necessary to verify the nature, extent and costs of the Services provided by Contractor and included in Customer's cost report, both during and for four (4) years after this Agreement terminates. This access shall be provided in accordance with the provisions of Public Law 96-499, Omnibus Reconciliation Act of 1980, as amended. The Comptroller General and his/her duly authorized representative shall have similar access to agreements subject to 42 USC 1395 between Contractor and any organization related to Contractor and to books, documents and records of Contractor and such organizations solely as they relate to the performance of the Services under this Agreement.