INTERSTATE WASTE SERVICES

Town of Blooming Grove

Response to Request for Proposal

For

Garbage Collection Contract

Submitted by:
Interstate Waste Services, Inc.
89 Black Meadow Road
Chester, NY 10918

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November 3, 2017

TOWN OF BLOOMING GROVE
NOTICE TO BIDDERS
GARBAGE COLLECTION CONTRACT

NOTICE IS HEREBY GIVEN that sealed bids for: Garbage and Refuse Collection Contract, hereinafter (Bid Item), will be received by the Town of Blooming Grove at the office of the Town Clerk, 6 Horton Road, Blooming Grove, New York 10914, until 11:00 o'clock AM on November 3, 2017, and then be publicly opened and read aloud.

Copies of the Information for Bidders, Bid Proposal Form, and Specifications may be obtained at the Office of the Town Clerk. Bids must be submitted on official forms and in sealed envelopes at the above address and shall bear on the face thereof the name and address of the bidder, designation of the Bid Item exactly as specified above and "Town of Blooming Grove".

The Town reserves the right to reject any and/or all bids and/or to re-advertise for new bids. Bids shall be awarded in accordance with General Municipal Law §103.

Dated: October 18, 2017

BY ORDER OF THE TOWN BOARD
DARLENA E. DECKER, TOWN CLERK

TOWN OF BLOOMING GROVE
GARBAGE, REFUSE, AND RECYCLABLE COLLECTION BIDS
SUMMARY

The Town Board of the Town of Blooming Grove, County of Orange, New York, invites the submission of sealed bids for garbage and refuse collection from all single-family and two-family residences in the Town of Blooming Grove, including the Village of Washingtonville and Village of South Blooming Grove (the "Town"), but excluding the existing Mt. Lodge Garbage District. This contract includes condominiums, such as the Rolling Hills condominium, but does not include multiple dwelling apartments. Each bidder must submit alternative bids as follows:

Alternative 1: Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will be adjusted accordingly. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection. Bulk items shall be collected from April 1 through December 31 of each contract year. Each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection.

Alternative 2: Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will not be adjusted. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection. Bulk items shall be collected from April 1 through December 31 of each contract year. Each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection.

Alternative 3: Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will be adjusted accordingly. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection two (2) times during the contract year (spring/fall, date to be determined by Town).

Alternative 4: Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will not be adjusted. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection two (2) times during the contract year (spring/fall, date to be determined by Town).

Bidders must submit prices for all Alternatives.

Bids must be submitted as the price per dwelling unit per month.

For informational purposes only, there are approximately 4,895 single-family dwelling units and 110 two-family dwellings (220 units) in the Town.

The Mt. Lodge Garbage District is excluded from this contract. This District comprises Town Tax Map sections 22-37, as generally shown on the annexed map.

The Contractor must comply with all laws, rules and regulations governing solid waste collection, transport, disposal and all related matters.

The initial term of the contract commences January 1, 2018, and ends on December 31, 2018. The contract contains four (4) option years at the Town's sole option. Bids must be submitted for each of the five (5) years. Specifications and other contract/bid documents are attached.

INFORMATION FOR BIDDERS
REQUIREMENTS OF BID AND DELIVERY

ALL BIDS MUST BE SUBMITTED ON THE FORMS ANNEXED HERETO AND IN ACCORDANCE WITH PROVISIONS CONTAINED HEREIN.

1. Receipt and Opening of Bid.

The **TOWN OF BLOOMING GROVE** invites bids for the "Bid Item" specified in the ***"Notice to Bidders"*** as detailed in the specifications attached hereto. Bids will be received at the office of the Clerk until the time stated in the Notice to Bidders, and then at said place will be publicly opened and read aloud. Bids received after the specified time will not be considered. A bid may be withdrawn prior to the specified time for public opening. No bid may be withdrawn after the time set for public opening.

2. Preparation of Bid.

a. **Sealed envelope.** Each bid shall be submitted in a sealed envelope. The envelope shall have the following information on the outside:

(1). Bid for: Garbage and Refuse Collection
Town of Blooming Grove.

(2). The name and address of the bidder. Bids which are forwarded by mail must be enclosed in another envelope addressed as follows:

Town of Blooming Grove **6 Horton Road, P. O. Box 358** **Blooming Grove, NY 10914**	**Proposal for: Garbage and Refuse Collection**

b. **Bid Proposal.** All blank spaces on the bid proposal form must be filled in. Prices must be specified in both words and figures. Bid proposals must be signed by the bidder and properly acknowledged as specified on the form. Proposals which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations, ambiguities or irregularities of any kind may be rejected as informal.

c. **Non-Collusion Certification.** Each bid must be accompanied by a non-collusion certification as required by General Municipal Law Section 103-d. The certification shall be signed by the bidder. A copy of non-collusion certification is annexed hereto.

d. **Bid Security.** Each bid must be accompanied by bid security in the form of a bid bond or certified or cashiers check payable to the Town in the amount set forth in the Specifications. Bid securities will be returned within seven (7) days after opening of the bids, to all Bidders except the three Bidders the Town believes to have a reasonable chance of receiving the award if the bid, and the remaining securities will be returned to the unsuccessful bidders within 45 days of the bid opening. If the successful bidder abandons the

e. bid by failing to timely perform the requirements of the bid, including execution of any agreements and/or failure to post any required performance bonds, the bid security will be forfeited to and retained by the Town. In addition, the Town shall be entitled to liquidated damages of the difference between the forfeited security and the additional cost to the Town by reason of the abandonment.

Bid Checklist.

(1).	Sealed envelope properly labeled	(x)
(2).	Bid proposal form	(x)
(3).	Non-collusion certification	(x)
(4).	Bid Security- Bond or certified check	(x)

3. Addenda and Interpretation.

No interpretation of the meaning of the specifications or other pre-bid documents will be made to any bidder orally. Every request for such interpretations should be in writing addressed to the Clerk of the Town of Blooming Grove, 6 Horton Road, P. O. Box 358, Blooming Grove, New York 10914, and to be given consideration must be received at least five (5) days prior to the date fixed for the opening bids. Any and all such interpretations and any supplemental instructions will be in the form of a written addendum to the specifications which, if issued, will be mailed by certified mail with return receipt requested to all prospective bidders (at respective addresses furnished for such purposes), not later than three (3) days prior to the date fixed for the opening of bids. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his bid submitted. Any addenda so issued shall become part of the contract documents.

4. Deviations from Specifications.

Minor deviations from specifications need not be specified. Major differences or variances from specifications shall be listed separately from the proposal, and enclosed with the proposal and made a part hereof.

5. Duration of Bid.

Prices and bids shall remain firm and effective for at least forty-five (45) days from date of opening of bids.

6. Performance Bond.

A performance bond is required. Please check the General Requirements or Specifications for details.

7. **Bid Price.**

The prices quoted are to include the complete cost of the work or items bid including all charges, taxes, and all other incidental charges. It is expressly called to the bidders attention that bids are to be complete in all respects as regards materials, equipment or work to be furnished under this contract, and that no extras of any kind be allowed.

8. **Taxes.**

The bid price shall not include any excise, sales or other taxes from which the Town is exempt.

9. **Qualifications of Bidders.**

Bidders must have appropriate experience or acquired knowledge in or about servicing the Town residents with garbage and refuse collection services. The Town may make such investigations as it deems necessary to determine the ability of the bidder to perform the work or supply the items, and the bidder shall furnish the Town all such information and data for this purpose as the Town may request. The Town reserves the right to reject any bid if the evidence submitted by or investigation of, such bidders fails to satisfy the Town that such bidder is properly qualified to carry out the obligations of the contract or supply the items, and to complete the work contemplated therein. Conditional bids will not be accepted.

The bidder shall submit with its bid proposal to Town the following:

a. A brief explanation of bidder's technical qualifications to complete the scope of work outlined in the RFP.

b. The organization, material, equipment, facilities, and personnel resources and expertise (or the ability to obtain them) necessary to carry out the work and to comply with the delivery or performance schedules set out in the RFP taking into consideration other business commitments.

c. Documents demonstrating a satisfactory record of performance and business integrity.

d. Name, address, telephone number and qualifications of all persons who will perform the terms and conditions of the contract.

e. Audited annual financial statements, or equivalent, to demonstrate financial stability satisfactory to the Town.

f. All relevant experience, including the names and contact information of 3 to 5 municipal clients as references and the length of time of client relationship.

g. Upon request of the Town Board, the bidder shall allow authorized representatives of the Town full and free access to bidder's garages and permit inspections of the equipment and vehicles used in performance of the work.

10. Statement of Equality.

Reference made to trade means, manufacturers names, minute details and/or methods of manufacture, including material specifications and/or model numbers in the specification affixed hereto is merely intended to indicate a standard of excellence and/or to more suitably detail and explain the type of product desired. Variations from specifications which do not materially affect the operational capability, the ease of maintenance, the physical ability to fit into space availability, the long time operational economies and/or spare parts stock and/or procurement shall not preclude the products of and/or all manufacturers from being given due consideration in respect to the award of the contract. The Town reserves the right to approve all proposed "equals".

11. Town's Reservation of Rights.

The contract will be awarded to the lowest responsible bidder furnishing the required security, subject, however, to Chapter 5 of the Town Code, titled "Best-Value Contracts". The Town reserves the right to select the bid proposal, or any separate part thereof if separable, the acceptance of which will best serve the interest of the Town or to reject any and all bids and to readvertise for bids. The Town specifically reserves the right to waive any informalities in the bids tendered.

12. The Town reserves the unqualified right, in its sole and absolute discretion, to reject all bid proposals, to undertake discussions and modifications with one or more of the bidders and to proceed with a bid proposal or modified proposal, if any, which in its judgment will under all circumstances serve the public interest. **Selection Criteria**

The town will use the following criteria, in on order of importance, as a guideline to review each proposal, if appropriate, to select a Contracting Vendor:

- Bidder's demonstrated experience to carry out its proposal;
- Bidder's financial strength;
- A satisfactory record of performance and business integrity, including compliance with prevailing wage laws;
- Potential financial benefit to the Town based on a cost/benefit analysis of the proposal; and
- The level of detail and credibility of the Proposal, including evaluation of key personnel who will be carrying out the scope of work.

NOTE: Other requirements are found in the Specifications annexed hereto.

TOWN OF BLOOMING GROVE
BID SPECIFICATIONS FOR
GARBAGE AND REFUSE COLLECTION CONTRACT

1. The Town of Blooming Grove is accepting bids for a garbage collection and disposal contract for the Town's Garbage District No. 2. This service area comprises the entire Town (including the Villages of Washingtonville and South Blooming Grove), but excluding the Mt. Lodge Park area. This is a multi-year contract. The initial term shall be for one year (Year 1), commencing on January 1, 2018, and ending on December 31, 2018. The contract may be extended annually at the Town's sole option for one (1) to four (4) additional one-year terms (Years 2, 3, 4 and 5.) The Town will endeavor to give written notice of a contract extension forty-five (45) days prior to the end of the then-current term.

The bidder must submit a price for Year 1, Year 2, Year 3, Year 4 and Year 5.

2. **Alternative 1.** Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will be adjusted accordingly. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection. Bulk items shall be collected from April 1 through December 31 of each contract year. Each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection.

Alternative 2. Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will not be adjusted. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection. Bulk items shall be collected from April 1 through December 31 of each contract year. Each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection.

Alternative 3. Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will be adjusted accordingly. This Alternative shall include once weekly recyclables collection on the same day as the regular gabage collection and shall also include bulk items collection two (2) times during the contract year (spring and fall, dates to be determined by Town).

Alternative 4. Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will not be adjusted. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection two (2) times during the contract year (spring and fall, dates to be determined by Town).

The bidder must submit a price for **all Alternatives.**

In order for the Town to properly evaluate **Alternatives 1 and 3** bids, each bidder shall submit with its bid the bidder's itemized estimates of the weight in tons of: (a) refuse, garbage and recyclables; and (b) bulk items collected in the Town, and shall submit its actual tipping fees per ton, together with its landfill disposal agreement(s). Said weight estimates may be amended at any time by the Contractor, provided the Contractor supplies reasons to the Town to support such amendment. The Contractor's estimate must be approved by the Town and such approved estimate, or actual weights, if required by the Town, will be used by the parties to calculate any adjustment in contract price due to a change in tipping fees. The Contractor is required to provide documented evidence of any change in tipping fees and, in the event of an increase in tipping fees, the Contractor must provide documented evidence of its efforts to locate an alternative disposal site. Any increase in tipping fees for which the Town is responsible to pay shall not exceed the increase in fees incurred by the Contractor. If tipping fees decrease, the Contractor is required to notify the Town in writing immediately.

3. Each bid shall be accompanied by a certified check or bid bond from a domestic carrier licensed to do business in the State of New York in an amount not less than $100,000.

4. The successful bidder shall be required to provide to the Town prior to the execution of the contract a performance bond in the form of a certified check, letter of credit or surety bond issued by a domestic carrier licensed to do business in the State of New York. Said bond must be approved by the Town. The performance bond amount and term must be in an amount of 50% of the Year 1 total bid price and must secure performance for Year 1, provided that a new or amended performance bond is provided annually to secure performance for the following contract year in an amount of 50% of the following year's contract price, which bond shall be provided to the Town at least 30 days prior to commencement of the following contract year.

5. The bidder shall have at least two (2) years of business experience in the field of garbage collection and removal.

6. If the successful bidder to whom a contract has been awarded fails to furnish the required proof of insurance coverage or performance bond, or to execute the contract as required by these specifications, such failure shall be sufficient cause to annul the resolution awarding the contract, whereupon the bid bond shall be forfeited to and become the property of the Town of Blooming Grove as liquidated damages and not a penalty. In addition, the Town shall be entitled to recover as damages the difference between the forfeited security and all additional costs, to the Town, including reasonable attorney's fees, arising or resulting from any such failure.

7. The contract is attached to the bidding documents. The terms set forth therein are part of the bidding documents. Execution of the contract by the successful bidder is a formality, it being understood and agreed that the bid and award of bid constitute a contract.

8. The successful bidder shall be prepared to, and agrees to, commence collection on January 1, 2018, unless otherwise agreed by the parties.

SCOPE OF WORK

1. **Collection and Disposal Required.** The Contractor agrees to properly collect and remove, transport and dispose garbage, refuse, recyclables and bulk items at the frequency set forth in this contract. The Contractor shall collect from the side of the roadway all such materials packaged in accordance with County and Town regulations. The successful bidder shall provide one (1) 95-gallon toter for garbage and one (1) 95-gallon toter for recycling per dwelling unit. The Contractor's monthly invoice shall include a unit cost per toter and an estimated monthly gross wieght per toter.

Any additional toter collected per dwelling unit by Contractor shall be at the Contractor's expense.

2. **Responsibility of Contractor for excess toters.** In no event shall the cost of providing and collecting additional toters in excess of the two (2) 95-gallon toters identified in item #1 be passed on to the Town ("excess toters"). All tipping fees associated with excess toters shall also be the sole responsilibity of the Contractor. The Contractor may contract with individual residents separately for such services but in no event shall the Town be a party to or responsible in any way for such additional services.

3. **Contractor reporting.** The Contractor shall provide the Town with an accounting of the gross weight of all refuse collected pursuant to this Agreement in such form and frequency as determined by the Town Board. To ensure that any cost for collection and disposal of refuse from "excess toters" is not charged to the Town, the report shall separately identify the accumulated gross weight of all "excess toters" refuse collected, if any.

4. **Collection From All Roads.** The Contractor shall collect such materials from residences which front upon or have driveway access to all roadways in the Town, including private roads. Each bidder is responsible for familiarizing itself with the location of all roadways and residences.

5. **Labor and Equipment.** The successful bidder shall furnish and properly maintain at its own expense and without liability to the Town, all labor, equipment, vehicles, tools, materials and transportation necessary and proper to provide an adequate and uninterrupted garbage collection service during the contract term in accordance with all terms, conditions, and requirements set forth.

6. **Days of Collection.** The day(s) of collection garbage and recyclables shall be mutually agreed by the parties upon award of the contract. No collection shall be made on Saturdays or Sundays.

7. **Time of Collection.** Collection shall start not earlier than 6:00 A.M. and shall be completed by 6:00 P.M. each day, unless express permission is given by the Town for a later hour. No garbage trucks shall enter the Town's streets for collection prior to 6:00 A.M.

8. **Recycled Materials Collection.** Materials designated to be recycled by the County of Orange and other applicable regulations shall be collected once (1) per week in accordance with applicable regulations. Recyclables collection shall be on the same day as garbage collection at no additional cost.

9. **Holidays.** No collection shall be made on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. In the event the mandatory collection day falls on a national holiday, collection shall take place the following day. The Contractor shall provide the Town with a list of said national holidays at the time of delivery of the contract.

10. **Notice of No or Late Collection.** If for any other reason the Contractor cannot collect or will be late collecting on any day, he shall notify the office of the Receiver of Taxes immediately. This provision shall in no way be interpreted to allow any change in collection days, but is included to impose a duty on the Contractor to keep the Town promptly informed if changes resulting from matters, such as inclement weather, beyond the Contractor's control.

11. **Collection of Bulk Refuse.** The Contractor shall pick up from residences and properly dispose all large bulk refuse at no additional charge. Based on Alternatives 1 and 2, from April 1 through December 31 of each year, each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection. Based on Alternatives 3 and 4, collection shall include bulk items collection two (2) times during the contract year. The Contractor shall collect materials such as, but not limited to, refrigerators, washing machines, clothes dryers, stoves, hot water boilers, baby carriages, furniture and other household items from all residences served under this contract. The collection of such items shall be made in accordance with all applicable rules and regulations.

12. **Due Care.** The Contractor must use due care in collection and disposal of garbage and refuse, both in handling receptacles and in transportation of said materials. The Contractor shall place all garbage cans back into a garbage can enclosure where provided. The Contractor shall not leave any garbage cans in the road. The Contractor is responsible for all damage to receptacles and enclosures and must clean up all spilled materials or scattered papers or other materials caused by carelessness on the part of the Contractor's employees in handling the materials or caused by the discharge of any materials from trucks during transportation. The Contractor must instruct his employees to be courteous at all times while performing the work. Any differences arising between the Contractor or his employees and the residents of the Town must be settled satisfactorily by the Contractor. Any such difference or dispute concerning performance of the work not satisfactorily resolved shall be decided by the Town and that decision shall be binding. Work shall continue notwithstanding such dispute.

13. **Vehicles of Contractor.** The successful bidder shall submit a statement with the proposal showing the number, make and capacity of trucks to be used in the performance of the work. All vehicles shall be watertight and shall

be so constructed that materials shall not fall on the highways. Covers shall be provided so that materials shall not blow or fall from the vehicles and such vehicles shall be kept covered. The vehicles shall be kept washed and disinfected daily, and shall at all times be subject to the approval of the Orange County Department of Health, New York State Department of Health or any other regulatory agency. The Town Board reserves the right to prohibit the use of any vehicle in the performance of the services that, in the opinion of the Town Board, is not suitable or properly maintained for transportation of the materials contemplated herein. All trucks shall be numbered and shall have the name of the collector and truck number on both sides of the truck, in letter at least four (4) inches in size.

14. **Transportation of Materials Collected.** The successful bidder shall transport all materials in accordance with law and so as to prevent odors or the dropping of any such matter upon streets, private property, or public places. The Contractor shall load all material directly onto the truck; leave all places clean afer collecting and loading; and shall be responsible for any spillage while collecting, loading; or transporting the same.

15. **Disposal of Materials.** The Contractor shall dispose of all materials collected at a permitted and lawful disposal site and shall comply with all laws, regulations and rules concerning the disposal of solid waste.

16. **Payment.** Payment will be made to the Contractor on a monthly basis, based on the bid price and payable not later than the fifteenth day of each month for the preceding month's work upon approval of a voucher submitted on the first day of the month in which payment is sought.

17. **Inspection.** The Town Board shall have the right to appoint or designate inspectors for the purpose of ascertaining whether or not the Contractor is performing the terms of this contract and the Contractor shall allow the inspectors free access to any and all equipment of the Contractor at all times.

18. **Disposal Information.** The Contractor shall provide to the Town within five (5) days of the Town's, or its designee's, request any and all information and documents pertaining to the materials collected, the disposal site, and tipping fees.

19. **Laws and Permits.** The Contractor, subcontractors, or any person acting on their behalf shall strictly comply with all Federal, State and local laws, including but not limited to the provisions of the Labor Laws of the State of New York applicable to the employment of labor in the performance of the contract. Prevailing wages shall be paid, if applicable. The Contractor shall procure and maintain, at its own expense, any licenses or permits necessary and shall pay any and all license fees or charges.

20. **Disputes.** In case of a dispute between the Town and the Contractor, work shall continue until the dispute is resolved, or in the event the dispute cannot be resolved, work shall continue until the matter is finally adjudicated by a court.

21. **Non-Discrimination.**

a. In the hiring of employees for the performance of work under this contract or any
subcontract hereunder, no Contractor, subcontractor, or any person acting on behalf of such Contractor or subcontractor, shall by reason of race, creed, color, age, gender or national origin discriminate against any person who is qualified and available to perform the work to which the employment relates.

b. No Contractor, subcontractor, or any person acting on their behalf shall, in any manner, discriminate against any employee hired for the performance of work under this contract on account of race, creed, color, age, gender or national origin.

c. The contract may be canceled or terminated by the Town Board upon sixty (60) days written notice and all monies due or to become due thereunder may be forfeited for a second or any subsequent violation of the terms or conditions of the non-discriminatory section of the contract.

22. **Behavior of Employees.** It is the intent of these specifications to provide a neat, courteous and obliging collection service. To this end, neither the Contractor, his agents or employees shall solicit, or be permitted to solicit, gratuities of any kind for or during the performance of any work in connection with the collection service; the Contractor and his agents and employees shall be polite and courteous at all times to all persons served and shall give them the benefit of the doubt in all disputes. If the containers are removed or destroyed by the Contractor's workers, the Contractor shall replace them at his expense with new containers equal to the originals. The Contractor shall, without liability on the part of the Town or its officers, be required to discharge or otherwise discipline any of his agents or employees shown to the satisfaction of the Town Board to have been of neglectful or careless in the conduct of collection service, or who unnecessarily damaged containers or other property of residents, or who was discourteous to any resident.

23. **Indemnification.** The Contractor agrees to defend (using attorneys subject to the Town's reasonable approval), indemnify and hold harmless the Town, its officers and employees, from any and all liability, claims, actions, judgments, injuries, damages, and costs, including but not limited to reasonable attorney's fees (all referred to hereafter as "liability"), which may result or arise from the performance of this contract. The Contractor agrees and acknowledges that the Contractor is not an employee or agent of the Town and that the Town is not an owner, arranger, generator, transporter or storer of any of the materials collected, removed or disposed pursuant to this contract. The Contractor expressly indemnifies and holds harmless the Town, its officers and employees from any and all liability, which may result or arise from any violation, alleged or otherwise, of environmental laws. The Contractor shall take proper measures to guard against all liability.

Insurance. The Contractor shall obtain liability insurance from an insurance company authorized to do business in the State of New York. Said insurance shall include comprehensive general liability insurance in minimum amounts of $1,000,000/$2,000,000; automobile liability insurance covering all vehicles in minimum amounts of $1,000,000/$2,000,000; property damage insurance in minimum amounts of $1,000,000/$2,000,000; and statutory workers compensation insurance. The Town shall be named as an additional insured on said policy or policies. The Contractor shall provide to the Town an insurance endorsement and certificate of insurance demonstrating that the Town is named as an additional insured and containing a provision that the Town shall receive written notice of any modification, suspension or cancellation of insurance coverage at least thirty (30) days prior thereto and further providing that without such notice, such modification, suspension or cancellation shall be ineffective. The Town may require the Contractor to produce evidence at the time of the filing of the certificate of insurance that the premium or premiums on said policy have been paid. If a policy is to be canceled for nonpayment of premium, the Town shall have the right, but not the duty or obligation, to pay said premium and deduct the same from the next payment(s) due to the Contractor under the contract.

The Contractor shall procure and furnish, and at all times keep in force, a New York State statutory policy of Worker's Compensation Insurance and a disability benefits policy.

24. **Non-Transferability of Contracts.** Pursuant to Section 109 of the General Municipal Law:

a. A bidder and/or Contractor, to whom the contract is let, granted, or awarded, is prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of same, or of his right, title and interest therein, or his power to execute such contract, to any other person or corporation without previous consent in writing by the Town Board.

b. If any bidder and/or Contractor, to whom the contract is let, granted or awarded shall, without the previous consent in writing from the Town Board assign, transfer, convey, sublet or otherwise dispose of the contract or his right, title or interest therein, or his power to exercise such contract to any other person or corporation, the Town Board shall revoke and annul such contract and the Town Board shall be relieved of any and all liability and obligations arising from the contract to such Contractor, and to the person or corporation to which such contract has been assigned, transferred, conveyed, sublet or otherwise disposed, and any such bidder and/or Contractor, his assigned transferees or sublessees shall forfeit and lose all monies theretofore earned under such contract, except so much as may be required to pay employees. The Town may re-award the Contract will all expenses to be underwritten by the Contractor.

25. **Default.** In the event of the failure of the Contractor to carry out the terms of the contract, the Town Board reserves the right to withhold any compensation that might then be due or become due until such time as the Contractor fulfills its contractual obligation. If the Town Board determines that the Contractor is in default, and the Contractor has not cured said default within forty-eight (48) hours after written notices to the Contractor and the issuer of the performance bond by certified mail, fax, ovemight service or personally, the Town Board may contract or otherwise provide for the collection and disposal service. The cost thereof, together with any other expenses or damages to the Town, shall be paid by the Contractor. Said amount or any portion thereof may be deducted from any outstanding balances owed the Contractor by the Town Board, draw(s) on the performance bond and/or any other relief available to the Town.

26. **Damages, Remedies and Liquidated Damages.** Notwithstanding any term or condition of the performance bond,

a. In the event of the repeated neglect or failure of the Contractor to remove garbage from any of the residences on the day when collections should be made and where the garbage has been properly placed for removal prior to the Contractor passing the residence; or any violation of these specifications or other contract term, the Contractor shall pay to the Town as liquidated damages the sum of One Hundred ($100.00) Dollars for each such failure or violation if the Town Board shall so elect. It shall be deemed to be a violation of the contract if the Contractor shall permit or suffer any of his drivers or other employees to collect or remove garbage in any way other than as provided herein, or as provided by any rules hereafter adopted by the Town Board; or (ii) to deposit any materials upon property within the Town.

b. In addition to and not in lieu of other available remedies, after notice to the Contractor and upon declaration of the Contractor's default by the Town, the Town may terminate or suspend the contract, or perform any part of the work at the expense of the Contractor, as determined by the Town Board to be in the Town's best interest. Upon notice, the Town may contract with another contractor to properly perform the work, at the expense of the Contractor. In addition to the aforesaid, the Contractor shall remain liable for any and all costs incurred by the Town in having the work performed that was the responsibility of the Contractor and the costs, including reasonable attorney's fees, shall be recoverable from the Contractor.

c. Any determination made by the Town Board pursuant to paragraphs (a) or (b) of this section may be appealed by the Contractor to the Town Board within fifteen (15) days of the mailing of the determination to the Contractor. In addition, prior to any action by the Town Board pursuant to paragraph (b) of this Section, the Contractor shall have the opportunity for a hearing before the Town Board.

d. It is understood and agreed that any required payment of damages shall not be deemed a waiver of the Town's right to terminate the contract.

e. The Contractor further agrees that in the event of any default in the performance of the work required hereunder to reimburse the Town all costs, expenses and damages the Town may incur in completing the work in accordance with the contract.

f. It is further understood and agreed that if the Contractor is declared by the Town Board to have defaulted in the performance of the contract, the Contractor shall pay the Town, in addition to the other costs, One Thousand ($1,000) Dollars per collection day for each day the Contractor is in default, as liquidated damages.

It is further understood and agreed that should the Contractor be declared insolvent or bankrupt at any time during the performance of the contract, either by virtue of State or Federal laws, then such adjudication shall in no way terminate the liability of the Contractor under this contract, except as required by law, nor terminate the liability of the financial institution or insurance company securing the performance bond, which security and bond shall remain in full force and effect. Any adjudication of insolvency or bankruptcy may be declared by the Town as a default by the Contractor.

AGREEMENT
PUBLIC WORK

THIS AGREEMENT by and between the Town of Blooming Grove (on behalf of Blooming Grove Garbage District No. 2), a municipal corporation of the State of New York, having its principal offices at 6 Horton Road, Blooming Grove, New York 10914, hereinafter called the "Municipality"; and the "Contractor", as set forth in the attached "Bid Proposal" accepted by the Municipality.

WHEREAS, the Contractor has submitted his proposal in accordance with the documents and/or specifications annexed hereto; and

WHEREAS, the Municipality has awarded the contract to the Contractor in accordance with the General Municipal Law.

NOW, THEREFORE, in consideration for the mutual covenants herein contained the Municipality and the Contractor hereby contract upon the following terms and conditions:

I. THE CONTRACT

It is understood that all the bid documents and/or specifications attached constitute a part of this agreement; that those documents are incorporated into this agreement as if set out at length at this point and that the award of the contract on the basis of the proposal constitutes a contract; the execution of this agreement being a mere formality.

II. RESPONSIBILITY FOR WORK

The Contractor covenants and agrees that his own proper cost, charge and expense to furnish all machinery, appliances, tools, labor and material necessary or proper to do all the work necessary to construct all the works, equipment, and fixtures appurtenant thereto, as set forth in the Contractor's proposal as accepted by the Municipality.

III. PAYMENT

The Municipality, in consideration of the Contractor faithfully complying with all the terms and conditions herein set forth, agrees to pay the Contractor at the price as set forth in his proposal as accepted by the Municipality, upon the terms and conditions for periodic and/or monthly payments on estimates as may be set forth in the specifications and as authorized by law. Payment requests (claims) shall be on properly completed voucher forms provided by the Municipality.

IV. INTEREST IN CONTRACT

The Contractor agrees that the only person or persons interested as principal or principals in the proposal submitted by the Contractor for this contract are named therein and that no person other than those mentioned therein, except regular agents of Contractor, has any interest

in the said proposal or in the securing of the award, and that this contract has been secured without any connection with any person or persons other than those named, and that the proposal is in all respects fair, and was prepared, and the contract was secured, without collusion or fraud, and that no officer or employee of the Municipality has or shall have a financial interest in the performance of the contract or in the work or business to which it relates, or in any portion of the proceeds thereof.

V. COMPLIANCE WITH LAW

The Contractor agrees to comply with all applicable laws, rules and regulations; the cost of such compliance and the fees for any licenses, certifications and/or permits required by law will be at the expense of the Contractor.

VI. LABOR LAW

The Contractor agrees to comply with all applicable provisions of the Labor Law. Particular attention is drawn to the anti-discrimination provisions. Applicable wage determinations, as may be revised from time to time, shall be deemed inserted as if set forth at length at this point. The Contractor will provide a payment bond, if applicable for the work.

VII. REQUIRED PROVISIONS

All provisions required by law to be inserted into this contract are hereby deemed inserted as if expressly set forth at this point.

VIII. ASSIGNMENT

This contract shall bind the parties hereto, and their heirs, executors, administrators, successors and assigns respectively, and may not be assigned by the Contractor without written consent of the Municipality.

IX. SUBCONTRACTORS

The Municipality reserves the right to approve all subcontractors. The Contractor will notify the Municipality of the name and address of such subcontractor he intends employing, the portion of the work which the subcontractor is to do or the material which he is to furnish, his place of business and such other information as the Municipality may require in order to know whether such subcontractor is reputable and reliable and able to perform the work as called for in the specifications. The Contractor shall not be released from any of his liabilities or obligations under this contract should any subcontractor fail to perform in a satisfactory manner the work undertaken by him.

X. TIME FOR PERFORMANCE

The Contractor shall proceed diligently toward the prompt completion of the work. The Contractor shall have no claim against the Municipality for damages for delay unless the

Municipality is found to have caused such damage while acting in bad faith and with deliberate intent. The Municipality agrees that the time for performance may, upon written application, be extended for such period of time the governing board of the Municipality deems reasonable upon the circumstances.

XI. REMEDIES

In addition to such remedies the Municipality may have in law or equity upon the Contractor's breach of this agreement, the Municipality may terminate or suspend the agreement, or perform any part of the work at the expense of the Contractor as is determined to be in the best interest of the Municipality.

XII. NOTICE OF CLAIM

Service of a verified claim on the Municipal Clerk within ninety (90) days of accrual of a claim against the Municipality or completion of the work or portion thereof, whichever is earlier, and the expiration of forty (40) days thereafter shall be a condition precedent to the commencement by the Contractor of any action or proceeding with respect to this agreement. Such written verified claim shall be on official voucher forms and shall specify in detail all items of work performed and/or materials supplied, together with supporting documentation in such sufficiency as to permit the Municipality to audit and pay the claim if the same determined to be valid. A claim accrues at the time the Contractor first realizes that it may be entitled to payment for additional work or materials not specified under the agreement. In no event shall an action be commenced by the Contractor subsequent to the tender of payment on the _____Contractor's final voucher under this agreement.

Dated:_____

TOWN OF BLOOMING GROVE

By:_____
ROBERT FROMAGET, SUPERVISOR

By:_____
CONTRACTOR

NON-COLLUSIVE BIDDING CERTIFICATION

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:

1. The prices in this bid have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor; and

2. Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to opening, directly or indirectly, to any other bidder or to any other competitor; and

3. No attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition; and

4. The person signing this bid or proposal, under the penalties or perjury, affirms the truth thereof.

Dated: November 2, 2017

_____
(Signature of Bidder, if Individual)

Interstate Waste Services, Inc.
(Name of Corporation)

By: _____
(Signature and Title of Officer) Ronald Bergamini, CEO

(CORPORATE SEAL)

IMPORTANT: THIS FORM MUST BE FILLED IN BY BIDDER

CONTRACTOR'S AFFIDAVIT
FOR
RELEASE OF RETAINAGE
AND/OR
FINAL PAYMENT

Town of Blooming Grove
Municipality

Contractor Interstate Waste Services, Inc.

Project Garbage Collection Contract

Address 300 Frank W. Burr Blvd., Suite 39
Teaneck, NJ 07666

Contract #

Phone # 845-572-3316

STATE OF NEW JERSEY)
:SS.: GARBAGE COLLECTION CONTRACT
COUNTY OF BERGEN)

Ronald Bergamini, being duly sworn, deposes and says:

1. He is the CEO (TITLE) of the Contractor on the above referenced project and makes this affidavit in the regular course of business with full authorization.

2. There are no claims, liens, or judgments against the Contractor except as set forth herein:

NO EXCEPTIONS

(Insert "NO EXCEPTIONS," if applicable. Attach list, if necessary.)

3. All pro visions of the Labor Law of the State of New York have been fully complied with except as set forth herein:

NO EXCEPTIONS

(Insert "NO EXCEPTIONS," if applicable. Attach list, if necessary.)

4. The Municipality, upon the release of retainage requested herewith, is released of any and all claims by the Contractor with respect to the project to the date hereof.

5. This certification is made to induce the Municipality to release final payment and/or retainage held pursuant to the contract in accordance with General Municipal Law §106-b.

SIGNATURE Ronald Bergamini

AFFIX SEAL, IF CORPORATION:

Subscribed and sworn to before me
on the 2nd day of November, 2017.

NOTARY PUBLIC - STATE OF

ANGELINA J. D'AMBROSIO
NOTARY PUBLIC OF NEW JERSEY
Comm. # 2456721
My Commission Expires 7/13/2022

Document A310™ – 2010

Conforms with The American Institute of Architects AIA Document 310

Bond Number: 71892-ARGO-17-9

Bid Bond

CONTRACTOR:
(Name, legal status and address)

Interstate Waste Services, Inc.
300 Frank W. Burr Blvd.
Teaneck, NJ 07666

SURETY:
(Name, legal status and principal place of business)

Argonaut Insurance Company
PO Box 469011
San Antonio, TX 78246
State of Inc: Illinois

OWNER:
(Name, legal status and address)

Town of Blooming Grove
6 Horton Road
Blooming Grove, NY 10914

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

BOND AMOUNT: ($100,000.00)

PROJECT:
(Name, location or address, and Project number, if any)

Garbage Collection - Town of Blooming Grove

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 27th day of October, 2017

Jeanette Thompson
(Witness)

Interstate Waste Services, Inc.
(Principal) (Seal)

Chief Executive officer
(Title)

Lisa Vadewala
(Witness)

Argonaut Insurance Company
(Surety) (Seal)

Francesca Papa
(Title) Francesca Papa, Attorney-in-Fact

Individual Acknowledgment

State of _____
County of _____

On the _____ day of _____, 20_____, before me personally appeared _____ to me known and known to me to be the person described in and who executed the foregoing instrument and ____he____ thereupon acknowledged to me that ____he___ executed the same.

_____
Notary Public

Partnership/L.L.C. Acknowledgment

State of _____
County of _____

On the _____ day of _____, 20_____, before me personally appeared _____ to me known and known to me to be one of the firm of _____ described in and who executed the foregoing instrument and _____he_____ thereupon acknowledged to me that ___he___ executed the same as and for the act and deed of said firm.

_____
Notary Public

Corporate Acknowledgment

State of New Jersey
County of Bergen

On the 2nd day of November, 2017, before me personally appeared Ronald Bergamin to me known, who being by me duly sworn, did depose and say the ✓ he____ is the Chief Executive Officer of the Interstate Waste Services, Inc the corporation described in and which executed the foregoing instrument that ✓ he_____ knows the seal of said corporation, that the seal affixed to said instrument is such ✓ corporate seal, that it was so affixed by order of the board of directors of said corporation, and that _____he_____ signed his name thereto by like order.

D'Ambrosio
Notary Public

ANGELINA J. D'AMBROSIO
NOTARY PUBLIC OF NEW JERSEY
Comm. # 2456721
My Commission Expires 7/13/2022

STATE OF NEW YORK
COUNTY OF SUFFOLK

On October 27, 2017 before me, the undersigned, a Notary Public in and for said county, personally appeared **Francesca Papa** who is to me well known, who being duly sworn, did depose and say that he resides in New York, NY that she is Attorney-in-Fact of Argonaut Insurance Company,

a corporation, the corporation described in and who executed the within instrument as surety. That he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was thereto affixed by order to the Board of Directors of said corporation, and that he signed his name thereto by like order.

CHRISTINA L COSTA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01CO6237004
Qualified in Suffolk County
My Commission Expires March 14, 2019

AS-0088788

Argonaut Insurance Company
Deliveries Only: 225 W. Washington, 24th Floor
Chicago, IL 60606
United States Postal Service: P.O. Box 469011, San Antonio, TX 78246

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Peter Healy, Theresa Giraldo, Francesca Papa, James P. Holland, Terry Ann Gonzales-Selman

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

$39,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 18th day of July, 2013.

Argonaut Insurance Company

ARGONAUT INSURANCE COMPANY CORPORATE SEAL 1948 ILLINOIS

by: _____

Joshua C. Betz, Senior Vice President

STATE OF TEXAS
COUNTY OF HARRIS SS:

On this 18th day of July, 2013 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.

KATHLEEN M MEEKS
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 07-15-2017

Kathleen M. Meeks

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 27th day of October, 2017

ARGONAUT INSURANCE COMPANY CORPORATE SEAL 1948 ILLINOIS

Sarah Heineman, VP-Underwriting Surety

THIS DOCUMENT IS NOT VALID UNLESS THE WORDS ARGO POWER OF ATTORNEY AND THE SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER ARE IN BLUE, AND THE DOCUMENT IS ISSUED ON WATERMARKED PAPER. IF YOU HAVE QUESTIONS ON AUTHENTICITY OF THIS DOCUMENT CALL (210) 321 - 8400.

ARGO POWER OF ATTORNEY

Financial Statement
Argonaut Insurance Company
Statutory Basis as of 12/31/16

Assets	
CASH & INVESTED ASSETS	173,343,050
BONDS	631,706,904
STOCKS	716,430,917
INVESTMENT INCOME DUE AND ACCRUED	4,730,892
PREMIUM BALANCES	67,143,107
NET DEFERRED TAX ASSET	50,804,536
REINSURANCE RECOVERABLE	20,427,654
OTHER ASSETS	10,443,520
TOTAL ASSETS	$ 1,675,030,580

LIABILITIES AND SURPLUS	
UNEARNED PREMIUMS	161,055,636
LOSSES	374,868,961
LOSS ADJUSTMENT EXPENSES	84,190,192
COMMISSIONS	(5,417,751)
TAXES, LICENSES AND FEES	13,274,115
OTHER EXPENSES	3,851,980
FUNDS HELD UNDER REINSURANCE TREATIES	174,037,468
CURRENT FEDERAL AND FOREIGN INCOME TAXES	922,096
REMITTANCES AND ITEMS NOT ALLOCATED	922,073
AMOUNTS WITHHELD/RETAINED BY COMPANY FOR OTHERS	16,689,308
PAYABLE TO PARENT, SUBSIDIARIES, & AFFILIATES	7,618,613
PAYABLE FOR SECURITIES	6,431,647
PROVISION FOR REINSURANCE	18,115,249
CEDED REINSURANCE PREMIUMS PAYABLE	16,697,464
OTHER ACCRUED EXPENSES AND LIABILITIES	2,102,808
TOTAL LIABILTIES	$ 875,359,859
COMMON CAPTIAL STOCK	4,500,000
GROSS PAID IN AND CONTRIBUTED SURPLUS	525,520,936
UNASSIGNED SURPLUS	269,649,785
TOTAL SURPLUS TO POLICYHOLDERS	$ 799,670,721
TOTAL LIABILITIES & SURPLUS	$ 1,675,030,580

Janice E. Board, being duly sworn, says that she is Vice President, CFO & Treasurer of Argonaut Insurance Company and that to the best of her knowledge, and belief, the foregoing statement is a true and correct statement of the financial condition of said Company as of the 31st of December, 2016.

Subscribed and sworn to before me this 7th day of March 2017

Michele Henslee
Notary Public

Janice Board
Janice E. Board, Vice President, CFO & Treasurer

MICHELE HENSLEE
Notary Public, State of Texas
Comm. Expires 06-27-2020
Notary ID 3922152

BID PROPOSAL

Interstate Waste Services, Inc. (Bidder), a (corporation, partnership, sole proprietorship) organized under the laws of the State of New York, having examined the documents and specifications in compliance with the Town of Blooming Grove invitation for bid on - garbage and refuse collection - hereby proposes to furnish the services specified at the prices set forth. Each price must be set forth as the **price per dwelling unit per month.** Bidders must submit prices for all years and for all Alternatives.

Alternative 1

Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will be adjusted accordingly. The area of the Mountain Lodge Garbage District is excluded from this contract. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection. Bulk items shall be collected from April 1 through December 31 of each contract year. Each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection.

Year 1:	Fourteen dollars and thirty four cents	/ $14.34
	(words)	(figures)
Year 2:	Fourteen dollars and sixty six cents	/ $14.66
	(words)	(figures)
Year 3:	Fourteen dollars and ninety nine cents	/ $14.99
	(words)	(figures)
Year 4:	Fifteen dollars and thirty three cents	/ $15.33
	(words)	(figures)
Year 5:	Fifteen dollars and sixty seven cents	/ $15.67
	(words)	(figures)

ITEMIZED ESTIMATES: MSW & BULK - 400 tons monthly
Recycables - 100 tons monthly
Attached is a copy of the Orange County Tipping Rates for 2017 ($85.00 per ton)

Per the request of Robert Fromaget, listed below are the rates for excess toters:
Year 1: 1 trash & 1 recycling toter - $14.34 per month or 1 trash toter - $14.34 per month
Year 2: 1 trash & 1 recycling toter - $14.66 per month or 1 trash toter - $14.66 per month
Year 3: 1 trash & 1 recycling toter - $14.99 per month or 1 trash toter - $14.99 per month
Year 4: 1 trash & 1 recycling toter - $15.33 per month or 1 trash toter - $15.33 per month
Year 5: 1 trash & 1 recycling toter - $15.67 per month or 1 trash toter- $15.67 per month

Alternative 2

Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will not be adjusted. The area of the Mountain Lodge Garbage District is excluded from this contract. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection. Bulk items shall be collected from April 1 through December 31 of each contract year. Each dwelling unit shall be permitted to place one bulk item for collection per week and the Contractor shall collect each such bulk item on the same day as the regular garbage collection.

Year 1:	Fifteen dollars and thirty four cents	/ $15.34
	(words)	(figures)
Year 2:	Fifteen dollars and sixty six cents	/ $15.66
	(words)	(figures)
Year 3:	Fifteen dollars and ninety nine cents	/ $15.99
	(words)	(figures)
Year 4:	Sixteen dollars and thirty three cents	/ $16.33
	(words)	(figures)
Year 5:	Sixteen dollars and sixty seven cents	/ $16.67
	(words)	(figures)

ITEMIZED ESTIMATES: MSW & BULK - 400 tons monthly
Recycables - 100 tons monthly
Attached is a copy of the Orange County Tipping Rates for 2017 ($85.00 per ton)

Per the request of Robert Fromaget, listed below are the rates for excess toters:
Year 1: 1 trash & 1 recycling toter - $15.34 per month or 1 trash toter - $15.34 per month
Year 2: 1 trash & 1 recycling toter - $15.66 per month or 1 trash toter - $15.66 per month
Year 3: 1 trash & 1 recycling toter - $15.99 per month or 1 trash toter - $15.99 per month
Year 4: 1 trash & 1 recycling toter - $16.33 per month or 1 trash toter - $16.33 per month
Year 5: 1 trash & 1 recycling toter - $16.67 per month or 1 trash toter- $16.67 per month

Alternative 3

Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will be adjusted accordingly. The area of the Mountain Lodge Garbage District is excluded from this contract. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection two (2) times during the contract year (spring/fall, date to be determined by Town).

Year 1:	Fourteen dollars and thirty four cents	/	$14.34
	(words)		(figures)
Year 2:	Fourteen dollars and sixty six cents	/	$14.66
	(words)		(figures)
Year 3:	Fourteen dollars and ninety nine cents	/	$14.99
	(words)		(figures)
Year 4:	Fifteen dollars and thirty three cents	/	$15.33
	(words)		(figures)
Year 5:	Fifteen dollars and sixty seven cents	/	$15.67
	(words)		(figures)

ITEMIZED ESTIMATES: MSW & BULK - 400 tons monthly
Recycables - 100 tons monthly
Attached is a copy of the Orange County Tipping Rates for 2017 ($85.00 per ton)

Per the request of Robert Fromaget, listed below are the rates for excess toters:
Year 1: 1 trash & 1 recycling toter - $14.34 per month or 1 trash toter - $14.34 per month
Year 2: 1 trash & 1 recycling toter - $14.66 per month or 1 trash toter - $14.66 per month
Year 3: 1 trash & 1 recycling toter - $14.99 per month or 1 trash toter - $14.99 per month
Year 4: 1 trash & 1 recycling toter - $15.33 per month or 1 trash toter - $15.33 per month
Year 5: 1 trash & 1 recycling toter - $15.67 per month or 1 trash toter- $15.67 per month

Alternative 4

Once weekly collection from all single-family and two-family residences in the Town. In the event of a change in landfill tipping fees, the contract amount will not be adjusted accordingly. The area of the Mountain Lodge Garbage District is excluded from this contract. This Alternative shall include once weekly recyclables collection on the same day as the regular garbage collection and shall also include bulk items collection two (2) times during the contract year (spring/fall, date to be determined by Town).

Year 1: Fifteen dollars and thirty four cents / $15.34
(words) (figures)

Year 2: Fifteen dollars and sixty six cents / $15.66
(words) (figures)

Year 3: Fifteen dollars and ninety nine cents / $15.99
(words) (figures)

Year 4: Sixteen dollars and thirty three cents / $16.33
(words) (figures)

Year 5: Sixteen dollars and sixty seven cents / $16.67
(words) (figures)

ITEMIZED ESTIMATES: MSW & BULK - 400 tons monthly
Recycables - 100 tons monthly

Attached is a copy of the Orange County Tipping Rates for 2017 ($85.00 per ton)

The contract may be awarded by the Town based upon the total bid or portion thereof as determined to be in the best interests of the Town. The bid will remain open 45 days. Acceptance of this bid by the Town constitutes a contract. Bidder agrees that this bid is made in accordance with the Town specifications and documents.

Bidder acknowledges receipt of the following addenda: No formal addenda received.

Respectfully submitted,
Bidder: Interstate Waste Services, Inc.

By: _____
Ronald Bergamini, CEO

Accepted by resolution dated: _____

CORPORATE SEAL

_____
Darlena E. Decker, Town Clerk

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Per the request of Robert Fromaget, listed below are the rates for excess toters:

Year 1: 1 trash & 1 recycling toter - $15.34 per month or 1 trash toter - $15.34 per month
Year 2: 1 trash & 1 recycling toter - $15.66 per month or 1 trash toter - $15.66 per month
Year 3: 1 trash & 1 recycling toter - $15.99 per month or 1 trash toter - $15.99 per month
Year 4: 1 trash & 1 recycling toter - $16.33 per month or 1 trash toter - $16.33 per month
Year 5: 1 trash & 1 recycling toter - $16.67 per month or 1 trash toter- $16.67 per month

ORANGE COUNTY
DEPARTMENT OF PUBLIC WORKS
DIVISION OF ENVIRONMENTAL FACILITIES & SERVICES

www.orangecountygov.com/efs
2455-2459 Route 17M, P.O. Box 637
Goshen, New York 10924-0637
TEL: (845) 291-2640 • FAX: (845) 291-2665

Steven M. Neuhaus
County Executive

***Christopher R. Viebrock, P.E.,** Commissioner*
***Peter S. Hammond,** Deputy Commissioner*

2017 TIPPING RATES - ORANGE COUNTY SOLID WASTE MANAGEMENT

Solid Waste (household trash, furniture, cabinets) - $85.00 per ton - **Minimum Charge** - $20.00/up to 460 pounds of material

Single Residential Bags Household Trash (up to 39 gallon bag) $2.00/per bag
Senior Citizen (60 and over with proof of age) Bags (Up to 39 gallon bag) $.50/per bag

Construction & Demolition Debris (debris from home improvements including wood, sheetrock, flooring, etc.) (C&D) - $85 per ton - **Minimum Charge** $20.00/up to 460 pounds of material. Large loads of C & D **** NEW HAMPTON TRANSFER STATION ONLY****

Yard Waste (leaves, grass, branches) ****NEW HAMPTON TRANSFER STATION ONLY**** $40.00 per ton. **Minimum** $20 for up to 460 pounds of yard waste

Scrap Metal - $60.00 per ton **Minimum** $15 up to 460 pounds (washers, dryers, stoves, etc.)
Appliances w/ Freon - $15.00 per appliance (air conditioners, refrigerators, freezers, dehumidifiers, etc.) ****PLEASE NOTE, DISHWASHERS & MICROWAVES ARE CONSIDERED SOLID WASTE, NOT SCRAP METAL****

Propane Tanks - $2.00 per tank (must be empty)

Tires - ****WE DON'T ACCEPT: CONSTRUCTION EQUIPMENT TRACKS, SOLID INDUSTRIAL TIRES, FORKLIFT TIRES OR FOAM FILLED TIRES****
$200.00 per ton (for quantities greater than 10)
Tires in Excess of 24 Inches - $600 per ton
Passenger Tires up to 15" off the rims - $2.00 - $6.00 each (**on rims,** extra charge)
Bicycle Tires – All sizes .25¢ each
Motorcycle Tires – All sizes .75¢ each

TVs ****NEW HAMPTON & NEWBURGH TRANSFER STATIONS ONLY** $5 each**
Other electronic items are accepted by Staples for free – call your local store

The following items are free to recycle at all Orange County Transfer Stations; Paper, cardboard, plastic, cans, glass, motor oil, antifreeze, car batteries and used clothes.

****Please feel free to contact our office with any questions (845) 291-2640****

Check our website www.orangecountygov.com/efs for more information

Qualifications of Bidders

Interstate Waste Services harbors an unwavering commitment to becoming the nation's leading independent and fully integrated solid waste management company: employing the best people, providing superior customer service, innovative solutions and the highest standard of excellence with uncompromising respect for the environment.

In August, 2013, The Action Environmental Group, Inc. acquired Interstate Waste Services, Inc. As a result of this partnership, the Company now consists of 22 Sites located throughout New York and New Jersey (list attached). Our operations consist of Collection, Disposal, Transportation, Transfer Station Operations and MRF Operations.

Our vast experience is inclusive of the municipal solid waste collection and disposal services referenced on the following page. Audited financials for IWS/Action Environmental Group, Inc. (parent) are also attached.

The IWS personnel to carry out the scope of services required by the Town of Blooming Grove are:

- Tom Farinaro, Vice President of Operations
- Dominick Pegnataro, Operations Manager
- Dean Pegnataro, Route Supervisor
- Marisa Kellerhouse, NY Market Area Sales Manager
- Kathy Smith, Dispatch Operator
- Joe Burke, Director of Sales

The IWS vehicle list to be utilized for this contract is attached.

The Action Environmental Group Family of Companies

SITE LOCATION INFORMATION

Teaneck (Headquarters)
300 Frank W Burr Boulevard
Ste. 39
Teaneck, NJ 07666
Attn: Angela D'Ambrosio
Tel. (973) 286-7012

Airmont *MRF* 25 North Airmont Rd. Airmont, NY 10901 Attn: Stephanie Fit Tel. (845) 369-3111	**Bronx** *MRF/Optical Sorter* 920 132nd St. Bronx, NY 10454 Attn: Christian Morgan Tel. (973) 286-7088	**Bronx** *Depot* 315 Casanova St. Bronx, NY 10474 Attn: Billy Callahan, Jr. Tel. (973) 286-7062	**Brooklyn** *Depot* 505 Cozine Ave Brooklyn, NY 10474 Attn: Greg Galietti Tel. (973) 286-7065
Brooklyn *Transfer Station* 941 Stanley Ave Brooklyn, NY 11208 Attn: Evan Fytros Tel. (718) 257-4180	**Chester** *Depot* 89 Black Meadow Rd. Chester, NY 10918 Attn: Dom Pegnataro Tel. (845) 572-3343	**Chestnut Ridge** *Depot* 560 Chestnut Ridge Rd. Chestnut Ridge, NY 10977 Attn: Ozzie Burris Tel. ext. 7126	**Garfield** *Transfer Station* 19-35 Atlantic St. Garfield, NJ 07026 Attn: Dominick Ferrara Tel. (973) 340-0431
Goshen *Transfer Station* 95 Hartley Rd. Goshen, NY 10924 Attn: Amanda Perez Tel. (845) 572-3366	**Hillburn** *Transfer Station* 331 Route 17 South Hillburn, NY 10931 Attn: Sherri O'Hagen Tel. (845) 572-3367	**Hillburn** *Transfer Station*** 420 Torne Valley Rd. Hillburn, NY 10931 Attn: Ron Rueger Tel. (973) 494-3944	**Jersey City** *Depot/T.S.* 375 Route 1 & 9 South Jersey City, NJ 07304 Attn: Nelson Matos Tel. (201) 830-3250
Jersey City *Safety Academy* 264 Broadway Jersey City, NJ 07306 Attn: Jose Nascimento Tel. (201) 830-3272	**Newburgh** *Transfer Station*** 9 Orr Ave Newburgh, NY 12550 Attn: Ron Rueger Tel. (973) 494-3944	**New Hampton** *Transfer Station*** 21 Training Center Lane New Hampton, NY 10958 Attn: Ron Margiotta Tel. (845) 845-656-4904	**Paterson** *Depot* 27-33 Iowa Ave Paterson, NJ 07503 Attn: Bill Beyer Tel. (201) 830-3410
Paterson *Transfer Station*** 30 Fulton St. Paterson, NJ 07501 Attn: Ray Tice Tel. (973) 278-7232	**Port Jervis** *Transfer Station*** 86 Towpath Rd. Port Jervis, NY 12771 Attn: Ron Rueger Tel. (973) 494-3944	**Sloatsburg** *Depot* 200 Sterling Mine Rd. Sloatsburg, NY 10974 Attn: Jeff Hart Tel. (845) 572-3393	**Totowa** *Transfer Station*** 301 Maltese Dr. Totowa, NJ 07512 Attn: Ray Tice Tel. (973) 812-1304

** These facilities are operated by Action/ IWS under third party contract

Similar Work and Contract Customers

Note: Trash and recycables are collected at the below municipalites using Automated Side Load, or Rear load parkcer trucks with a driver and helper. Waste and separated recycables (ex. dual stream or Single stream) are collected from the curb, driveway, rear or side yard and back door service. Recycables are disposed at a material recovery facility. Completed and present contracts are/have been performed satisfactory.

Municipality	Address	Population/ # homes or units	Premise garbage removed from	Separate Colletion of Recycables Y/N	Recycables	Disposal of Materials	Contract Dates	Amount of Contract (annual)	Telephone #	
Town of Chester	1786 Kings Hwy, Chester, NY 10918	2758 units	Driveway	Y	Single Stream	Material Recovery Facilty and or landfill	1/1/12 - 12/30/17	$561,200	845-469-7000	Alex.
Village of Greenwood Lake	Drop A Box, 9 Quarry Rd, Goshen, NY 10924	1200 units	Curbside/Driveway	Y	Single Stream	Material Recovery Facilty and or landfill	6/1/11-5/31/17	$289,050	845-477-9215	Beth
Town of Ramapo	237 Route 59, Suffern, NY	8000 units	Curbside/Driveway	Y	Dual Stream	RCSWMA	1/1/16 - 12/31/20	$2,460,000	845-357-5100	Mona
Village of Kaser	15 Elyon Rd, Monsey, NY	606 units	Curbside/Driveway	Y	Dual Stream	RCSWMA	12/15/16 - 12/15/19	$208,800	845-252-2932	Binyc
Village of Walden	1 Municipal Square, Walden, NY	2600 units	Curbside/Driveway	Y	Single Stream	Material Recovery Facilty and or landfill	6/1/16 - 5/31/19	$467,820	845-778-2179	John
Village of Pomona	100 Ladentown Road, Pomona, NY	1200 units	Curbside/Driveway	Y	Dual Stream	RCSWMA	9/1/13-8/31/18	$279,672	(845) 354-0545	Brett
Town of Tuxedo	1 Temple Road, Tuxedo, NY	1800 units	Curbside/Driveway	Y	Single Stream	Material Recovery Facilty and or landfill	7/1/12-6/30/17	$203,412	(845) 351-4411	Sheri
Village of Chestnut Ridge	277 Old Nyack Turnpike, Chestnut Ridge, NY	1200	Curbside/Driveway	Y	Dual Stream	RCSWMA	7/1/17 - 6/30/21	$516,000	845-425-3303	Lise C

Unit Inventory Report
Action Carting Env Svc

Shop ID: IWS-CHESTER Group: Unit ID

Unit	Shop	Description	License#	Year	Make	Model	Serial#	Activity	Cost Code	Util Base	Last Reading	Meter Date
0.5RL	IWS-CHESTER	1/2 Yard Rear Load		2013	ACTON	XXXXX	0.5RL	100	329	ODOMETER	0	10/16/2015
15-1005	IWS-CHESTER	2007 Komatsu		2007	KMTSF	PC228	41005	300	329	HOUR	15318	12/8/2014
15-1028	IWS-CHESTER	1989 Case 580K		1989	XXXXX	580K	17424710	300	329			
30-1007	IWS-CHESTER	2000 Caterpillar 906		2000	CTRPL	906	6ZS00126	300	329			
3015	IWS-CHESTER	2007 F350 Dump Pickup	XBBS41	2007	FORDX	F350	1FTWF30P57 EA78892	100	329	ODOMETER	104154	2/19/2015
329	IWS-CHESTER	1998 International 4700	AP314U	1998	INT	4700	1HTSCABM2WH513561	100	329	ODOMETER	121186	2/18/2016
3342	IWS-CHESTER	2001 Ford F-250 w ith	XDAB51	2001	XXXXX	XXXXX	1FTNX21L11EC42967	100	329	HOUR		
3343	IWS-CHESTER	2003 Ford F-350 Rack	XSAB52	2003	XXXXX	XXXXX	1FDWF36S13EA68569	100	329	HOUR	300132	1/16/2016
35-0180	IWS-CHESTER	2002 GMC	X8931Z	2002	GMCXX	XXXXX	1GTFG25MX21199679	300	329			
35-0416	IWS-CHESTER	2007 Ford F450	XL705H	2007	FRDLT	F450	1FDXF47P57EB12471	300	329			
35-1231	IWS-CHESTER	2004 Ford F150	XAYX71	2004	FRDLT	F150	1FTPX14584NB25097	300	329	ODOMETER	364708	11/18/2015
50-1011	IWS-CHESTER	2003 Caterpillar GP25K		2003	CTRPL	GP25K	AT17C01999	300	329	HOUR	9554	11/13/2014
50-1038	IWS-CHESTER	2001 Caterpillar		2001	CTRPL	XXXXX	AT14C35729	100	329	HOUR	11420	12/12/2014
55-1206	IWS-CHESTER	55-1206		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
60-0203	IWS-CHESTER	60-0203		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
60-0310	IWS-CHESTER	2006 Ford Support	XH336H	2006	FRDLT	XXXXX	1FTVF14546NA39119	100	329	ODOMETER	201779	10/13/2015
60-0384	IWS-CHESTER	2006 Chevrolet Support	XL210C	2006	CHVRL	XXXXX	1GCHK24D96E183433	100	329			
60-0386	IWS-CHESTER	1998 Chevrolet	XL213C	1998	CHVRL	XXXXX	1GCEC14WXWZ135010	100	329			
65-0144	IWS-CHESTER	1999 Ford	XK477G	1999	FRDLT	XXXXX	3FENF8014XMA17989	100	329	HOUR	663	1/8/2014
65-0420	IWS-CHESTER	2007 Freightliner	AL654B	2007	FRGHT	XXXXX	1FVACXCS27HY89675	100	329	HOUR	16825	2/18/2016
6608	IWS-CHESTER	2011 Mack Front Loader	AS221V	2011	MACKX	MR688S	1M2AV02C6BM007815	151	329	HOUR	5954	2/18/2016
6609	IWS-CHESTER	2011 Mack Front Loader	AS909X	2011	MACKX	320	1M2AV04C7BM008534	151	123	HOUR	6592	2/18/2016
6610	IWS-CHESTER	2013 Peterbilt Front	AT684A	2013	PTRBL	320	3BPZL70X3DF175452	151	329	HOUR		
70-0086	IWS-CHESTER	70-0086		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
70-0186	IWS-CHESTER	2004 Mack Front Loader	AN524U	2004	MACKX	XXXXX	1M2K189C64M024055	151	329	HOUR	7806	9/24/2015
70-0188	IWS-CHESTER	2011 Mack Side Loader	AN871S	2011	MACKX	XXXXX	1M2AU02CXCM006865	151	329	HOUR	8721	2/18/2016
70-0189	IWS-CHESTER	2011 Mack Side Loader	AN872S	2011	MACKX	XXXXX	1M2AU02CXCM006866	151	329	HOUR	9627	2/18/2016

Unit Inventory Report
Action Carting Env Svc

Shop ID: IWS-CHESTER Group: Unit ID

Unit	Shop	Description	License#	Year	Make	Model	Serial#	Activity	Cost Code	Util Base	Last Reading	Meter Date
70-0195	IWS-CHESTER	1998 Mack Front Loader	AH629M	1998	MACKX	XXXXX	1M2K189C0WM011501	151	329	DAYS	0	9/4/2013
70-0196	IWS-CHESTER	2012 Mack Side Loader	AP497A	2012	MACKX	XXXXX	1M2AU02C0DM007265	151	329	HOUR	8434	2/18/2016
70-0197	IWS-CHESTER	2005 Mack Side Loader	AP915H	2005	MACKX	XXXXX	1M2AC07C55M011003	151	329	HOUR	29	2/18/2016
70-0198	IWS-CHESTER	2006 Mack Side Loader	AP916H	2006	MACKX	XXXXX	1M2AC07C96M012222	151	329	HOUR	7176	1/8/2016
70-0247	IWS-CHESTER	2006 Mack Front Loader	AN508Y	2006	MACKX	XXXXX	1M2K189C86M031723	151	329	HOUR	9610	2/18/2016
70-0305	IWS-CHESTER	2006 Mack Front Loader	AS515U	2006	MACKX	XXXXX	1M2K189C06M033496	151	329	HOUR	15036	12/8/2015
70-0307	IWS-CHESTER	2006 Mack Front Loader	AL808T	2006	MACKX	XXXXX	1M2K189C66M031722	151	329	HOUR	14086	7/30/2015
70-0309	IWS-CHESTER	2006 Mack Front Loader	AS334N	2006	MACKX	XXXXX	1M2K189C66M033499	151	329	HOUR	2860	11/19/2015
70-0324	IWS-CHESTER	2002 Mack Front Loader	AN190D	2002	MACKX	XXXXX	1M2K195CX2M020048	151	329	HOUR	32390	2/17/2016
70-0325	IWS-CHESTER	2002 Mack Front Loader	AK822P	2002	MACKX	MR688S	1M2K195C12M020049	151	329	HOUR	26150	3/20/2015
70-0356	IWS-CHESTER	2005 Mack Front Loader	AK846P	2005	MACKX	XXXXX	1M2K195C55M026358	151	329	HOUR	22566	2/19/2016
70-0421	IWS-CHESTER	2007 Autocar Front	AP871J	2007	AUTCR	XXXXX	5VCDC6MF27H205392	151	329	HOUR	11368	12/12/2014
70-0434	IWS-CHESTER	2009 Mack Front Loader	AL908V	2009	MACKX	XXXXX	1M2AV02C19M003696	151	329	HOUR	21068	1/21/2016
70-0437	IWS-CHESTER	2009 Mack MRU613	AL636Y	2009	MACKX	MRU613	1M2AV02C59M003698	151	123	HOUR	1889	2/17/2016
70-0438	IWS-CHESTER	2009 Mack MRU613	AN672N	2009	MACKX	MRU613	1M2AV02CX9M003700	151	329	HOUR	15612	2/18/2016
7001	IWS-CHESTER	2016 Peterbilt Side	AS774Z	2016	PTRBL	XXXXX	3BPZL70X9GF107192	151	329	HOUR		
75-0098	IWS-CHESTER	1999 Mack Rear Loader	AE956Y	1999	MACKX	XXXXX	1M2P267C7XM045494	161	329	HOUR	1720	1/4/2014
75-0181	IWS-CHESTER	2004 Mack Rear Loader	AH992G	2004	MACKX	XXXXX	1M2K189C74M023979	161	329	HOUR	9574	2/22/2015
75-0205	IWS-CHESTER	2005 Mack Rear Loader	AS142E	2005	MACKX	XXXXX	1M2K189C15M026961	161	329	HOUR	6849	2/16/2016
75-0209	IWS-CHESTER	2005 Mack Rear Loader	AJ794B	2005	MACKX	XXXXX	1M2K189C45M027327	161	329	HOUR	6324	2/18/2016
75-0333	IWS-CHESTER	2002 Mack Rear Loader	AK829P	2002	MACKX	XXXXX	1M2K195C62M020399	161	329	HOUR	5551	9/2/2014
75-0414	IWS-CHESTER	2007 Mack Rear Loader	AR689H	2007	MACKX	XXXXX	1M2K189C87M037927	161	329	HOUR	10909	2/18/2016
75-0433	IWS-CHESTER	2009 Mack MRU613	AS765H	2009	MACKX	MRU613	1M2AV02CX9M003695	161	329	HOUR	18452	2/19/2016
75-0449	IWS-CHESTER	2001 Mack MR688S	AM216K	2001	MACKX	MR688S	1M2K195C51M017928	161	329	DAYS	0	9/4/2013
75-0455	IWS-CHESTER	2009 Isuzu NQR Rear	XT493T	2009	ISUZU	NQR	JALE5W16497900657	161	329	HOUR	11758	2/18/2016
77-0314	IWS-CHESTER	2006 Ford Pup	XBMG49	2006	FRDLT	XXXXX	1FDWF37P66EB40428	161	329	HOUR	5370	7/15/2014
80-0102	IWS-CHESTER	80-0102		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			

Unit Inventory Report
Action Carting Env Svc

Shop ID: IWS-CHESTER Group: Unit ID

Unit	Shop	Description	License#	Year	Make	Model	Serial#	Activity	Cost Code	Util Base	Last Reading	Meter Date
80-0145	IWS-CHESTER	80-0145		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
80-0174	IWS-CHESTER	2004 Mack Roll Off	AS841R	2004	MACKX	XXXXX	1M2AG11CX4M008101	141	329	HOUR	27334	2/18/2016
80-0227	IWS-CHESTER	2006 Peterbuilt 357 Roll	AS840R	2006	PTRBL	357	1NPALUEX26N891163	141	329	HOUR	9316	2/5/2016
80-0358	IWS-CHESTER	2003 Mack Roll Off	AN278R	2003	MACKX	XXXXX	1M2P267C03M065905	141	329	HOUR	23229	2/18/2016
80-0362	IWS-CHESTER	1999 Mack Roll Off	AL201F	1999	MACKX	XXXXX	1M2P267C8XM047903	141	329	HOUR	29332	10/3/2013
80-0365	IWS-CHESTER	2003 Mack Roll Off	AS566B	2003	MACKX	XXXXX	1M2AG11C43M007279	141	329	HOUR	18019	12/28/2015
80-0423	IWS-CHESTER	2007 Freightliner Roll	AS163N	2007	FRGHT	XXXXX	1FVHALCV97DZ35419	141	329	HOUR	18783	2/18/2016
80-0429	IWS-CHESTER	2009 Freightliner Roll	AN188D	2009	FRGHT	XXXXX	1FVHALCV09DAJ8374	141	329	HOUR	4893	2/19/2016
80-0430	IWS-CHESTER	2009 Freightliner Roll	AL108V	2009	FRGHT	XXXXX	1FVHALCV99DAJ8373	141	329	HOUR	14417	2/18/2016
8023	IWS-CHESTER	1997 Great Dane 48	TPG16U	1997	GRTDN	XXXXX	1GRAA9620VS034701	100	329	HUB METER	2	1/15/2016
8024	IWS-CHESTER	2000 Great Dane 48	TPG15U	2000	GRTDN	XXXXX	1GRAA9626Y8033203	100	329	HUB METER	2	4/27/2015
85-0320	IWS-CHESTER	2007 Peterbuilt 379	AL839G	2007	PTRBL	379	1XP5DB9X57N669821	300	329	HOUR	14409	2/18/2016
90-0023	IWS-CHESTER	1993 Accurate Trailer	T39S2K	1993	ACCUR	XXXXX	1A9754023P4194988	100	329			
90-0032	IWS-CHESTER	1985 Strick Trailer	T60T8P	1985	STRCK	XXXXX	1S12S7455FD264649	300	329			
90-0033	IWS-CHESTER	1985 Strick Trailer	T55T8P	1985	STRCK	XXXXX	1S12S7454FD271396	100	329			
90-0036	IWS-CHESTER	2000 Mac Trailer	T74Y8J	2000	MACKX	XXXXX	5MAMN4825YC003561	300	329			
90-0051	IWS-CHESTER	2006 Mac Trailer	TCJ90V	2006	MACKX	XXXXX	5MAMN48226C010643	300	323			
90-0052	IWS-CHESTER	1999 Dorsey Trailer	TEZ48J	1999	DORSY	XXXXX	1DTP16W25XG053650	300	329			
90-0383	IWS-CHESTER	2002 GAC Trailer	TDF86R	2002	GSC	XXXXX	1G93A18233S203002	100	329			
90-0410	IWS-CHESTER	90-0410		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
90-11446	IWS-CHESTER	90-11446		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
COMPACTOR-	IWS-CHESTER	COMPACTOR-412		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
COMPACTOR-	IWS-CHESTER	COMPACTOR-441		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
COMPACTOR-	IWS-CHESTER	Compactor- Chester		2013	ACTION	XXXXX		100	329			
CONTAINER-412	IWS-CHESTER	CONTAINER-412		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
CONTAINER-441	IWS-CHESTER	CONTAINER-441		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
CONTAINER-	IWS-CHESTER	Container- Chester, NY		2013	ACTION	XXXXX		100	329			

Unit Inventory Report
Action Carting Env Svc

Shop ID: IWS-CHESTER Group: Unit ID

Unit	Shop	Description	License#	Year	Make	Model	Serial#	Activity	Cost Code	Util Base	Last Reading	Meter Date
FACILITY-412	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	CHESTER	000	329			
FACILITY-413	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	AIRMONT	300	328			
FACILITY-422	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	GOSHEN	300	326			
FACILITY-423	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	PORT JERVIS	000	321			
FACILITY-425	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	NEWBURGH	000	323			
FACILITY-426	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	HILLBURN-RCTS	300	324			
FACILITY-431	IWS-CHESTER	Facility Maintenance -		1980	XXXXX	XXXXX	HILLBURN-CRSS	000	325			
INDIRECT-412	IWS-CHESTER	INDIRECT-412		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			
INDIRECT-441	IWS-CHESTER	INDIRECT-441		2014	XXXXX	TMT MODEL		ACTIVITY	TMT COSTCT			

REPORT TOTALS:

TOTAL NUMBER OF UNITS:	90
TOTAL RPT ONLY UNITS:	29
TOTAL MISC. UNITS:	12

The Action Environmental Group, Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

December 31, 2016 and 2015

DRAFT

COHN REZNICK

ACCOUNTING • TAX • ADVISORY

The Action Environmental Group, Inc. and Subsidiaries

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CONFIDENTIAL

Independent Auditor's Report

To the Board of Directors and Stockholders
The Action Environmental Group, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of The Action Environmental Group, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Action Environmental Group, Inc. and Subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CohnReznick LLP

Roseland, New Jersey
April 4, 2017

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The Action Environmental Group, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2016 and 2015

Assets

	2016	2015
Current assets		
Cash	$ 113,009	$ 21,980
Accounts receivable, net	28,405,948	26,610,865
Prepaid expenses and other current assets	5,066,968	3,616,646
Note receivable - stockholder	466,667	-
Total current assets	34,051,592	30,249,491
Property and equipment, net of accumulated depreciation and amortization	101,004,861	102,877,641
Intangible assets, net of accumulated amortization	15,424,250	13,270,079
Goodwill	8,793,669	8,793,669
Acquired favorable in-place leases, net	2,445,232	2,494,676
Security deposits and other assets	6,344,691	4,890,304
Note receivable - stockholder, net of current portion	933,333	-
Total	$ 169,297,638	$ 162,575,860

Liabilities and Stockholders' Equity

Current liabilities		
Current portion of long-term debt	$ 3,174,659	$ 3,148,755
Current portion of capital lease obligations	-	570,676
Deferred gain on sale-leaseback	33,018	-
Accounts payable and accrued expenses	28,171,486	22,855,828
Total current liabilities	31,379,163	26,575,259
Notes payable - line of credit	3,886,785	164,438
Long-term debt, net of current portion	91,558,440	94,375,762
Acquired unfavorable in-place leases, net	-	194,737
Deferred gain on sale-leaseback, net of current portion	453,998	-
Deferred income taxes	1,409,500	1,409,500
Deferred compensation	1,697,150	-
Total liabilities	130,385,036	122,719,696
Commitments and contingencies	-	-
Stockholders' equity		
Series A-1 convertible participating preferred stock (liquidation preference of $3,200,000 in 2016 and 2015)	433	433
Series A-2 convertible participating preferred stock (liquidation preference of $4,510,318 in 2016 and 2015)	381	381
Series B convertible participating preferred stock (liquidation preference of $6,971,644 and $6,206,187 in 2016 and 2015, respectively)	268	268
Series C convertible participating preferred stock (liquidation preference of $52,830,994 and $47,849,483 in 2016 and 2015, respectively)	1,564	1,564
Series D convertible participating preferred stock (liquidation preference of $22,162,748 and $20,072,989 in 2016 and 2015, respectively)	794	794
Series E convertible participating preferred stock (liquidation preference of $42,929,267 and $38,881,404 in 2016 and 2015, respectively)	1,733	1,733
Common stock	1,535	1,535
Paid-in capital	86,323,538	86,323,538
Stock subscription receivable	(2,867,441)	(2,770,996)
Accumulated deficit	(38,020,203)	(37,173,086)
Treasury stock, 130 common shares, at cost	(6,530,000)	(6,530,000)
Total stockholders' equity	38,912,602	39,856,164
Total	$ 169,297,638	$ 162,575,860

See Notes to Consolidated Financial Statements.

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The Action Environmental Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Loss
Years Ended December 31, 2016 and 2015

	2016	2015
Net revenue	$ 271,109,894	$ 254,645,315
Cost of revenue	216,592,164	208,146,097
Gross profit	54,517,730	46,499,218
Operating expenses		
Selling, general and administrative	29,099,935	26,694,118
Loss on disposals of equipment	161,997	144,321
Special compensation expense	2,545,725	-
Depreciation	11,051,059	10,627,527
Amortization	3,417,744	3,196,435
Total	46,276,160	40,662,401
Income from operations	8,241,570	5,836,817
Other expense (income)		
Interest expense	8,840,289	8,975,625
Other, net	37,884	(55,199)
Total	8,878,173	8,920,426
Loss before income taxes	(636,603)	(3,083,609)
Income tax expense	210,514	229,108
Net loss	$ (847,117)	$ (3,312,717)
Comprehensive loss		
Net loss	$ (847,117)	$ (3,312,717)
Gain on interest rate swap contract	-	37,497
Comprehensive loss	$ (847,117)	$ (3,275,220)

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See Notes to Consolidated Financial Statements.

The Action Environmental Group, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2016 and 2015

	Series A-1 preferred stock		Series A-2 preferred stock		Series B preferred stock		Series C preferred stock		Series D preferred stock		Series E preferred stock		Series F-2 preferred stock		Common stock		Paid-in capital	Stock subscription receivable	Accumulated deficit	Accumulated other comprehensive loss	Treasury stock	Total
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount						
Balance January 1, 2015	43,260	$ 433	36,100	$ 361	26,842	$ 268	156,415	$ 1,564	78,439	$ 784	167,725	$ 1,678	15,000,000	$ 15,000,000	153,548	$ 1,535	$ 85,323,583	$ [illegible]	$ [illegible]	$ (37,497)	$ (6,530,000)	$ 57,227,923
Accrued interest on stock subscription receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(96,445)	-	-	-	(96,445)
Gain on interest rate swap contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,497	-	37,497
Issuance of Series E preferred stock from debt conversion	-	-	-	-	-	-	-	-	-	-	5,588	56	-	-	-	-	999,945	-	-	-	-	1,000,000
Redemption and cancellation of Series F-2 preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	(15,000,000)	(15,000,000)	-	-	-	-	-	-	-	(15,000,000)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,312,717)	-	-	(9,312,717)
Balance December 31, 2015	43,260	433	36,100	361	26,842	268	156,415	1,564	78,439	784	173,312	1,733	-	-	153,548	1,535	86,323,538	(2,770,996)	(37,173,066)	-	(6,530,000)	38,858,164
Accrued interest on stock subscription receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(96,445)	-	-	-	(96,445)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(847,117)	-	-	(847,117)
Balance December 31, 2016	43,260	$ 433	36,100	$ 361	26,842	$ 268	156,415	$ 1,564	78,439	$ 784	173,312	$ 1,733	-	$ -	153,548	$ 1,535	$ 86,323,538	$ (2,867,441)	$ (38,020,203)	$ -	$ (6,530,000)	$ 38,912,602

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See Notes to Consolidated Financial Statements.

The Action Environmental Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Net loss	$ (847,117)	$ (3,312,717)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	14,468,893	13,823,962
Amortization of debt issuance costs	522,816	1,037,271
Amortization of unfavorable leases, net	(145,313)	(184,260)
Loss on disposals of equipment	161,897	144,321
Noncash interest income	(96,445)	(96,445)
Bad debts	667,445	267,508
Changes in operating assets and liabilities, net of effects of acquisitions		
Accounts receivable	(2,462,528)	(1,389,583)
Prepaid expenses and other current assets	(1,553,292)	543,617
Security deposits and other assets	(1,454,387)	(859,271)
Deferred gain on sale-leaseback	487,016	-
Accounts payable and accrued expenses	6,912,805	(2,832,173)
Net cash provided by operating activities	16,661,803	7,142,230
Cash flows from investing activities		
Purchases of property and equipment	(9,048,766)	(9,500,464)
Purchases of intangible assets	(139,915)	-
Proceeds from disposals of property and equipment	88,500	30,267
Note receivable - stockholder	(1,400,000)	-
Collection on notes receivable	103,970	138,224
Payment for acquisition of businesses	(6,012,000)	(3,159,842)
Net cash used in investing activities	(16,408,211)	(12,491,815)
Cash flows from financing activities		
(Repayment) proceeds of note payable, net	3,722,347	(39,696,722)
Proceeds from long-term debt	-	100,000,000
Repayment of long-term debt	(3,270,684)	(18,451,609)
Repayment of subordinated debt	-	(19,416,142)
Repayment of capital lease obligations	(570,676)	(190,497)
Redemption and cancellation of Series F-2 preferred stock	-	(15,000,000)
Loan origination costs	(43,550)	(2,563,820)
Net cash provided by (used in) financing activities	(162,563)	4,681,210
Net increase (decrease) in cash	91,029	(668,375)
Cash, beginning	21,980	690,355
Cash, end	$ 113,009	$ 21,980
Supplemental disclosure of cash flow data		
Interest paid	$ 8,317,473	$ 7,550,795
Income taxes paid	$ 127,366	$ 190,894

See Notes to Consolidated Financial Statements.

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The Action Environmental Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

Note 1 - Organization and description of business

The financial statements presented in this report represent the consolidation of The Action Environmental Group, Inc. (the "Company"), a Delaware corporation formed on July 14, 2010, and the Company's wholly-owned subsidiaries Action Carting Environmental Services, Inc. ("Services"), a New York corporation formed on April 1, 1998, Action Environmental Solutions, LLC ("Solutions"), a New York company established on October 29, 2008, and Action Environmental Systems, LLC ("Systems"), a New York company established on May 19, 2010. The financial statements also include Interstate Waste Services Holding Co, Inc., a Delaware corporation ("IWS Holding"), Interstate Waste Services of New Jersey, Inc., a New Jersey corporation ("IWS New Jersey"), Interstate Waste Services, Inc., a New York corporation ("IWS New York"), I.W.S. Transfer Systems of NJ, Inc., a New Jersey corporation ("IWS Transfer NJ"), Crossroads Transfer Station, Inc., a New York corporation ("Crossroads"), Garofalo Brothers, Inc., a New Jersey corporation ("Garofalo") and I.W.S. Transfer Systems of NY, Inc., a New York corporation ("IWS Transfer NY") (collectively "Interstate") which were acquired on August 20, 2013.

Solutions and Systems will continue to exist until the members decide to dissolve the entity or an event of dissolution of the LLC under the New York Limited Liability Company Law occurs.

The Company provides waste management services to commercial, industrial and residential customers located in New York and New Jersey.

Note 2 - Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of The Action Environmental Group, Inc., Services, Solutions, Systems and Interstate. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue recognition

Revenue is recognized upon completion of the earnings process which consists of the following:

- Solid waste collection revenue is recognized at the time the service is performed.
- Transfer station revenue is recognized at the time the waste is received at the transfer station.
- Revenue at the Material Recovery Facility is, for the most part, recognized when the products are shipped.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which typically range from three to fifteen years. Leasehold improvements are amortized over the lesser of the term of the related lease or the useful lives of the assets.

Long-lived assets
Long-lived assets consist primarily of land, building and intangibles. The recoverability of long-lived assets is evaluated periodically whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an impairment loss exists, the carrying amount of the related long-lived assets is reduced to its estimated fair value.

Intangible assets
The Company evaluates the recognition and measurement of intangible assets acquired individually or with a group of other assets and the recognition and measurement of goodwill and other intangible assets subsequent to their acquisition. Goodwill and intangible assets with indefinite lives are no longer amortized, but are subject to annual or more frequent impairment testing. Other intangible assets and favorable and unfavorable in-place leases deemed to have a finite life are amortized over their useful lives. During the year ended December 31, 2016, management determined that no impairment adjustments related to goodwill or other intangibles were necessary.

The Company amortizes the following intangible assets with finite lives using the straight-line method as follows:

Covenants not-to-compete	3 - 5 years
Customer routes	5 - 7 years

Favorable and unfavorable in-place lease values for real estate are recorded based on the present value (using an interest rate which reflects the risks associated with the lease acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place lease and (ii) the estimate of the market rent for the corresponding in-place lease, measured over a period equal to the remaining non-cancelable term of the lease plus renewal options. Unfavorable in-place lease values do not take the renewal options into consideration.

This allocation has resulted in the recognition upon an acquisition of additional intangible assets (acquired favorable in-place leases) and deferred liability (acquired unfavorable in-place leases) relating to certain real estate assets. The Company amortizes the acquired favorable in-place leases and acquired unfavorable in-place lease over the term of the underlying leases.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the long-term debt to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed over the term of the loan using the straight-line method. The effect of using the straight line method is not materially different from the results that would have been obtained under the effective yield method. Amortization of the debt issuance costs for the years ended December 31, 2016 and 2015 was $522,816 and $1,037,271, respectively. Estimated annual amortization of debt issuance costs for each of the ensuing years through December 31, 2020 is $522,816 through 2019 and $174,264 in 2020.

Advertising
The Company expenses advertising costs as incurred. For the years ended December 31, 2016 and 2015, advertising expense was $921,028 and $771,923, respectively.

Taxes collected from customers
The Company accounts for taxes collected from customers on a net basis (excluded from revenue).

Income taxes
The Company provides for income taxes and recognizes deferred tax assets and liabilities by the use of the liability method. This method requires that all deferred tax balances be determined by using the applicable tax rate expected to be in effect when the taxes will actually be paid or when refunds are received. The applicable tax rate is applied to the differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. The resulting deferred tax asset or liability is adjusted to reflect changes in tax laws as they occur. Valuation allowances are established, if necessary, to reduce any deferred tax assets to the amount that will more likely than not be realized. Income tax expense is the current tax payable or receivable for the period plus or minus the net change in the deferred tax assets and liabilities.

The principal temporary differences consist of different methods of amortization for financial statement purposes versus tax purposes; a provision for bad debts for consolidated financial statement purposes versus the direct write-off method for tax purposes; the timing of deductions for certain accruals; a tax net operating loss carryforward; differences in basis of fixed assets and intangible assets for consolidated financial statement purposes versus tax purposes and differences between the financial reporting basis and the tax basis of certain of the Company's assets and liabilities.

The Company has no unrecognized tax benefits at December 31, 2016 and 2015. The Company's federal and state income tax returns prior to fiscal years 2013 and 2012, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company recognizes interest and penalties associated with tax matters, if applicable, as part of operating expenses and includes interest and penalties in accounts payable and accrued expenses in the consolidated balance sheets.

Other comprehensive loss
Other comprehensive loss consists of two components, net loss and comprehensive loss. Other comprehensive loss refers to revenue, expenses, gains and losses that under accounting principles generally accepted in the United States of America are recorded as an element of stockholders' equity but are excluded from net loss. Other comprehensive loss is comprised of unrealized gains and losses on an interest rate swap contract.

Interest rate swap contracts
The Company had used derivative financial instruments to reduce interest rate risk and does not hold or issue derivative financial instruments for trading purposes.

The Company recognizes all derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. Changes in the fair value of those instruments are reported in earnings or other comprehensive loss depending on the use of the derivative and whether it qualifies for hedge accounting. The accounting for gains and losses associated with changes in the fair value of the derivative and the effect on the consolidated financial statements will depend on its hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value of cash flow of the asset or liability hedged.

Change in accounting principle
During 2016, the Company adopted the provisions of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"), which modifies the presentation of debt issuance costs and the related amortization. The change in accounting under

ASU 2015-03 improves the reporting of debt issuance costs by no longer reporting them as assets. It also improves the reporting of the related amortization by including it as a component of interest expense.

Reclassifications
Certain amounts in the accompanying 2015 consolidated financial statements have been reclassified to conform to the 2016 presentation.

Subsequent events
The Company has evaluated subsequent events through April 4, 2017, which is the date the consolidated financial statements were available to be issued.

Note 3 - Business acquisitions

On August 29, 2016, the Company acquired certain assets of J.F. Morena Co., Inc. ("Morena") for consideration of $480,000 which was paid in cash. The assets acquired included, but were not limited to, permits, compactors and containers, collection vehicles, parts and supplies and customer contracts. Acquisition related costs incurred and expensed were $15,963. The accompanying consolidated financial statements include the results of operations of the acquired business since the date of acquisition.

The following is a summary of the fair value of the assets acquired as of the acquisition date:

Vehicles	$ 50,000
Customer list and contracts	430,000
Total	$ 480,000

On June 24, 2016, the Company acquired certain assets of Pequannock Disposal Co, Inc. ("Pequannock") for consideration of $5,532,000 which was paid in cash. The assets acquired included, but were not limited to, compactors and containers, collection vehicles, parts and supplies and customer contracts. Acquisition related costs incurred and expensed were $117,404. The accompanying consolidated financial statements include the results of operations of the acquired business since the date of acquisition.

The following is a summary of the fair value of the assets acquired as of the acquisition date:

Vehicles	$ 480,000
Containers and compactors	150,000
Customer list and contracts	4,902,000
Total	$ 5,532,000

On December 28, 2015, the Company acquired certain assets of D&J Marangi, Inc. ("D&J"). The assets acquired included, but are not limited to, equipment, containers, permits and customer contracts. The purchase price for the transfer of the fixed assets was $250,000. In addition, the Company shall pay up to $360,000 for the goodwill of the business based on achievement if certain revenue commitments are met. In September 2016, the Company paid an additional $90,000 for customer lists and incurred and expensed acquisition related costs of $5,000. The remainder is

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uncertain at this time. This goodwill reflects the value of adding the business to the Company's existing New Jersey collection business, resulting in efficiencies of route collections.

On November 30, 2015, the Company acquired certain assets of Future Sanitation, Inc. ("Future") for cash consideration of $401,738. The assets acquired included, but are not limited to, equipment, containers and customer contracts. Acquisition related expenses incurred and expensed were $9,895. The accompanying consolidated financial statements include the results of operations of the acquired business since the date of the acquisition. The consideration for the assets acquired has been allocated $70,400 to equipment and $331,338 to customer contracts.

On November 12, 2015, the Company acquired certain assets of Falletta Carting Corporation ("Falletta") for consideration of $2,226,103 of which $1,750,234 was in cash and $475,869 for the relief of any outstanding accounts receivable. The balance will be paid over a three-year period if certain revenue commitments are met. The assets acquired included, but are not limited to, equipment, vehicles, containers, parts, permits and customer contacts. The accompanying consolidated financial statements include the results of operations of the acquired business since the date of the acquisition.

The following is a summary of the fair value of the assets acquired and the resulting goodwill as of the acquisition date:

Vehicles	$ 275,000
Containers and equipment	45,000
Customer list	1,226,103
Goodwill	680,000
Total	$ 2,226,103

Goodwill is calculated as the excess of the purchase price paid over the net assets acquired. The goodwill recorded as part of the Falleta acquisition primarily reflects the value of expanded geographical footprint in the New York marketplace. The amount of goodwill that is tax deductible for the years ended December 31, 2016 and 2015 is $45,333 and $5,665, respectively.

On July 29, 2015, the Company acquired certain assets of Margiotta Enterprises, LLC ("Margiotta") for cash consideration of $757,870. The assets acquired consisted primarily of vehicles. Acquisition related expenses incurred and expensed were $24,286. The accompanying consolidated financial statements include the results of operations of the acquired business since the date of the acquisition.

The following is a summary of the fair value of the assets acquired and the resulting goodwill as of the acquisition date:

Vehicles	$ 300,000
Goodwill	457,870
Total	$ 757,870

Goodwill is calculated as the excess of the purchase price paid over the net assets acquired. The goodwill recorded as part of the Margiotta acquisition primarily reflects the value of expanded

service offerings in the New York marketplace. The amount of goodwill that is tax deductible for the years ended December 31, 2016 and 2015 is $30,525 and $12,718, respectively.

Note 4 - Risk concentrations

Credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash with high-credit quality financial institutions. At December 31, 2016, approximately $290,000 exceeded federally insured limits.

Concentration of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base and generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers while maintaining allowances for potential credit losses. On a periodic basis, the Company evaluates its trade accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit considerations. At December 31, 2016 and 2015, the allowance for doubtful accounts was $859,630 and $888,007, respectively.

Disposal costs

During the years ended December 31, 2016 and 2015, approximately 53% and 45% of disposal costs were to three vendors, respectively. The total amount due to these vendors included in accounts payable at December 31, 2016 and 2015 was $6,027,393 and $5,031,517, respectively.

Fuel costs

During each of the years ended December 31, 2016 and 2015, approximately 99% of fuel costs were to one vendor. The total amount due to this vendor included in accounts payable at December 31, 2016 and 2015 was $222,130 and $222,021, respectively.

Labor

Approximately 80% of the Company's labor force is provided by various unions subject to collective bargaining agreements.

Self-insurance

The Company has a self-insured health plan for all of its employees. The Company has purchased stop loss insurance to supplement the health plan, which will reimburse the Company for individual claims in excess of $100,000 annually. The annual expense varies based on the number of participants.

Note 5 - Notes receivable

The Company had notes receivable which were due in monthly installments of $16,242 including interest ranging from 5% to 7% which matured on August 31, 2016. At December 31, 2015, the total amount due was $103,970, which was included in prepaid expenses and other current assets.

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Note 6 - Intangible assets

The following is a summary of intangible assets by major category at December 31, 2016 and 2015:

	2016		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangibles with finite lives			
Covenants not-to-compete	$ 1,073,710	$ 1,001,143	$ 72,567
Customer routes	36,934,604	25,102,921	11,831,683
Total	38,008,314	26,104,064	11,904,250
Intangibles with indefinite lives			
Trademark	3,370,000	-	3,370,000
Transfer station operating permits	150,000	-	150,000
Total	3,520,000	-	3,520,000
Total	$ 41,528,314	$ 26,104,064	$ 15,424,250

	2015		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangibles with finite lives			
Covenants not-to-compete	$ 1,073,710	$ 913,063	$ 160,647
Customer routes	31,362,604	21,773,257	9,589,347
Total	32,436,314	22,686,320	9,749,994
Intangibles with indefinite lives			
Trademark	3,370,000	-	3,370,000
Transfer station operating permits	150,085	-	150,085
Total	3,520,085	-	3,520,085
Total	$ 35,956,399	$ 22,686,320	$ 13,270,079

Amortization of intangibles amounted to $3,417,744 and $3,196,435 for the years ended December 31, 2016 and 2015, respectively.

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Based on the amortizable assets recorded in the consolidated balance sheet at December 31, 2016, amortization expense for each of the next five years and thereafter is estimated to be as follows:

2017	$ 3,045,592
2018	2,651,681
2019	2,711,198
2020	1,094,784
2021	1,023,345
Thereafter	1,411,626
Total	$ 11,938,226

Acquired favorable and unfavorable in-place leases
The following is a summary of acquired favorable and unfavorable in-place leases at December 31, 2016 and 2015:

	2016		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Acquired favorable in-place leases	$ 2,610,000	$ 164,748	$ 2,445,252
Acquired unfavorable in-place leases	$ 740,000	$ 740,000	$ -

	2015		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Acquired favorable in-place leases	$ 2,610,000	$ 115,324	$ 2,494,676
Acquired unfavorable in-place leases	$ 740,000	$ 545,263	$ 194,737

Amortization of acquired favorable and unfavorable in-place leases resulted in a net decrease to rent expense of $100,091 and $184,260 for the years ended December 31 2016 and 2015, respectively. The estimated net annual amortization of acquired favorable leases for each of the next five years and thereafter is estimated to be $49,424 per year through 2021 and $2,198,132 thereafter.

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Note 7 - Property and equipment

Property and equipment consists of the following:

	2016	2015
Land and improvements	$ 34,519,846	$ 34,877,472
Building and improvements	12,539,959	12,943,186
Transportation and related collection equipment	44,913,289	38,601,633
Containers and compactors	27,709,003	26,142,255
Machinery and equipment	31,017,547	29,787,621
Leasehold improvements	6,604,893	6,279,576
Furniture, fixtures and computer equipment	2,362,118	2,291,579
Construction in progress	-	56,263
	159,665,997	150,979,585
Less accumulated depreciation and amortization	58,361,146	48,101,944
Total	$ 101,304,851	$ 102,877,641

Depreciation and amortization expense amounted to $11,051,059 and $10,627,527 for the years ended December 31, 2016 and 2015, respectively.

Note 8 - Notes payable

At December 31, 2014, the Company had an existing agreement ("Existing Senior Credit Facility") with its senior secured lenders ("Bank") represented by a working capital and general corporate credit agreement of $45,000,000 for a revolving credit facility ("Revolver") and $25,000,000 for a term loan.

In April 2015, as described in Note 9, the term loan was paid off and the revolving credit facility was reduced to $20,000,000.

At December 31, 2016 and 2015, the outstanding balances under the line of credit were $3,886,785 and $164,438, respectively. At December 31, 2016 and 2015, interest is payable monthly at rates ranging from 3.173% to 6.875%. The credit facilities mature on October 29, 2019, and are secured by substantially all assets of the Company.

The agreement contains various financial covenants and other covenants with which the Company has complied.

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At December 31, 2016, the line of credit provides for maximum letters of credit of $4,000,000. At December 31, 2016, there were letters of credit outstanding in the amount of $1,732,077 as follows:

Insurance related	$ 715,000
Real estate security	400,000
Municipal contract security	617,077
Total	$ 1,732,077

Note 9 - Long-term debt

On April 29, 2015, the Company signed a new $100,000,000 term loan with a related party (the "2015 Term Loan") and refinanced its revolving credit facility with a new $20,000,000 facility with the existing lender. The proceeds from the 2015 Term Loan were used to pay the following:

Notes payable	$ 45,086,668
Long-term debt	14,722,232
Repurchase of outstanding Series F-2 Preferred Stock	15,000,000
May 2012 Subordinated Debt Notes	13,000,000
2013B Subordinated Debt Notes	4,000,000
2014 Subordinated Debt Notes	1,000,000
Accrued interest to date	2,385,276
Transaction fees and expenses	2,410,524
Remaining cash	2,395,300
	$ 100,000,000

The remaining balance of $1,000,000 of the 2013B Subordinated Debt Notes were converted to Series E Preferred Stock at that time.

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Long-term debt consists of the following:

	2016	2015
Note payable to related party, due in current quarterly installments of $625,000 plus interest at LIBOR plus 7%, with a LIBOR floor of 1%, until April 29, 2020 when the final balloon payment is due. The agreement contains various financial covenants with which the Company must comply. The loan is secured by substantially all assets of the Company except accounts receivable.	$ 95,625,000	$ 98,125,000
Unsecured note payable related to a business acquisition with varying monthly installments including interest of 7% per annum, with final payment due through March 2018. The loan is subordinated to other notes payable.	850,811	1,621,495
Total balance due	96,475,811	99,746,495
Unamortized debt issuance costs	(1,742,712)	(2,221,978)
Net balance	94,733,099	97,524,517
Less current portion	3,174,659	3,148,755
Long-term debt	$ 91,558,440	$ 94,375,762

Principal payment requirements on long-term debt in the years subsequent to December 31, 2016 are as follows:

2017	$ 3,174,659
2018	2,676,152
2019	2,500,000
2020	88,125,000
	$ 96,475,811

Note 10 - Capital lease obligations

The Company leased machinery, office furniture and equipment under capital lease obligations which matured in June 2016. The assets and liabilities were recorded at their initial fair value.

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The following is a summary of machinery, office furniture and equipment previously held under the capital lease obligations:

	2016	2015
Machinery, office furniture and equipment	$ 865,050	$ 865,050
Less accumulated depreciation	194,636	108,131
Total	$ 670,414	$ 756,919

Amortization (included in depreciation expense) on the leases using the straight-line method was $86,505 for each of the years ended December 31, 2016 and 2015.

Note 11 - Capital stock

In April 2015, the Company amended its Certificate of Incorporation. Under the amendment, the Company is authorized to issue seven (7) classes of capital stock to be designated, respectively, Common Stock, Series A-1 Convertible Participating Preferred Stock, Series A-2 Convertible Participating Preferred Stock, Series B Convertible Participating Preferred Stock, Series C Convertible Participating Preferred Stock, Series D Convertible Participating Preferred Stock and Series E Convertible Participating Preferred Stock, each of what shall have a par value of $0.01 per share. The total number of shares which the Company is authorized to issue is 1,400,231 shares of which (i) 851,258 shares shall be designated as common stock ("Common Stock"), (ii) 43,280 shares shall be designated as Series A-1 Convertible Participating Preferred Stock ("Series A-1 Preferred Stock"), (iii) 38,100 shares shall be designated as Series A-2 Convertible Participating Preferred Stock ("Series A-2 Preferred Stock"), (iv) 26,842 shares shall be designated as Series B Convertible Participating Preferred Stock ("Series B Preferred Stock"), (v) 156,415 shares shall be designated as Series C Convertible Participating Stock ("Series C Preferred Stock"), (vi) 109,336 shares shall be designated as Series D Convertible Participating Preferred Stock ("Series D Preferred Stock") and (vii) 175,000 shares shall be designated as Series E Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and the Series E Preferred Stock may also be referred to herein collectively as "Convertible Preferred Stock." The Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock and the Series E Preferred Stock may also be referred to herein collectively as "Preferred Stock." The Preferred Stock is convertible into Common Stock on a share for share basis.

Dividends on shares of Series B Preferred Stock shall accrue at the rate per annum of (x) $16.764771 [15% of $111.76514] per share from the date of issuance of the Series B Preferred Convertible Stock issued by Services, on June 3, 2009 or December 1, 2009, as the case may be, through the initial date of issuance of the Series C Preferred Stock, and (y) $11.176514 [10% of $111.76514] per share from and after the initial date of issuance of the Series C Preferred Stock (collectively the "Accruing Series B Dividends"). Dividends on shares of Series C Preferred Stock shall accrue at a rate per annum of $17.901128 [10% of $179.01128] per share. Dividends on shares of Series D Preferred Stock shall accrue at a rate per annum of $17.901128 (10% of $179.01128) per share. Dividends on shares of Series E Preferred Stock shall accrue at a rate per annum of $17.901128 (10% of $179.01128) per share (appropriately adjusted for stock splits, reverse stock splits and similar types of transactions or occurrences with respect to the Series E Preferred Stock) (the "Accruing Series E Dividends"). Series E Preferred stockholders may also elect to redeem their securities after receiving a rate per annum of $26.85169 (15% of $179.01128)

per share. (The Accruing Series B Dividends, the Accruing Series C Dividends, the Accruing Series D Dividends and the Accruing Series E Dividends, the "Accruing Dividends").

The Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative and compounded quarterly, provided, however, the Accruing Dividends (i) may be paid in cash in accordance with the terms, conditions and covenants contained in any debt instrument to which the Company may be party to, and when, as and if declared by the Board of Directors out of any funds legally available for that purpose, and (ii) shall be paid in cash but only upon a liquidation event as provided in the agreement. Accumulated unpaid dividends are included in the liquidation preference as of December 31, 2016 and 2015.

Note 12 - Stock-based compensation

In July 2010, the Company adopted The Action Environmental Group, Inc. 2010 Stock Option Plan (the "Plan") to enable the Company to attract, retain, motivate and provide additional incentive to its directors, officers, employees, consultants and advisors, whose contributions are essential to the growth and success of the Company, by enabling them to participate in the long-term growth of the Company through stock ownership.

Options may be granted under the Plan for up to 110,000 shares of Common Stock. Options granted under the Plan qualify as Incentive Stock Options and are granted at a price equal to the estimated fair value of the Company's Common Stock at the date of grant. The value of each option is determined by the Board of Directors based on internal valuation techniques. Generally, options granted have a term of 10 years from the date of grant and are fully vested at the grant date. Unless otherwise determined by the Board of Directors at or after the time of grant, no vested Incentive Stock Option may be exercised prior to the closing of a sale of the Company. In general, current options carry an exercise price of $1 per share.

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A summary of the status of the Company's employee stock options as of December 31, 2016 and 2015 and the changes during the years then ended are presented below:

	Number of options
Options, outstanding at January 1, 2015	60,073
Options granted	64,068
Options cancelled	(29,458)
Options forfeited	-
Options exercised	-
Options, outstanding at December 31, 2015	94,683
Options granted	-
Options cancelled	-
Options forfeited	(1,000)
Options exercised	-
Options, outstanding at December 31, 2016	93,683
Options, vested and expected to vest at December 31, 2016	93,683

As of December 31, 2016, total accumulated compensation cost related to unexercised stock option grants not yet recognized was $12,250,778, which will only be recognized upon the closing of the sale of the Company.

Note 13 - Income taxes

The income tax expense consists of the following components:

	2016	2015
Current tax expense - state and city income tax	$ 210,514	$ 229,108
Deferred tax benefit - federal	(33,948)	(5,580,908)
Deferred tax benefit - state and local	(751,709)	(733,720)
Change in valuation allowance	785,657	6,314,628
Total	$ 210,514	$ 229,108

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The deferred tax assets and liabilities relate to the following:

	2016	2015
Deferred tax assets		
Current		
Allowance for doubtful accounts and note receivable	$ 329,156	$ 334,575
Net operating loss carryforward	13,028,608	13,002,527
Valuation allowance	(13,357,764)	(13,337,102)
Total	$ -	$ -

	2016	2015
Long-term		
Amortization	$ 8,300,285	$ 9,084,950
Accrued rent	379,286	421,550
Other reserves	211,221	211,221
Valuation allowance	(2,490,607)	(3,296,926)
Total	6,400,185	6,420,795
Deferred tax liability (long-term)		
Depreciation	6,400,185	6,420,795
Subsidiary stock basis	1,409,500	1,409,500
Total	7,809,685	7,830,295
Net	$ (1,409,500)	$ (1,409,500)

At December 31, 2016, the Company has federal and state net operating loss carryforwards to offset future federal, state and city taxable income amounting to approximately $41,671,000 and $40,023,000, respectively, which expire in 2034. The net operating loss for federal income tax purposes is limited due to the Interstate acquisition and related ownership change. The provision for income taxes differs from the statutory rate due primarily to the effect of the valuation allowance and the effects of over and under accruals of state and local taxes from prior periods.

Note 14 - Retirement plans

Multiemployer pension plans

The Company contributes to multiemployer pension plans under collective bargaining agreements which provide retirement benefits for its various union employees. The risks of participating in multiemployer plans are different from single employer plans as assets contributed are available to provide benefits to employees of other employers and unfunded obligations from an employer that discontinues contributions are the responsibility of all remaining employers. In addition, in the event of a plan's termination or the Company's withdrawal from a plan, the Company may be liable for a portion of the plan's unfunded vested benefits. The Company does not anticipate withdrawal from the plans, nor is the Company aware of any expected plan terminations.

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The Company's contributions to these plans were less than 5% of each such plan's total contributions. Unless otherwise noted, the most recent Pension Protection Act zone status available in 2016 and 2015 is for the plans' year-end at December 31, 2015 and 2014, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. The "FIP/RP status pending or implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. Information for significant multiemployer pension plans in which the Company participates is included in the table below:

Pension fund	EIN/Pension plan number	Pension zone status 2016	Pension zone status 2015	FIP/RP status pending or implemented	Contributions 2016	Contributions 2015	Collective surcharge imposed	Expiration date of bargaining agreement
Local 282	11-6425313	Green	Green	N/A	$ 51,850	$ 44,802	No	6/30/2019
Local 108	13-6366378	Green	Green	N/A	102,642	79,070	N/A	4/30/2020
Local 125	22-6196388	Red	Red	RP	119,847	115,589	N/A	various
Total					$ 273,339	$ 239,261		

Retirement plan

Effective January 1, 2013, the Company maintains a 401(k) savings plan that covers substantially all full-time employees. The plan provides for a discretionary employer matching contribution equal to a percentage of the participants' salary reductions. The Company contributed $490,392 and $413,354 to the plan for the years ended December 31, 2016 and 2015, respectively. The contributions are included in employee benefits.

Note 15 - Related party transactions

Facility leases

In April 2007, the Company entered into a lease agreement with a company owned by one of the Company's stockholders for its facility in Newark, New Jersey. The lease, which was to expire in March 2017, required base monthly payments of $51,379 with increases annually through the life of the lease. The lease agreement required the Company to pay additional operating costs including applicable property taxes, insurance and maintenance costs. Rent and property tax costs for this lease for the year ended December 31, 2015 was $1,124,476. The lease was terminated effective October 31, 2015, and the 2015 expense includes a $500,000 termination charge.

As part of the Interstate acquisition, the Company assumed the following leases:

A lease agreement with a company owned by two of the Company's stockholders for its transfer station facility in Hillburn, New York. The lease, which expires in October 2026, requires current base monthly payments of $38,003 with increases of 3% annually through the life of the lease. Rent and related costs for this lease for the years ended December 31, 2016 and 2015 was $476,334 and $435,011, respectively.

A lease agreement with a company owned by two of the Company's stockholders for its material resource facility in Airmont, New York. The lease, which expires in October 2026, requires current base monthly payments of $48,031 with increases of 4% annually through the life of the lease. Rent and related costs for this lease for the years ended December 31, 2016 and 2015 was $586,822 and $510,964, respectively.

A lease agreement with a company owned by one of the Company's stockholders for its facility in Sloatsburg, New York. The lease, which expires in October 2026, requires current base monthly payments of $30,393 with increases of 3% annually through the life of the lease. Rent and related costs for this lease for the years ended December 31, 2016 and 2015 was $577,408 and $551,187, respectively.

On October 4, 2016, the Company sold a building and land in Paterson, New Jersey to one of the Company's stockholders for $1,400,000. The Company simultaneously leased the property back from the Stockholder under a lease agreement which expires in September 2031 and requires current base monthly payments of $20,000 with increases of 3% annually through the life of the lease. As part of the transaction, the Company recorded a deferred gain in the amount of $495,270 which will be amortized to rent expense over the life of the lease. Net rent amounted to $69,196 for the year ended December 31, 2016.

Management fee
During the years ended December 31, 2016 and 2015, the Company paid a management fee of $438,978 and $361,829, respectively, to certain of the Company's stockholders for services rendered. The Company has various advisory agreements with certain stockholders that aggregate $200,000 per year. These agreements expire through July 30, 2017 and are automatically renewable. The Company also has an advisory agreement with one of the Company's stockholders that automatically renews annually at a maximum annual amount of $90,000.

Note 16 - Commitments

Disposal agreement
The Company is party to agreements to deliver minimum volumes of solid waste per year through August 2018 to certain facilities. Future minimum payments for disposal in each of the years subsequent to December 31, 2016 are as follows:

2017	$ 28,943,300
2018	29,393,300
Total	$ 58,336,600

For the years ended December 31, 2016 and 2015, disposal costs for these companies totaled $33,053,675 and $29,742,845, respectively.

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Revenue

The Company has entered into various contracts and agreements with rates, renewal options and expiration dates varying through December 31, 2020 with local municipalities and cities to provide solid waste collection services. Future revenues to be received under these contracts in years subsequent to December 31, 2016 are as follows:

2017	$	59,371,378
2018		34,410,637
2019		11,015,194
2020		828,488
2021		250,662
Total	$	105,876,359

Other facility leases

Other facility leases consist of a warehouse, office space and vacant land. The leases require base monthly rent payments currently totaling $178,941. Certain leases require annual rent and security deposit increases ranging from 3% to 4% through the remainder of the leases. The lease agreements require the Company to pay additional operating costs including applicable property taxes, insurance and maintenance costs. The leases have various expiration dates through May 31, 2024.

The Company also leases property in Jersey City, New Jersey under a lease agreement which expires in September 2025, with an option to renew for up to six additional ten-year periods. The current base monthly rent payment is $59,950. Annual rent increases are based on the Consumer Price Index.

In 2010, one of the leases above was amended to provide Services a rent credit for previous work performed in the amount of $200,000 which shall be credited at the rate of $5,000 per month commencing on January 1, 2011. In addition, the lease was extended from October 31, 2017 to July 31, 2024. The monthly rent shall be increased cumulatively by 4% on August 1st of each year until August 1, 2019, when the monthly rental payments due from Services shall be increased cumulatively by 3.75%.

Future minimum rental payments under all facility leases in each of the next five years subsequent to December 31, 2016 and thereafter are as follows:

	Total	Nonrelated parties	Related parties
2017	$ 4,583,020	$ 2,894,069	$ 1,688,951
2018	4,632,822	2,887,212	1,745,610
2019	4,691,392	2,887,212	1,804,180
2020	4,752,000	2,887,212	1,864,788
2021	4,815,362	2,887,212	1,928,150
Thereafter	20,783,170	8,642,247	12,140,923
Total	$ 44,257,766	$ 23,085,164	$ 21,172,602

Rent and related real estate tax expense was $5,239,118 and $5,637,158 for these leases for the years ended December 31, 2016 and 2015, respectively.

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Employment agreements
The Company has employment agreements with three of its executives and three other employees with aggregate minimum base salaries of $1,500,000 expiring through March 31, 2018 with automatic annual renewal terms if the applicable individual is still employed at that time. Under the terms of these agreements, annual salaries paid for the years ended December 31, 2016 and 2015 were $1,650,495 and $1,412,590, respectively. The agreements also provide for annual pay increases and bonuses at the discretion of the Board of Directors.

At December 31, 2016 and 2015, the Company has stock subscription agreements with two of the Company's stockholders. The stock subscription notes receivable bear interest at 5%. The participants intend to repay this obligation through discretionary bonuses. The notes receivable are secured by the related stock. Total interest income accrued for both of the years ended December 31, 2016 and 2015 was $96,445.

Host municipality and community agreements
The Company has entered into an agreement with The Village of Hillburn, New York to pay fees based on the amount of tonnage received at the transfer station at a rate of $1 per ton with a $500 per day minimum to October 5, 2025. The Company also pays host fees to certain local municipalities based on the amount of tonnage received at the transfer station based on pre-defined rates and volumes ranging from $.50 to $1.50 per ton. Total host fee expense for the years ended December 31, 2016 and 2015 was $733,567 and $718,047, respectively.

Fuel agreements
In July 2016, the Company entered into agreements to purchase 126,000 gallons of diesel fuel per month at a cost in the range of $1.5918 to $1.6282 per gallon through December 2017, aggregating $2,030,146.

Note 17 - Preferred and common stock

The following is a summary of preferred and common stock at December 31, 2016 and 2015:

	2016	2015
Series A-1 convertible participating preferred stock, $.01 par value, 43,280 shares authorized, issued and outstanding	$ 433	$ 433
Series A-2 convertible participating preferred stock, $.01 par value, 38,100 shares authorized, issued and outstanding	$ 381	$ 381
Series B convertible participating preferred stock, $.01 par value, 26,842 shares authorized, issued and outstanding	$ 268	$ 268
Series C convertible participating preferred stock, $.01 par value, 156,415 shares authorized, issued and outstanding	$ 1,564	$ 1,564
Updated Series D convertible participating preferred stock, $.01 par value, 109,336 shares authorized, 79,438 issued and outstanding	$ 794	$ 794
Series E convertible participating preferred stock, $.01 par value, 175,000 shares authorized, 173,312 issued and outstanding	$ 1,733	$ 1,733
Common stock, $.01 par value, 851,258 shares authorized, 153,548 shares issued and outstanding	$ 1,535	$ 1,535

Each share of the Series A-1 to Series E outstanding convertible preferred shares are convertible into one share of common stock and are redeemable at the option of the holder at the then fair market value, as defined. All preferred stock has equal voting rights with the common stock. The Series F shares have no conversion features and no voting rights. During 2016 and 2015, there were no shares converted into common stock.

As described in Note 9, on April 29, 2015, the outstanding Series F-2 Preferred Stock was repurchased with the proceeds of the Company's refinancing its capital structure. In addition, the remaining balance of $1,000,000 of the 2013B Subordinated Debt Notes was converted to Series E Preferred Stock.

Note 18 - Stockholders' agreement

The Company and certain stockholders have an agreement which restricts the transfer or sale of Company stock. Upon the death or disability of certain stockholders, the Company shall purchase such shares. Upon transfer or sale, the stock shall first be offered to the Company and then to the remaining stockholders. The price per share will be based on the fair value of the Company's assets after considering general market conditions, goodwill and the value of other comparable companies, less the Company's liabilities.

Note 19 - Litigation

The Company is involved in lawsuits occurring in the normal course of business which, in management's opinion, are not significant, and the results of which, if unfavorable, would not have a material impact on the Company's consolidated financial position, results of operations and cash flows.

Note 20 - Environmental remediation

In the normal course of business the Company conducts business and remediates as necessary under the laws governed by the Industrial Site Recovery Act.

Note 21 - Other noncash investing and financing activities

During the years ended December 31, 2016 and 2015, the Company had the following noncash investing and financing activities:

	2016	2015
Purchases of intangible assets in accounts payable and accrued expenses	$ 100,085	$ -
Deferred compensation	$ 1,697,150	$ -
Conversion of 2013B Subordinated Notes to Series E Preferred Stock	$ -	$ 1,000,000

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Note 22 - Other expense (income), net

Other expense (income) for the years ended December 31, 2016 and 2015 consists of the following:

	2016	2015
Interest income	$ (190,388)	$ (114,334)
Acquisition related expenses	138,367	59,334
Other income	(199)	(199)
Total	$ 37,884	$ (55,199)

Note 23 - Fair value measurements

The Company values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, accounting standards established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The estimated fair values of other financial instruments which include cash, accounts receivable and payable and borrowings approximate their carrying values based on the short-term maturities of these instruments and due to current interest rates applicable to comparable market debt instruments.

Note 24 - Insurance

The Company carries insurance coverage for protection of its assets and operations from certain risks including automobile and truck liability, general liability, real and personal property damage, workers' compensation claims and other coverage that is customary in the industry. The Company's exposure to loss for insurance claims is generally limited to the per incident deductible under the related insurance policy.

The self-insured portion of workers' compensation liability for unpaid claims and associated expenses is determined by management with the assistance of third-party administrators using actual claims experience and anticipated future claims, which considers both the frequency and settlement amounts of reported claims. The amount recorded for workers' compensation unpaid claims at December 31, 2016 and 2015 amounted to $95,664 and $278,216, respectively.

The self-insured portion of general liability and automobile liability for unpaid claims and associated expenses is based on management's assessment of reported and anticipated unreported claims taking past experience into consideration. The amount recorded for general liability and automobile liability unpaid claims at December 31, 2016 and 2015 amounted to $1,879,109 and $1,184,540, respectively.

Note 25 - Subsequent events

On February 7, 2017, the Company refinanced the 2015 Term Loan with a related party increasing the outstanding amount by $20,000,000 and increasing the Revolver to $30,000,000. The proceeds were used to redeem all of the outstanding Series A-1 Preferred Stock and portions of the Series B, D and E Preferred Stock in the amount of $22,100,000 plus related expenses of $309,363.

The 2015 Term Loan is due in quarterly installments of $750,000 commencing on March 31, 2017 plus interest equal to a LIBOR rate plus 6.75% until April 2020 when the final balloon payment is due. The agreements also contain various modified financial covenants with which the Company must comply.

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/13/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
M&T Insurance Agency, Inc.
7799 Leesburg Pike, Ste 600 N
Falls Church VA 22043-2413

CONTACT NAME: Johanna Niebuhr
PHONE (A/C, No, Ext): FAX (A/C, No):
E-MAIL ADDRESS: jniebuhr@mtb.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Old Republic Insurance Co.	24147
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED ACTIO-4
The Action Environmental Group, Inc.
Action Carting Environmental Services, Inc.
Interstate Waste Services, Inc.
300 Frank W. Burr Blvd #39
Teaneck NJ 07666

COVERAGES CERTIFICATE NUMBER: 764867456 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE / OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			MWC30975100	3/1/2017	3/1/2018	X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N	N/A					E.L. EACH ACCIDENT	$1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Proof of Insurance

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/6/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Global Underwriters Agency, Inc.
20 Highland Avenue
Metuchen NJ 08840

CONTACT NAME: Lynn Perruso
PHONE (A/C, No, Ext): (732) 632-2790 FAX (A/C, No): (732) 632-2779
E-MAIL ADDRESS: lperruso@globalindemins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: National Union Fire Ins. Co of PA	19445
INSURER B: Lexington Insurance	19437
INSURER C: Travelers Ins Co.	29696
INSURER D: Navigators Insurance Company	42307
INSURER E:	
INSURER F:	

INSURED
The Action Environmental Group, Inc.
Action Carting Environmental Services, Inc.
Interstate Waste Services Inc.
300 Frank W. Burr Blvd
Teaneck NJ 07666

COVERAGES

CERTIFICATE NUMBER: 15-16action/iws

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			4572896	12/31/2015	12/31/2016	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			4576693	12/31/2015	12/31/2016	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
							Medical payments	$
B	UMBRELLA LIAB X OCCUR X EXCESS LIAB CLAIMS-MADE DED RETENTION $			021430623	12/31/2015	12/31/2016	EACH OCCURRENCE	$ 5,000,000
							AGGREGATE	$ 5,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
C	EXCESS LIABILITY			ZUP51M4791A15NF	12/31/2015	12/31/2016	10,000,000 XS 5,000,000	10,000,000
D	EXCESS LIABILITY			NY15EXC800695IV	12/31/2015	12/31/2016	10,000,000 XS 15,000,000	10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

BID PURPOSES ONLY

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Lynn Perruso/CSR49 Lynn Perruso

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