

## WASTEZERO VOUCHER SUPPLIES AND SERVICES AGREEMENT

This WasteZero Voucher Supplies and Services Agreement (this "Agreement") is made and entered into this the 21st day of January, 2014 (the "Effective Date"), by and between WasteZero, Inc., a Delaware corporation, hereinafter referred to as "WasteZero", and the City of Broken Arrow, OK, hereinafter referred to as "Municipality".

### WITNESSETH

WHEREAS, Municipality is responsible for the disposal of solid waste and recycling for its residents;

WHEREAS, WasteZero can design, implement and run its WasteZero Voucher Program™ (the "Program") whereby it creates and distributes voucher coupons to residents of the Municipality that can be redeemed at retail stores for solid waste bags (the "Official Municipal Bags"), and provides comprehensive supplies and services in support of the Program; and

WHEREAS, Municipality desires to engage WasteZero to implement and run the Program, including to make and distribute redeemable vouchers and manufacture and distribute Official Municipal Bags to certain retail stores and to provide certain logistics, accounting, inventory management, and other services in support of the Program.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Term. This Agreement will be binding on all parties for a period from the Effective Date of this Agreement until one (1) year from the Effective Date (the "Initial Term"). Upon the expiration of the Initial Term, subject to agreement between the Parties on the WZ Supplies and Services Fee (defined herein), the term of the Agreement may be renewed for four (4) additional one (1) year terms, each of such four (4) one (1) year terms an "Extension Term" (the Extension Terms and the Initial Term, hereinafter collectively the "Term").
2. WasteZero Services. During the Term, WasteZero will (i) manufacture and supply Official Municipal Bags that comply with the specifications set forth in Exhibit A (the "Specifications") to those retailers recommended by Municipality and set forth in Exhibit B (the "Retailers") for distribution by Retailers to residents of the Municipality; and (ii) provide the "Services" set forth in Exhibit C, including but not limited to make and distribute vouchers for qualified residents of the Municipality. The Program Coordinator set forth on Exhibit C will be the primary point of contact for full and complete execution and management of delivery of the Services set forth in this Agreement.
3. Program Implementation. The "Program Start Date" will be the agreed date for complete implementation of the Program and the initiation of retail redemptions and sales. The Program Start Date shall be on, or by, April 7, 2014. From the Effective Date until the Start Date, the Parties must work together to accomplish the "Program Implementation Schedule" set forth in Exhibit C. To enable WasteZero to provide the Services by the Program Start Date, Municipality agrees to perform its obligations also set forth in Exhibit C.
4. Designated Retailers. Municipality will provide WasteZero with a recommended list of Retailers set forth in Exhibit B it would prefer to participate in the Program. WasteZero will provide these

Retailers with the "Retailer Letter Agreement" set forth on Exhibit D describing the terms of participation in the Municipality's Program (the "Retailer Terms"). Retailer participation will be subject to a Retailer's acceptance of the Retailer Terms and will be reaffirmed each time Retailer accepts delivery of Official Municipal Bags. The Municipality will designate a representative to accompany the WasteZero Project team to in-person Retailer recruitment meetings to be carried out the final week of January/first week of February 2014. Addition or removal of Retailers from the list will be subject to mutual agreement between WasteZero and the Municipality. WasteZero will provide Retailers with toll-free number and email ordering and support. Effectiveness of enrolling Retailers is dramatically improved with an active participation from the Municipality in this process.

5. Exclusive Agreement. During the Term, WasteZero and Municipality will not purchase or sell, directly or indirectly (i.e., through a third party) waste bags for purposes of this Program other than the Official Municipal Bags referred to herein.

6. Inventory Target. To ensure that an adequate inventory of Official Municipal Bags is available for distribution by Retailers, WasteZero will use commercially reasonable efforts to maintain an average number of Official Municipal Bags in WasteZero's inventory. An initial bag inventory target, necessary for a successful Program launch, is set forth in Exhibit C (the "Initial Inventory Target"). Inventory belongs to Municipality.

7. Terms of Distribution. Retailers will submit written or verbal orders ("Orders") directly to WasteZero. Orders will set forth the quantity of Official Municipal Bags. Orders received by WasteZero will be delivered within five (5) business days of Order placement, subject to WasteZero's right to reject an Order from a Retailer for reasons related to WasteZero's Collection Policy and Procedures. If this period includes a holiday observed by WasteZero, then WasteZero will notify Retailers of schedule changes for the affected order. Deliveries of Official Municipal Bags pursuant to this Agreement will be F.O.B. any plant or warehouse of WasteZero. In exchange for each Order, Retailers must provide WasteZero with redeemed vouchers and information about the number of miscellaneous retail bag sales. WasteZero will generate a monthly statement for each Retailer.

8. Miscellaneous Bag Sales. In addition to the voucher program set forth in Exhibit C, WasteZero will separately make Official Municipal Bags available to retailers for purchase at the prices set forth in Exhibit A (the "Retail Bag Prices"). The Retail Bag Prices will be set by the Municipality, and all proceeds will revert to the Municipality. WasteZero will collect payment and enforce payment obligations in accordance with its policies set forth in Exhibit E.

9. Compensation. To compensate WasteZero for this Agreement, WasteZero will invoice and Municipality will pay the "WZ Supplies and Services Fee" up to the guaranteed maximum price set forth on Exhibit A. WasteZero assumes all risks associated with fluctuations in the prices of resin, costs associated with voucher and retail store distribution and any other cost beyond the guaranteed maximum price. WasteZero will invoice the WZ Supplies and Services Fee upon shipment of inventory to the warehouse. WasteZero will work to match production to expected redemption rates. Payment of WZ Supplies and Services Fees will be reconciled with Program voucher redemptions as redemption information is received and finalized from Retail Stores.

10. Program Reports. WasteZero will provide Municipality with monthly reports showing the number of vouchers mailed, number of vouchers redeemed, UPC code information regarding the point of redemption, inventory on hand and other information Municipality reasonably requests.

11. Representations and Covenants.

a. Legal and Binding Agreement; Municipality's Obligations. Municipality has taken or will take any and all legal actions required in order for this Agreement to be binding on Municipality for the Term, including, if applicable, passage of a legislative resolution or ordinance adopting this Agreement or authorizing an official of the Municipality to enter it on the terms and conditions contained herein. Municipality will provide certification, if applicable, that the Official Municipal Bags qualify for a waiver of local and state sales, use, or other taxes.

b. Representations of WasteZero. WasteZero warrants that the Official Municipal Bags will, in all material respects, meet the Specifications. In the event the Official Municipal Bags delivered to Retailers fail to meet the Specifications in any material respect, WasteZero will, as Municipality and customers' sole and exclusive remedy for such failure, replace the Official Municipal Bags in accordance with WasteZero's Return and Replacement Policy as set forth on Exhibit E.

c. EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL OFFICIAL MUNICIPAL BAGS AND SERVICES PROVIDED BY WASTEZERO UNDER THIS AGREEMENT ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

## 12. Breach; Termination.

a. Termination for Breach. If either party reasonably concludes that the other is in material breach of this Agreement, such party will notify the other party in writing, including a detailed description of the alleged breach. If such breach is curable, the party alleged to be in breach will be allowed up to ninety (90) days after written notice by the other party in which to make necessary adjustments to remedy said deficiencies or to take action to remedy any deficiencies that require longer than ninety (90) days to cure. In the event the breaching party fails to correct (or take action to correct) such deficiencies within ninety (90) days after written notice of the deficiencies or breach, then the other party may terminate this Agreement, effective ninety (90) days after written notice of failure to correct (or failure to take action to correct) to the breaching party. If such breach is not curable, the Agreement will be terminated ninety (90) days from the date the non-breaching party provides the breaching party with written notice of such breach.

b. Insolvency. If any assignment is made by WasteZero or by any guarantor of WasteZero for the benefit of creditors, or if a petition is filed by WasteZero or by any guarantor of WasteZero for adjudication as bankrupt, or for reorganization or an arrangement under any provision of the U.S. Bankruptcy Act as then in force and effect, or if an involuntary petition under any of the provisions of the U.S. Bankruptcy Act is filed against WasteZero and such involuntary petition is not discharged within ninety (90) days thereafter, in any event Municipality may terminate this Agreement upon written notice to WasteZero.

c. Termination for Convenience. Municipality may terminate this Agreement at any time upon ninety (90) days written notice if Municipality terminates the Program.

d. Effect of Termination. Upon termination or expiration of this Agreement for any reason (i) WasteZero will ship to Municipality all Official Municipal Bags remaining in inventory, (ii) WasteZero will have no further liability or obligation under this Agreement, including without limitation, for servicing warranty claims, and (iii) WasteZero will have no continuing responsibility for the Services. The following terms and conditions will survive the expiration or termination of this Agreement for any reason: Section 11.c. and Sections 12-22, payment obligations that have accrued on or before the effective date of termination or expiration, and any other terms and conditions that contemplate performance following the effective date of termination or expiration, or that by their nature are intended to survive.



13. Limitation of Liability. WASTEZERO WILL NOT BE LIABLE TO MUNICIPALITY, RETAILER, CUSTOMER OF RETAILER OR END USER FOR ANY SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, TREBLE OR PUNITIVE DAMAGES, OR ANY LOSS OF REVENUES, LOSS OF PROFITS OR LOSS OF REPUTATION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES. THESE LIMITATIONS APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF RECOVERING THESE DAMAGES OR LOSSES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WASTEZERO'S AGGREGATE LIABILITY FOR ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES WILL NOT EXCEED THE TOTAL AMOUNT PAID BY MUNICIPALITY TO WASTEZERO DURING THE SIX MONTH PERIOD PRECEDING THE ACT GIVING RISE TO THE CLAIM FOR DAMAGES.

14. Force Majeure. WasteZero will not be liable for failure to perform under this Agreement if such failure arises out of causes beyond its reasonable control. Such causes may include but not be limited to acts of the government in its sovereign or contracted capacity, fires, floods, hurricanes, tornadoes, strikes, epidemics, quarantine restriction, freight embargoes, petroleum supply shortages or disruptions, and unusually severe weather.

15. Insurance. WasteZero shall carry general liability insurance, including contractual liability coverage, in the amount of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in general aggregate. Upon written request, certificates of insurance naming Municipality as an additional insured will be provided to Municipality by WasteZero.

16. Non-Collusion. WasteZero has not entered into any agreement, directly or indirectly, or otherwise taken any action in restraint of free competitive bidding in connection with the submission of a bid or the engagement of Municipality for the purposes of entering into this Agreement.

17. Information and Cooperation. During the Term of this Agreement, Municipality will cooperate with WasteZero and provide WasteZero with any information reasonably requested by WasteZero for the performance of its obligations and tracking of Program performance. This information may include semi-annual updates on the number of households utilizing Municipality's and/or its designee's residential solid waste collection and/or disposal service, the actual corresponding residential municipal solid waste tonnage disposed, and the actual residential recycling tonnage received. WasteZero may compile information regarding Municipality's Program and may use this data in research and marketing reports, a copy of which will be provided to Municipality at Municipality's request. Municipality agrees that WasteZero may refer to Municipality's Program in its verbal and written communications.

18. Assignment. Neither party may assign this Agreement, or the rights hereunder, without prior written approval of the other, which approval will not be unreasonably withheld; provided, however, that WasteZero may, without any approval, assign this Agreement (i) to an affiliate of WasteZero or (ii) in connection with a merger or a sale or transfer of substantially all of WasteZero's assets (or such portion thereof relating to the subject matter of this Agreement). This Agreement will be binding upon and will inure to the benefit of the parties and their successors and assigns.

19. Governing Law; Arbitration. This Agreement will be governed by and construed in accordance with the laws of the state in which the Municipality is located. Any controversy or claim arising out of or

related to this Agreement or any transactions contemplated herein that cannot be amicably resolved, shall be subject to the jurisdiction and venue of the District Court of Tulsa County, Oklahoma.

20. Notice. All notices and other communications hereunder will be in writing and may be given by personal delivery, nationally recognized express courier, registered or certified mail (return receipt requested), or facsimile (receipt confirmed). Such notice will be deemed effective when received if it is given by personal delivery, nationally recognized express courier, or facsimile, and will be effective three (3) days after mailing by registered or certified mail, so long as it is actually received within five (5) days (and, if not so received within five (5) days, is effective when actually received) by the parties at the addresses (or at such other address for a party as will be specified by like notice) set forth below:

*If to WasteZero, to:*  
8540 Colonnade Center Drive, Suite 312  
Raleigh, North Carolina 27615  
Attn: Cal Cunningham  
Tele. No.: (919) 322-1220  
Email: ccunningham@wastezero.com

*with a copy to:*  
Wyrick Robbins Yates & Ponton, LLP  
4101 Lake Boone Trail, Suite 400  
Raleigh, North Carolina 27607  
Facsimile No.: (919) 781-4865  
Attention: Larry E. Robbins

*If to Municipality, to:*  
City of Broken Arrow  
485 N Poplar Ave  
Broken Arrow, Ok 74012  
Attn: General Services Director  
Tele. No.: (918)259-7000  
Email: lzirk@brokenarrowok.gov

21. Entire Agreement; Amendment. This Agreement (including the exhibits, schedules and attachments hereto) and the documents delivered pursuant hereto constitute the entire agreement and understanding among Municipality, Retailer and WasteZero and supersede any prior agreement and understanding relating to the subject matter of this Agreement. This Agreement may be modified or amended only by a written instrument executed by Municipality and WasteZero acting through their duly authorized representatives. The provisions of this Agreement constitute separate and independent covenants, and the invalidity or unenforceability of one or more of the provisions hereof will not affect the validity or enforceability of the remaining provisions.

22. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this WasteZero Supplies and Services Agreement as of the Effective Date.

Municipality

WasteZero, Inc.

By: Craig Thurman

By: Craig L Dunkley

Name: Craig Thurman

Name: CRAIG L DUNKLEY

Title: Mayor

Title: SVP Sales & Marketing

Date: 1-21-2014

Date: 1/21/14

ATTEST:

Margy Bruce  
(Seal) CITY CLERK



**EXHIBIT A**  
**Official Municipal Bag Specifications**

1. General Specifications: Price includes the standard cost of shipping. Bags are one hundred percent (100%) made in the United States. The manufacturing plant is WasteZero-owned. Bags are made with recycled content. Bags contain three-ply extrusion technology with customizable printing options, including registered print option. WasteZero provides choice of colors, sizes, inside gray liner and more, as well as drawstring or twist-tie closure options. Multiple packaging options, include unique identifiers on every case and individual bag code dating to support quality control purposes

2. Specific bag specifications for this Agreement:

Bag Description	Black "Refuse"
Retail Pack	Roll of 25 bags, in a sleeve with a printed insert
Bag Size	30" by 32"
Bag Gauge	1.2mil
Bag Type	3-ply, co-extruded
Bag Composition	Includes recycled content
Bag Closure	Drawstring
Exterior Bag Color Selected from WasteZero Standard Color Guide	Black
Capacity Equivalent	30"x36" twist-tie equivalent

3. The Retail Bag Prices (price paid at point of sale for miscellaneous orders):

The price at which retailers may charge residents for miscellaneous rolls of Black Refuse Bags will be set by the Municipality. The Municipality may choose to permit Retailers to add an amount to the retail price, to cover convenience costs.

4. WZ Supplies and Services Fee:

The WZ Supplies and Services Fee will be an amount not to exceed the guaranteed maximum price of \$500,000 during the Term and is calculated at \$.1061008 per Official Municipal Bag purchased by Program voucher redeemed at a Retail Store.

WasteZero and Municipality must agree on the WZ Supplies and Services Fee for any Extension Term. Both parties suggest using the CPI index information provided by the US Bureau of Labor Statistics as a guide in determining pricing changes for any Extension Term.

2.86  
4.39

**EXHIBIT B**  
**Retail Stores Recommended By Municipality**

<b>Store name</b>	
<b>Store address</b>	
PO Box	
City	
State	
Zip	
<b>Contact name</b>	
<b>Contact phone</b>	
<b>Fax</b>	
<b>E-mail</b>	
<b>Store name</b>	
<b>Store address</b>	
PO Box	
City	
State	
Zip	
<b>Contact name</b>	
<b>Contact phone</b>	
<b>Fax</b>	
<b>E-mail</b>	
<b>Store name</b>	
<b>Store address</b>	
PO Box	
City	
State	
Zip	
<b>Contact name</b>	
<b>Contact phone</b>	
<b>Fax</b>	
<b>E-mail</b>	

Addition or removal of Retailers from the list will be subject to mutual agreement between WasteZero and the Municipality.

**EXHIBIT C**  
**Services**

1. WasteZero Services Provided to Municipality:
  - a. Voucher Development and Distribution Services:
    1. Create mailing list from Municipality's eligible resident/household list; Municipality must provide an updated eligible resident/household list to WasteZero on a monthly basis
    2. Create custom voucher with imprinted UPC Codes, eligible resident/household, unique identification number and expiration date, subject to Municipality approval
    3. Print and mail vouchers at least two (2) times per year to eligible residents via US Postal Service for a fixed quantity of Official Municipal Bags at dates to be determined with Municipality
    4. Bear risk and expense of re-mailing according to US Postal Service return service requested
    5. WasteZero will create a program specific web page to provide residents with basic information regarding the program
    6. WasteZero will provide a toll-free customer service line for residents, and manage resident customer service issues
  - b. Retail Store Distribution Services:
    1. Deliver secure, dependable supply chain and asset management
    2. Official Municipal Bag storage at WasteZero-bonded distribution centers
    3. UPC code development and registration
    4. Enroll and coordinate retailer setup processes with participating stores
    5. Monitor inventory at WasteZero distribution centers, with a goal to prevent stock out
    6. Receive, enter and process orders from retailers within five (5) business days
    7. Ship Official Municipal Bags
  - c. Accounting and Funds Management:
    1. Billing Retailers for miscellaneous (non-voucher) orders
    2. Collecting funds from Retailers
    3. Those Retailer Accounts 60 days Past Due will be put on credit hold, unless otherwise notified in writing by the Municipality
    4. Informing Municipality of any Retailers put on a credit hold via monthly reports
    5. Sending notification of Bag Price change to all retailer contacts, approved by Municipality prior to distribution.
    6. Performing management and custodianship of the Deposit Account
2. WasteZero Startup Services and Municipality Requirements: WasteZero will provide the Services in support of the startup timeframe. WasteZero's performance of the Services is dependent on the timely completion of the Municipality's requirements. Municipality acknowledges and agrees that any failure by it to perform its requirements within the applicable timeframes may delay WasteZero's performance. No such delay will be a breach of this Agreement by WasteZero.
3. The Program Start Date will be: On or by April 7, 2014.



4. Program Implementation Schedule:

#	Program Service Activity	Responsible Party		To be completed on or before
		WasteZero	Municipality	
Supplies and communication				
1	Provide feedback on bag type and packaging		<input type="checkbox"/>	January 24,2014
2	Create Retailer letter	<input type="checkbox"/>		January 20, 2014
3	Approve retail letter and identify Municipality representative to accompany WZ project team on in-store Retailer recruitment program		<input type="checkbox"/>	January 24, 2014
Distribution and Retailers				
4	Submit to WasteZero a list of recommended Retailers that Municipality would like to invite to participate in the program		<input type="checkbox"/>	January 21,2014
5	Send letters and collateral to retailers, outlining the retail store distribution	<input type="checkbox"/>		January 24, 2014TBD
6	Deliver initial shipment of Official Municipal Bags to retailers	<input type="checkbox"/>		March 31, 2014
Voucher Development and Distribution				
7	Submit to WasteZero a list of qualified householders to receive vouchers		<input type="checkbox"/>	March 3, 2014
8	Municipality approval of created vouchers with UPC code and related cover letter	<input type="checkbox"/>		February 10, 2014
9	Deliver initial voucher mailing for qualified households to the mailing house	<input type="checkbox"/>		March 20, 2014

5. Municipality Point of Contact:

Name:  
Lee Zirk  
Address: 485 N Poplar Ave., Broken Arrow, OK 74012  
Tele. No.: (918) 259-7000  
Email: lzirk@brokenarrowok.gov

6. WasteZero Program Manager:

Name: Wendy Morgan  
Address: 5180 Horry Drive, Murrells Inlet, SC 29576  
Tele. No.: (843) 299-0352  
Email: wmorgan@wastezero.com

7. The Initial Inventory Target is: 2,850,000 bags

**EXHIBIT D**  
**Retailer Letter Agreement**

Dear Retailer:

On behalf of the City of Broken Arrow, we would like to thank you for your participation in the [Name of City of Broken Arrow's Program] (the "Program") by offering Official Municipal Bags for voucher redemption and retail sale. Your participation is a critical part of making the Program a success. WasteZero looks forward to working with you to provide supplies and services for your retail customers.

WasteZero has an Agreement with the City of Broken Arrow and will provide support to the Program subject to the terms and conditions in that Agreement (the "Retailer Terms"). The Retailer Terms supersede and replace any pre-printed or additional terms that might be included on your purchase order or correspondence. By participating in the Program, you agree to the Retailer Terms and can obtain a complete copy of the Agreement by contacting us.

Among the key Retailer Terms is that you provide Official Municipal Bags of the size and specifications selected by the City of Broken Arrow in exchange for official vouchers that are distributed to eligible residents. You will also be able to order additional Official Municipal Bags and make them available for retail sale at the prices set forth below.

In order to prevent a stock-out of Official Municipal Bags and prevent an inconvenience for your customers, you agree to keep a three (3) week supply of bags on hand. Orders placed by you must be directed to WasteZero and will ordinarily be delivered within five (5) business days of placement. There will be additional order support for the initial month of the program roll out.

## **HOW TO PLACE ORDERS**

You may place bag orders with WasteZero in any one of the following ways:

1. Phone: 1-800-866-3954
2. Fax: 1-843-237-8724
3. E-mail: customerservice@wastezero.com

It is likely you will experience "surge" volumes at the outset of the program as customers acquire an initial supply. Over time, the volume will develop into a typical pattern. We urge you to monitor the product closely during the program's initial weeks and communicate potential stock-out situations to us promptly. WasteZero will provide you reasonable assistance to avoid a stock-out. WasteZero reserves the right to bill you for excess freight charges caused by requests for rush delivery due to failure to place orders on a timely basis.

Upon delivery, you will sign a receipt acknowledging the number and type of bags that were delivered. Your acceptance of the shipment will also reaffirm your agreement to the Retailer Terms.

## **HOW TO ESTIMATE ORDERS**

Municipality's Official Bags are packaged in the following quantities at the following prices to the retailers:

Bag Size	Bags per roll	Rolls per case	Price per roll	Price per case	Bar Code
Black Refuse (30" by 32")	25	16	\$2.65252	\$42.44032	TBD

## HOW TO MAKE PAYMENTS

WasteZero will invoice you for each delivery based on the delivery receipt indicating the number of bags and dollar amount by size on the date of delivery. All invoices billed to you are due and payable, net60 days from date of invoice. You must remit vouchers and cash from retail sales to WasteZero and provide an accurate count of retail sales in payment of the invoice. An invoice becomes overdue on the 61<sup>st</sup> day. On the 75<sup>th</sup> day, WasteZero will apply a credit hold until overdue invoices are paid in full. During a credit hold, WasteZero will not accept new orders and will make no new deliveries.

Please make payment out to: City of Broken Arrow, OK  
Please mail payments to: WasteZero, Inc.  
5180 Horry Dr., Ste. B  
Murrells Inlet, SC 29576

## WARRANTIES

EXCEPT AS EXPRESSLY PROVIDED HEREIN, ALL OFFICIAL MUNICIPAL BAGS AND SERVICES PROVIDED BY WASTEZERO UNDER THIS AGREEMENT ARE PROVIDED "AS-IS" WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WASTEZERO WILL NOT BE LIABLE TO MUNICIPALITY, RETAILER, CUSTOMER OF RETAILER OR END USER FOR ANY SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, TREBLE OR PUNITIVE DAMAGES, OR ANY LOSS OF REVENUES, LOSS OF PROFITS OR LOSS OF REPUTATION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES. THESE LIMITATIONS APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF RECOVERING THESE DAMAGES OR LOSSES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WASTEZERO'S AGGREGATE LIABILITY FOR ANY CLAIMS OR CAUSES OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE MANUFACTURE OR SALE OF PRODUCT OR PROVISION OF SERVICES WILL NOT EXCEED THE TOTAL AMOUNT PAID BY MUNICIPALITY TO WASTEZERO DURING THE SIX MONTH PERIOD PRECEDING THE ACT GIVING RISE TO THE CLAIM FOR DAMAGES.

## RETURNS AND REPLACEMENTS

WasteZero wants Retailers and customers to be completely satisfied with the quality of Official Municipal Bags. Should any Retailer or customer experience a *bona fide* product defect with his or her Official Municipal Bags, WasteZero will replace the defective product at no charge with a product of equivalent specification. Defective products must be returned for inspection. The product defect must be related to the design, manufacture, or supply of the product and not related to Retailer or customer overload, mishandling or misuse. Replacements will be processed at the point of sale. Cash refunds or discounts are not authorized. To obtain appropriate credit, Retailers must return the defective product to WasteZero.

If WasteZero ships a greater quantity of product or product of different specification than product ordered by you, at your election, WasteZero will honor a request for inventory return. Inventory returns must be coordinated with the WasteZero personnel with whom the original order was placed. WasteZero, however, will not bear the cost of correcting errors made by you in placing your order.

WasteZero looks forward to working with you to make the City of Broken Arrow's Program a success. If you have any questions or concerns, please feel free to contact us at 800-866-3954.

Sincerely,  
Customer Service

WasteZero, Inc.

**To Place Orders**

- Phone: 1-800-866-3954
- Fax: 1-843-237-8724
- E-mail: customerservice@wastezero.com

**Timing of Orders**

- You may place orders on any business day.
- Delivery will be made within five (5) business days.
- Keep a 3 week supply on hand.
- Rush orders will be billed excess freight.

**To Make Payments**

- Make payment out to: WasteZero, Inc.
- Mail payment to: WasteZero, Inc.  
5180 Horry Dr., Ste. B  
Murrells Inlet, SC 29576

**Bag Order  
Quick  
Reference  
Sheet**

**WasteZero  
Customer  
Service:  
1-800-866-3954**



## **EXHIBIT E**

### **Retailer Credit Policy and Procedures**

WasteZero will invoice the Retailer for each delivery based on the delivery receipt indicating the number of bags and dollar amount by size sold to the Retailer on the date of delivery. All invoices billed to Retailers are due and payable, net sixty (60) days from date of invoice. Invoices may be paid by remitting vouchers and cash from retail sales.

WasteZero will use reasonable and customary efforts to collect all outstanding balances owed by Retailers. Outstanding balances not paid with redeemed vouchers must be paid in cash.

- In the event that the Retailer does not pay within terms, when the Retailer calls in an additional order, WasteZero will verbally remind the Retailer of the past due balances and ask for prompt payment. The Retailer will also be reminded that their account will be placed on hold when it becomes seventy-five (75) days past the date of invoice (or 15 days past due).
- If an invoice becomes seventy-five (75) days past the date of invoice (or fifteen (15) days past due), WasteZero will place the Retailer's account on hold, will not accept new orders from that Retailer, and will make no new deliveries to that Retailer until all invoices seventy-five (75) days past the date of invoice (or fifteen (15) days past due) are paid in full. WasteZero will then remove the hold on the account, resume accepting new orders and deliver bags to the Retailer.
- In the event invoices become sixty (60) days past the date of invoice (or thirty (30) days past due):
  - No new orders will be accepted or deliveries made to the delinquent Retailer account in the future.
  - WasteZero will reserve the right to take any actions, subject to the direction of the City of Broken Arrow, available to it to collect on the delinquent account

### **WasteZero Return and Replacement Policy**

WasteZero wants Retailers and customers to be completely satisfied with the quality of Official Municipal Bags. Should any Retailer or customer experience a *bona fide* product defect with his or her Official Municipal Bags, WasteZero will replace the defective product at no charge with a product of equivalent specification. Defective products must be returned for inspection. The product defect must be related to the design, manufacture, or supply of the product and not related to Retailer or customer overload, mishandling or misuse. Replacements will be processed at the point of sale. Cash refunds or discounts are not authorized. To obtain appropriate credit, Retailers must return the defective product to WasteZero.

If WasteZero ships a greater quantity of product or product of different specification than product ordered by Retailer, at Retailer's election, WasteZero will honor a request for inventory return. Inventory returns must be coordinated with the WasteZero personnel with whom the original order was placed. WasteZero, however, will not bear the cost of correcting errors made by Retailers in their order placements.

Please Note: WasteZero does not give exchanges for Official Municipal Bags purchased through unauthorized Retailers or individuals.