

AGREEMENT FOR DEBRIS REMOVAL AND DISPOSAL

This agreement made and entered into this 18th day of November, 2011, by and between Controlled Environmental Solutions, Inc., hereafter called (CES) and the City of Morrilton, Conway County, Arkansas, hereafter called (City and/or Client),
WITNESSETH:

WHEREAS, CES is engaged in the business of Asbestos Abatement, Demolition and debris removal; and

WHEREAS, CES and City now desire to enter into certain agreement for the removal of all debris from property located in eth 100 Block of East Broadway, Morrilton, Conway County, Arkansas;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, The parties hereby agree as follows:

1. PROJECT SCOPE OF WORK. For the maximum contract price of \$68,505.00 as described more specifically herein, CES agrees to provide to City all labor, supervision, equipment, and materials to perform the proper clean up of the collapsed building sites located in the 100 Block of East Broadway, formerly known as 101 East Broadway and 103 East Broadway, Morrilton, Conway County, Arkansas. CES shall properly send notification of said work (via NOI) to ADEQ. CES shall provide proper handling, packaging, manifesting and hauling of debris. City agrees that CES shall be responsible for disposal of debris at City of Morrilton Landfill with all fees associated therewith not to exceed \$20,000.00. CES shall provide Project Design and Monitoring as may be required. All work will be performed as per ADEQ, NESHAP and EPA regulations,

2. GENERAL PROPOSAL CONDITIONS. General Proposal Conditions shall be as follows:

- A. The Owner shall supply all required utilities and water to the work site.
- B. CES has included any independent third party air monitoring as may be required.
- C. CES has included project design as may be required by State Regulations.
- D. CES shall obtain and hold in good standing workman's compensation, general liability, and auto insurance for the duration of this project, and furnish said Accord to the City prior to commencement of this project.
- E. CES will take every precaution to minimize damages which may result from the clean up activity, however, the parties understand that some damages may occur to the sidewalks and/or surrounding areas. The City will hold harmless CES and indemnify CES against any such damages. However, in no event shall the foregoing hold harmless and indemnification provision apply if such damages is the result of negligent conduct on the part of CES.
- F. CES shall pay all cost associated with disposal of all debris. Asbestos as well as construction debris shall be disposed of at City of Morrilton Landfill. The City agrees to charge no more than \$20,000.00 in fees for said disposal, inclusive of any costs necessitated to consummate said disposal.
- G. It is understood and is fact that the City is the legal owner of all property on which services are to be performed.
- H. It is understood that party walls against existing buildings will remain as is, subject the provisions otherwise set forth herein. Concrete slabs are also to remain.
- I. The parties agree that the contract price reflected herein does not include Performance and Payment Bonds. Bonds can be provided upon request at an additional cost of 3% of total contract price.
- J. City represents that, as a material term of this contract, City shall provide for all reasonable, necessary, and appropriate traffic control and signage related to the performance of this contract by CES, and shall indemnify and hold harmless CES against claims resulting in a failure on the part of the City to do so.

3. PAYMENT TERMS. An application for Payment (Invoice) shall be submitted upon project commencement, this payment application shall be submitted covering cost associated with mobilization to the project site, as well as

insurance fees, bonding fees, etc. Final application will be submitted upon project completion. Final payment shall be due upon receipt. City shall notify CES within five (5) days of receipt of invoices concerning any disputed amounts, otherwise all charges will be deemed agreed to and acceptable to City. City agrees to pay interest at the maximum amount allowed by law on all accounts 30 days past due. Any collection cost will be assessed to the City, which City agrees to pay, including but not limited to court cost and attorney fees. Any payment terms other than described above must be agreed upon by City and CES in writing prior to project commencement and made part of this agreement,

4. DEMOLITION FEES. The parties agree that the demolition fees shall be \$48,505.00 for performance of contract and disposal cost shall be up to but not exceeding \$20,000.00, for a total maximum contract price of \$68,505.00

5. All work shall be performed in accordance with all drawings and specifications submitted for such work and shall be completed in accordance with the above general conditions and the Terms and Conditions for Environmental Services Agreement which are attached hereto as Exhibit A and incorporated herein by reference as if set forth word for word. This Contract, including Exhibit A, is comprised of 7 ("Seven") numbered pages.

IN WITNESS WHEREOF, this 18th day of November, 2011.

CONTROLLED ENVIRONMENTAL SOLUTIONS, INC.

By Jay Sutterfield
Jay Sutterfield, President

CITY OF MORRILTON, ARKANSAS

By Stewart P. Nelson
Stewart P. Nelson, Mayor

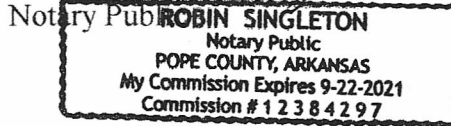
STATE OF ARKANSAS
COUNTY OF POPE

ACKNOWLEDGMENT

On this 18 day of Nov, 2011 before a Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named JAY SUTTERFIELD to me well known, who stated that he is the President of Controlled Environmental Solutions, Inc., an Arkansas Corporation, and is duly authorized in said capacity to execute the foregoing Agreement in the name and behalf of the said corporation.

INTESTIMONY WHEREOF, I have hereunto set my hand and official seal this 18 day of Nov, 2011.

Robin Singleton



My Commission Expires:
9-22-2021

STATE OF ARKANSAS
COUNTY OF CONWAY

ACKNOWLEDGMENT

On this ___ day of ___ 2011, before a Notary Public duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named _____ to me personally well known, who stated that he is the Mayor of the City of Morrilton, Conway County, Arkansas and is duly authorized in said capacity to execute the foregoing Agreement in the name and behalf of the said City.

INTESTIMONY WHEREOF, I have hereunto set my hand and official seal this ___ day of ___, 2011.

Notary Public

My Commission Expires:

EXHIBIT A

TERMS AND CONDITIONS OF ENVIRONMENTAL SERVICES AGREEMENT

These terms and conditions are a part of and are incorporated into the attached Agreement for Debris Removal and Disposal by and between Controlled Environmental Solutions, Inc. (CES) and the City of Morrilton, Arkansas hereafter referred to as "Client."

Insurance: CESI maintains Workers Compensation and General Liability Insurance in conformance with all applicable State Law. Certificates of Insurance evidencing such coverage will be provided, if requested. In the event Client request CES to name any additional insured on CES's General Liability or other insurance policies, Client agrees to pay an increased premium charge to CES for such endorsement.

Standard of Care and Warranties: The service will be performed for the benefit of the Client. The services conducted by CES will be performed in a reasonable and prudent manner in accordance with generally accepted industry standards in effect at the time and place of the work. Client acknowledges that the maximum price agreed to herein is based upon the information provided to CES in the applicable request for proposals and such other written representations as may exist from Client related to the subject work. In the event such information proves to be inaccurate and such inaccuracy necessitates an increase in labor and/or material costs to complete the subject job, Client agrees to be responsible for such increases and compensate CES for the same. except as set forth herein, CES makes no other represent on, guarantee, or warranty, express or implied, in fact or by law, whether of merchantability, fitness for particular purpose or otherwise concerning any of the services or documents which may be furnished by CES to Client.

Limitation on the Scope of Services: Client acknowledges that CES has not arranged for or participated in generating treating, storing or disposing of hazardous or toxic substances, pollutants and contaminants or other waste materials which may be present at the site of CES's work. Any waste materials generated by or connected with CES's services shall at no time become the property of CES. Nothing herein shall require CES to assume the status of a generator, transporter or a storage treatment or disposal as those terms are defined by any State, Federal, Local statute or regulation governing the generation, treatment, storage or disposal of hazardous waste or solid waste. Ifr CES's services include the transportation of waste materials from the site, CES may evaluate and recommend possible disposal sites for Client's use. Client acknowledges that CES does not accept ownership, title, or responsibility of Client's waste or responsibility for the disposal of any waste materials. Client agrees to be solely responsible therefore. Arrangements made by CES for treatment, storage, transport or disposal of any waste materials shall be construed as being made solely for Client's benefit and Client shall indemnify, defend and hold harmless CES against all claims, damages, losses, liability, civil penalties, fines and expenses, including but not limited to attorney's fees, which arise therefrom.

Limitations of CES's Liability to Client: Except for circumstances caused by the willful misconduct of CES, all claims for damages asserted against CES by Client, including claims asserted against CES's directors, officers, shareholders, employees and agents shall be limited to the total sum

to be paid CES under this contract. CES is not responsible for any special, incidental, indirect, or consequential damages (including loss of profits or business interruption) incurred by Client as a result of CES's performance or nonperformance of services. Any claim shall be deemed waived unless made by Client in writing and received by CES within one (1) year after completion of the services.

Clients Indemnification: Client shall indemnify and hold harmless CES, and its shareholders, directors, officers, employees and agents against all losses, damages, claims or causes of action, and all costs incidental thereto (including but not limited to any person, damage (including loss or use (to any property, or contamination of or adverse effects on the environment, arising out of or which are in any way caused or contributed to be caused by (1) any release or threatened release of waste materials or any other activity relating to the waste materials (2) the negligent acts of omissions of Client, Client employees, agents and subcontractors, or (3) Client's breach of this agreement.

Right of Entry: Client will furnish right-of-way onto the property for CES, its employees, agents and subcontractors to perform the services called for under this agreement and Client represents that it has obtained the needed permits and licenses for the work. CES will take reasonable precautions to minimize damages, which may result. If Client desires CES to restore the property to its approximate former condition, Client shall so notify CES in writing. CES will perform the restoration work and Client agrees to pay CES the cost incurred for such work, plus 20% in addition to the fees provided in the agreement.

Safety: Work will be performed only under safe conditions. CES has the right to discontinue or terminate operations if, in its sole discretion, such discontinuance or termination is necessary for safety and or health reasons. CES shall be entitled to payment for all actual cost incurred as a result of work stoppage for safety reasons.

Force Majeure: Neither party shall be responsible for damages caused by Force Majeure or other events beyond the control of the other party and which could not reasonably have been anticipated or prevented. For purposes of this agreement, force majeure includes, but not limited to adverse weather conditions, floods, epidemics, war riot, strikes, lockouts and other industrial disturbances: unknown site conditions, accidents, sabotage, fire, loss or failure to obtain permits, unavailability of labor, materials, fuel or services, court orders, acts of God, acts, orders laws or regulations of the Government of the United States, other country or government agencies. Should a force majeure event occur, the parties shall mutually agree to terms and conditions upon which the services may be continued, and any deadlines for performance by CES shall be reasonably extended.

Utilities: Client agrees to disclose and locate all utilities serving the project site and the presence and accurate location of hidden or obscure objects, including tanks and piping relative to the services. Client agrees to indemnify, defend and hold harmless CES from all claims, suits, loses, personal injuries, death or property damage resulting from damage or injury to subsurface structures of objects (pipes, tanks, telephone cables, etc.) arising from the performance of CES's services when the existence of such are not called to CES's attention in writing or the locations are not properly and correctly shown on any plans furnished to CES or marked at the site.

Governing Law and Adjudication: This contract shall be governed by, construed and interpreted in accordance with the laws of the State of Arkansas, and sole venue for any action seeking the enforcement, interpretation, or imposition of damages for breach under this Contract shall lie in Pope County, Arkansas. In any legal proceeding between the parties regarding this agreement, the prevailing party shall be entitled to recover its costs and attorneys fees from the other party.

Permit Assistance: Client shall assist CES in obtaining the necessary government permits

and/or approvals required for the performance of the services. CES's obligation hereunder are specifically subject to issuance of permits and approvals, deadlines on CES's work shall be extended for any delays in the issuance of permits necessary for the work.

Termination and Suspension of Work: This agreement may be terminated by either party, with or without cause, upon thirty (30) day written notice to the other party. Irrespective of which party terminates or the cause (or lack of cause) therefore, Client shall within ten (10) days of termination compensate CES for all fees earned and cost incurred up to the time of termination, as well as those cost associated with termination and post-termination activities such as demobilization, modifying schedules, reassigning personnel, decontaminating and or disposing of equipment, or disposal and replacement of contaminated consumables. At any time after the total compensation payable to CES under this agreement exceeds \$10,000.00 CES shall have the right to suspend further performance of the services until Client and CES have executed a more comprehensive contract. Either party may suspend performance immediately upon becoming aware of a breach of the terms of this agreement by the other party, and shall thereupon provide written notice of its intention to terminate. In the event CES determines there may be reasonable risk that CES's invoices may not be paid on a timely basis, CES may suspend its services and/or retain any reports or other information until Client provides CES with adequate assurances of payment. The filing of a voluntary or involuntary bankruptcy petition, appointment of a receiver, assignment for the benefit of creditors or other similar act of insolvency by either party shall constitute a breach of the agreement.

Entire Agreement: This agreement constitutes the entire agreement between the parties and supersedes any and all prior written or oral arguments existing between the parties. This agreement may be amended only by written instrument signed by each party.

Precedence: This agreement shall take precedence over any inconsistent or contradictory provisions contained in any Client issue purchase order, requisition, notice to proceed, or like document regarding the services.

Survival: All obligations arising prior to termination of this agreement and all provisions of this agreement providing indemnity or allocating responsibility or liability between Client and CES shall survive the completion of the services hereunder and the termination of this agreement.

Independent Contractor. CES is an independent contractor and not an employee, agent, representative or joint venture of Client. Client is interested only in the results achieved by the services of CES; CES shall determine the time, manner, means, and methods of doing work. Client is not responsible for deducting and shall not deduct from payments to CES any amounts for withholding tax, FICA, insurance or similar items relating to CES, its employees or subcontractors.

Severability. If any portion of this agreement is determined to be unenforceable or invalid by the court of competent jurisdiction, the remaining provisions shall remain in full effect and force and be binding on both parties. In the event any provisions are deemed unenforceable or invalid, the parties agree to revise the agreement to replace such provisions with valid and enforceable provisions that as closely as possible express the intention of the stricken provisions. These terms and conditions shall survive the completion of the services under this agreement and the termination of the agreement for any cause.

Binding Effect: This agreement shall be binding upon the parties hereto and upon their respective heirs, personal representatives, successors and permitted assigns.

Assignment: The obligations of each party hereunder may not be assigned without prior written consent of the other party.

Amendment: This agreement may not be modified except by a writing signed by each party.