

CONTRACT FOR TANKER HAULING

THIS AGREEMENT entered into on the _____ day of _____ 2005, by and between BIO RECYCLING, a corporation in Washington State and GREAT WESTERN SOIL CONDITIONERS, INC. a company with its principal business office at 9418 Old Highway 99, Olympia, Washington, hereafter known as "Contractor".

1. Services. Contractor shall perform certain services for Bio Recycling, including:

(a) Trucking and hauling of liquid waste from Pacific, Washington and Pierce County, Washington to pre-arranged drop points in Pierce, Mason and Lewis Counties in Washington at a rate that does not impede Bio Recycling's plant operations at 251 Roy Rd. Pacific WA.

(b) Load and unload in designated areas and accept responsibility for minimizing odors and visual impacts by keeping area around load and unload areas clean and presentable.

(c) Perform certain other tasks including but not limited to measuring pH, opening and closing valves

(d) Load trucks at safe and legal maximum weight according to Bio Recycling certified scales, utilize equipment that can legally haul a minimum of 8200 gallons, keep tankers cleaned out to maximize legal net weights,

2. Performance. Time is of the essence in completing the services under this Agreement. The work performed shall meet all standards and specifications as set by Bio Recycling from time to time.

3. Equipment and Labor.

(a) The Contractor agrees to supply all equipment and labor necessary to complete the work under this Agreement.

(b) In the event that additional services are needed from the original bid, written authorization must be obtained from Bio Recycling prior to such services being performed.

By-product haul-1

4. Compensation.

(a) Bio Recycling agrees to pay the Contractor, as full compensation for services rendered in accordance with this Agreement, the sum of \$70.00 per hour of hauling stabilized septage. The rate per hour will be increased annually by U.S. Department of Labor Bureau of Labor Statistics, Series ID: CWUSX400SA0, Consumer Price Index – Urban Wage Earners and Clerical Workers, beginning with 2006.

(b) It is agreed between the parties that a “fuel surcharge” freight cost supplement as reported by the U.S. Department of Energy National Average Diesel Fuel Index will be adjusted monthly.

(http://www.jevic.com/tool_box/fuel_surcharge.php)

5. Term. The above services shall be contracted for a five-year (5) period beginning with August 1, 2005 and ending July 31, 2010. This contract can be extended or renewed upon written approval of both parties.

6. Cancellation. Either party may cancel or terminate this Agreement upon giving the other party sixty (60) days written notice of its intention to do so. Otherwise, the Agreement may be canceled immediately if either party breaches or violates any of the terms and condition contained herein.

7. Tools and Equipment.

(a) The Contractor agrees to supply equipment and labor necessary to complete the services herein.

(b) From time to time, Bio Recycling equipment will be leased to the Contractor as part of this contract. The Contractor expressly agrees to assume full responsibility for repair and maintenance on such equipment, including any damage or injury caused by the use of such equipment or tools. Insurance for physical damage, sufficient to replace said equipment with like equipment will be provided by contractor for all equipment leased by Bio Recycling to Contractor, said equipment will be listed on Attachment “A”. Contractor may only use the leased equipment to perform services for Bio Recycling.

(c) Upon the Contractor leasing Bio Recycling equipment, liability will be 100% accepted by the Contractor except for used power equipment, should repair to major components i.e. engine, clutch transmission, and rear-ends be necessary, Bio shall reimburse contractor for its cost according to the following schedule:

August 1, 2005 – December 31, 2005:	100%
January 1, 2006 – June 30, 2006:	75%
July 1, 2006 – December 31, 2006:	50%
After December 31, 2006:	0%

If the above referenced repairs are necessary due to improper operation or maintenance, contractor agrees to accept sole responsibility.

~~Upon the expiration of the equipment leasing or termination of this agreement, with respect to any item of the leased equipment, the Contractor shall return the same to Bio Recycling in good repair, condition and working order, ordinary wear and tear excepted, by delivering the item of leased equipment at Contractor's cost and expense to such place as Bio Recycling shall specify.~~

8. Business Relationship. Contractor shall perform this Agreement as a Contract transporter and nothing contained herein shall be construed to be inconsistent with this relationship or status. Contractor shall be solely and exclusively liable for all liability insurance, labor expenses, payroll taxes, worker's compensation, medical, and any other benefits or expenses in connection with this Agreement. The Contractor shall maintain sole control over the manner and means of performing this Agreement. Contractor shall provide evidence of such insurance coverage if requested to do so.

9. Indemnification. Contractor agrees to defend, indemnify and hold harmless Bio Recycling, its directors, officers, employees, and agents from and against any and all claims, damages, lawsuits, judgments, and expenses, including court costs and attorney's fee, for property damage, bodily injury, or death connected with the work performed under this Agreement by Contractor, its employees or agents.

10. Insurance. Prior to performing any work or services for Bio Recycling, Contractor shall at its own expense, obtain and maintain in force insurance in the amounts as follows:

(a) Workers compensation insurance providing statutory coverage limits and employer's liability coverage covering occupational disease and injury with full statutory coverage limits.

(b) Comprehensive automobile liability insurance including owned, non-owned, and hired vehicles in the amount of One Million Dollars (\$1,000,000).

(c) Comprehensive/commercial general liability insurance covering operations hereunder in an amount of Two Million Dollars (\$2,000,000) per occurrence covering death, bodily injury, and property damage.

At Bio Recycling's request, Contractor will name Bio Recycling as an additional insured under all such policies to the extent of its contractual liabilities hereunder; all such policies shall be in forms acceptable to Bio Recycling and shall provide that they cannot be canceled without thirty (30) days advance written notice to Bio Recycling.

~~Contractor shall keep the leased equipment insured against all risks of loss or damage from every cause whatsoever for not less than the full replacement value thereof as determined by Bio Recycling and shall carry public liability and property damage insurance covering the leased equipment. All of the aforesaid insurance shall be in form and amount and with companies approved by Bio Recycling and shall be in the joint names of Bio Recycling and Contractor. Contractor shall pay the premiums therefor and deliver said policies, or duplicates thereof, to Bio Recycling. Each insurer shall agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Bio Recycling, that it will give Bio Recycling thirty (30) days written notice before the policy in question shall be altered or canceled.~~

11. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington without regard to that state's conflict of laws, rules or principles. The parties expressly consent to the jurisdiction of the courts of the State of Washington and stipulate that, in any dispute arising hereunder, proper venue shall lie with the Superior Court of Thurston County, Washington.

12. **Attorney's Fees.** In any action to enforce this Agreement or recover damages for breach of this Agreement, the prevailing party shall be entitled to recover from the other party all costs and attorney's fees incurred in such amounts adjudged reasonable by a court of competent jurisdiction.

13. **Assignment.** This Agreement shall not be assigned or transferred to any other person or entity without prior written approval of the other party.

14. **Waiver.** The failure of either party to require the performance of any of the terms of this Agreement, or the waiver by either party of any breach of this Agreement, shall neither prevent a subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach.

15. **Interpretation.** This Agreement shall be interpreted and governed by the laws of the State of Washington.

16. **Binding Effect.** The terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, successors, and assigns.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

**BIO RECYCLING CORP.
CONDITIONERS**

GREAT WESTERN SOIL

By: _____

By: 

Title: _____

Title: President

Date: _____

Date: 8-31-05

ATTACHMENT "A"

Year	Make	Model	VIN#
Mileage @	Monthly		
lease start	Lease		
2005	Acro	Semi and pull tanker	3000
\$800.00			
1997	Kenworth	T-800 Tanker truck	300000
\$1500.00			
1985	Trailmaster	4 axle pull tanker	Unknown
Included w/			

Truck