

# DESTRUCTION SERVICES AGREEMENT

## TERMS & CONDITIONS

This Agreement shall serve as the only mutually approved provisions governing the relationship and expectations of and between JSR Business Services, LLC dba Arctic Shred (Company) and the Customer named in Attachment A, Billing Information of this agreement.) represented and bound hereby, unless superseded by another fully executed, written agreement between all parties hereto.

**Description of Services.** Company will provide services for the secure destruction of media or materials that are reasonably in accordance with Company's written and published representations ("Services"). Company will furnish a written verification of the completion of such Services to Customer. Services to be provided are listed in the Quote for Services and will be made part of this document as Attachment A. Document Destruction and, or Hard Drive Destruction shall be performed on-site at Customer's location by pierce and tear shredding technology for paper or by a hard drive crusher to acceptable industry standards. The Customer will sign for services rendered and will be provided with a receipt and certificate of destruction stating the quantities shredded, date, time, location, and container barcodes as they may apply via email prior to the driver departing the site. The document will clearly state if any services performed are not certified. Shred product or destroyed hard drives shall be transferred to a recycler of which the Company has a written agreement with.

**Changes to Services.** Any authorized person on the account may request and/or order a change in services provided they are listed as an authorized person on the account. Ensure all desired Authorized persons on the account are added to our list to alleviate delays in service. Changes to the number of containers/bins, frequency of service or locations of containers/bins require a Bin Service Change Request to be completed and signed by both Company and the Authorized Customer Representative. Additional containers/bins are accommodated based on current inventory. Invoices will reflect any reduction or addition to the current charges based on changes made to services.

**Term/Renewal.** The initial term of this agreement shall be as stated on the Quote for Services (Attachment A to this agreement), commencing on the purge or container installation date. At the expiration of the Initial Term, this agreement will automatically renew for successive periods (each a "Renewal Term" and collectively with the Initial Term the "Term") unless a party provides the other parties with notice of its intent not to renew this agreement at least sixty (90) days prior to the expiration of the then current term.

**Rate Increases.** Increase shall be based on the annual change in the US Bureau of Labor Statistics Consumer Price index for the Anchorage area for the most recent 12 months. Customers will be notified in writing, 90 days prior to upcoming price increases.

<https://www.bls.gov/regions/west/news-release/consumerpriceindex/anchorage.htm>

**Billing, Payments & Fees.** All completed, recurring services will receive a consolidated invoice which is sent out on the 1<sup>st</sup> of each month. The terms are set forth in this Agreement and also clearly stated on the invoice. All One-time Purge services are billed out on an immediate basis following the service date. The terms are set forth in this Agreement and also clearly stated on the invoice. Auto-pay and Pay-now options are available directly in the emailed invoice with secure links to the customer payment portal. Automatic payments are processed in conjunction with invoice processing. Any sales tax and fuel surcharges associated to the area serviced will be added to the invoice. It is necessary to notify our Accounting Department at 907-600-2727 when you have a change of credit card information, address, phone numbers, contacts, account updates & service needs to keep your account information current. *Paperless billing aligns with our entire business model. This keeps costs low. Think Green!* If charges to Customer's credit card are declined for any reason Company will attempt to contact the Customer for alternative payment arrangements. If Customer cannot be contacted or does not make alternate payment arrangements, Customer's account will be subject to credit collection procedures for non-payment. If Customer's credit card information changes for any reason, including expiration dates, Customer shall immediately notify Company and provide Company with updated credit card information. If Customer fails to provide updated credit card information prior to the due date and Company is unable to process payment, Customer shall make alternative payment arrangements. A credit card that has been declined, or has expired, is subject to the Late Payment Penalty. Credit Card payments will have a 3.5% convenience fee to process through our payment portal. There is no processing fee for ACH transactions. Service Suspended for Non-Payment will be charged a resume fee and a container re-delivery fee, if service is resumed. When a bin service is canceled a removal fee will be charged. The removal fee is a flat fee per bin removed. All standard charges for Services under this Agreement are as represented in writing by this agreement or as agreed separately in writing by Company and Customer. Invoices shall be due and payable within fifteen (15) days from receipt of the applicable invoice. Amounts due and not paid within thirty (30) days after Customer's receipt of the invoice shall bear interest at the rate of one and one-half per cent (1.5%) per month. In no event shall this interest provision be construed as a grant of permission for payment delays. Company may cancel this agreement and pick up its property from Customers with past due amounts owed greater than sixty (60) days after its due date. Company extends a grace period of (14) days past the initial due date before applying late fees to an account for inconsistencies in the mail or email of invoices and statements. The Customer shall pay all costs and reasonable attorney's fees incurred in collecting amounts owed. Due to the unpredictable changes in fuel prices and their financial impacts to our fleet operations, a Fuel Surcharge is added to each invoice to help account for sudden unpredictable changes in fuel prices. The Fuel Surcharge is a variable surcharge which is based on the weekly price of diesel as published by the USEIA. The fuel surcharge will calculate using a "threshold amount" of a gallon of diesel used as a base. We compare that to the actual, estimate the amount of fuel actually used on a job, and then surcharge the difference between actual and threshold amounts times gallons used. A service ticket trip charge will be included with every stop at a separate location. A Container Rental Fee will be charged per container/bin for any calendar month that a Customer suspends a container/bin service or retains a container/bin on site without servicing.

**Pickup, Delivery & Access.** Unobstructed access to the container is required on the scheduled service day(s) during Customer's normal business hours provided to the Company. If containers are not available for service, service will be skipped and noted in Customer's account. Customer will be charged for the scheduled service. Please keep both sides and the front of the container area clear by 3 foot or more, do not put refuse in front of/lean any items against the container or place any paper on the ground outside of a banker's box with an "Approved for Destruction" label. If you have extra material, please place it in a banker's box for adding to the scheduled service, given that an authorized person on the

account has requested it to be added via email prior to the scheduled service day. Truck access as described in this form must be made available at the day of service or your service may be skipped due to limited access and parking. A shred truck can return for an additional Service Ticket Trip Charge. If your building is closed or access is locked drivers will make 1 attempt to contact the Primary and Secondary Site Contacts provided before leaving and skipping service. The drivers will notate this in our system log and you will still be charged for the service. To avoid this, please let us know if a scheduled service day falls on a day your office is closed. It is the Customer's responsibility to be ready on the day of service and distribute internally our provided service calendars as needed. Stand-by time caused by the Customer is billable in quarter hour increments at \$250/hour. Please be sure you have your material ready when the driver arrives. Customers will receive a text and email reminders prior to the day of service.

**Right to Rely on Instructions.** Company may act in reliance upon any instruction, instrument, or signature reasonably believed by Company to be genuine, and may assume that any of Customer's employees or any employee of Customer's affiliates or subsidiaries giving any written or verbal notice, request, or instruction has the authority to do so. The internal process is to attempt to contact the primary or secondary contacts provided. In the event none of the contacts given are available then we will rely on the Right to Rely on Instructions.

**Security Containers/Bins/Consoles.** Company will provide the Customer with locking document collection containers as described herein. Said containers shall remain the property of Company and may only be used for collection of documents to be shredded by Company. Containers will be removed by Company upon termination of this agreement. Fees will be assessed up to \$500 per container for damage beyond normal and reasonable wear and tear to the security containers from normal use and/or failure of the Customer to return the container(s) to the Company within thirty (30) days of the termination of this Agreement. In the event Customer defaults in the payments, or Company cancels this contract for non-payment, Customer will be responsible for a liquidated sum of \$500 per container that is retained.

**Container Keys.** Bin keys are not standard issue with all installations. Keys requested by authorized persons on account they will be subject to a key risk assessment and approval by Company prior to any key releases. All key custodians must complete and return a Key Release Form to Company to receive a key set to the provided container, console or bin. It is the responsibility of the key custodian (SPOC) to maintain and control the security of the keys internally. If a key set is lost, stolen or broken, contact Company immediately. The keys shall not be duplicated, duplication of keys is considered a breach of security for our chain of custody. If an additional key set is needed, please contact Company. If the client is more than 90 days past due for invoices, access to consoles and key sets may be revoked until all past due fees are paid in full upon 15-days written notice provided. In order to release key sets, please read and understand the following rules and guidelines for all key custodians.

**Guidelines for Issued Key Sets:**

1. The Key set is for the authorized key custodians use only.
2. It is important that all containers are secured based on their location; within a secure building and surrounded by authorized employees. The security of the containers is based upon the all-encompassing document security plan the company has set in place, not the sole basis that the containers are locked.
3. When using the key set to enter the containers be aware of your surroundings. If you notice any unusual circumstances or a suspicious person in the area, contact a supervisor immediately as a good common practice.
4. There is one key set issued to one key custodian who will unlock containers when needed. Assignment and accountability of the keys is a critical procedural aspect of security.
5. It is mandatory that if you lose your key set, you report it immediately to Company. Key loss is considered misuse. Key replacement cost will be applied.
6. If your employment ends for any reason, it is mandatory that your issued key set be turned into Company in order to make appropriate changes to the account. Do not transfer your keys to someone else. All key custodian(s) need to be active and up-to date at all times.
7. Any misuse may result in revoking your key set. Misuse includes but is not limited to, loss of keys, allowing unauthorized employees to use the key, storing key in an unlocked or unsecured location, not notifying Company of a lost key, failure to comply with the key release form details.
8. The secure bins are a shared responsibility. When on-site the responsibility is solely up to the Customer. When servicing, Company takes responsibility from point of service to destruction.
9. It is understood that once a key is provided, it is a release of liability which will legally prevent the client from filing suit or making any other legal claim for damages in the event of non-authorized parties seizing access to Company's provided containers/bins/consoles.

**Equipment.** The equipment that Company provides under this agreement is its property. The Customer shall take custody of this equipment and shall not overload, or alter it while in its custody. Customer shall return the equipment when this agreement ends in the same condition as received, except normal wear and tear. The Customer shall pay for the loss of and/or all damages to the equipment and for its contents while at the Customer's location. Removal of Company's, barcodes, logo stickers, and acceptable items labels is considered as defacing Company's property. Outside of normal wear and tear the Customer will be charged the cost to replace the labels. Company's container barcodes are a pivotal part of how we provide Customers with a Certificate of Destruction. Barcodes allow a strict Chain of Custody for Customer's sensitive information. If a barcode is removed, it will be noted on Customer's account as another layer to the Chain of Custody. In the mobile shredding industry, it is inherently the nature of business that equipment breaks down and the need for immediate maintenance and repairs occur. In the event that an equipment malfunction, breakdown or repair happens, Customer will be notified if service will be impacted by the breakdown. If this happens, Company will make it our priority to reschedule anyone impacted by the breakdown within 7 business days. Weekends are utilized, when possible, to make up for any delays. If possible, another truck will work late to pick up stops impacted by the breakdown. Customer service is a priority and transparent communication is how we stay connected through less than desirable delays due to equipment issues.

**Compliance with Contracts, Laws and Regulations.** Customer shall be responsible for, and warrant compliance with, all contractual restrictions and all applicable laws, rules and regulations, including but not limited to environmental laws and contractual restrictions and laws governing the confidentiality, retention and disposition of information contained in any materials delivered to Company. Customer shall comply with applicable laws, statutes, regulations and ordinances and shall hold Company harmless in the event of any breach or violation of said laws, rules, or contractual restrictions.

**Cooperation and Assistance.** Customer shall cooperate with Company with regard to the performance of the Services, subject to normal security requirements and in a manner that is not unnecessarily disruptive to Customer's business operations, by providing to Company such information, data, access to premises, management decisions and approvals as may be reasonable to permit Company to perform the Services hereunder.

**Hazardous Substances.** Customer shall NOT provide to Company for destruction or permit the deposit for collection of, any material which is considered toxic or dangerous either in shredded state or intact, or which is regulated under any federal, state, or local law or regulation relating to hazardous materials. In the event of the accidental or negligent custodial transfer of hazardous or regulated waste, including bio-hazard, explosive, radioactive, volatile, corrosive, flammable, infectious, devices containing lithium-ion batteries and industrial process wastes, asbestos containing material, petroleum contaminated soils, treated/decharacterized wastes, and demolition debris. Customer agrees to arrange to appropriately, safely and legally assume custody of such hazardous materials at Customer's expense and further to indemnify the Company for any property damage, personal injury, or cleanup expenses resulting from such provision of hazardous substances for destruction. Title to and liability for these materials shall remain with Customer at all times.

**Material Descriptions.** Itemized lists or descriptions of contents of materials submitted by the Customer to the Company shall be generally considered for recordkeeping, reconciliation, and reference purposes only, and are not to be considered proof that said documents contained on such lists and descriptions are in fact contained in the materials accepted. Company will make provision for validation of such document contents in advance and under special pre-agreed terms and fees at the request of the Customer.

**Negotiable Items.** Customer agrees to make Company aware in writing and in advance of any instance in which negotiable instruments, including but not limited to checks, bearer bonds, travelers' checks, or coupons will be presented for destruction, and further, that in absence of such notice, Company incurs no liability related to the restitution for the value of such negotiable instruments.

**Insurance & Liability.** Company carries Worker's Compensation and Employers' Liability Insurance, Commercial General Liability Insurance, Commercial Automobile Liability Insurance. Neither party is liable to the other party for consequential, indirect, special, incidental, nor punitive damages related to this agreement. Customer is responsible for only placing acceptable items in the shred containers/bins. Customer is responsible for any charges or labor required for processing rejected unrecyclable materials, damage to Company's equipment designed for paper, or other charges incurred from the incorrect usage of the shred bins.

**Confidentiality.** "Confidential Information" means any information relating to Customer's property, business and affairs. Unless such Confidential Information was previously known to Company free of any obligation to keep it confidential, is subsequently made public by Customer or by a third party having a legal right to make such disclosure, or was known to Company prior to receipt of same from Customer, it shall be held in confidence by Company and shall be used only for the purposes provided in this Agreement. Company shall use the same degree of care to safeguard Customer's Confidential Information as it uses to safeguard its own. However, Company may comply with any subpoena or similar order related to materials delivered to Company.

**HIPAA Provisions.** Company acknowledges that in connection with this engagement with Customer it may have access to protected health information ("PHI") and therefore may be acting as a "Business Associate" (BA) under the HIPAA Privacy and Security Rules. In connection with this information, BA agrees that it (a) will not use or further disclose PHI other than as permitted to perform these services or as permitted or required by law; (b) will report to Customer, within a reasonable period of time, any use or disclosure of PHI or Breach or Security Incident not provided for by this Agreement and affecting Customer's PHI of which it becomes aware; (c) will use appropriate safeguards to prevent use or disclosure of PHI other than as permitted by this Agreement; (d) will require that all of its subcontractors and agents to which it provides PHI pursuant to the terms of this Agreement agree to all of the same restrictions and conditions to which BA is bound; (e) will make available upon Customer's request an accounting of disclosures in accordance with the Privacy Rule; (f) will make available to the Secretary of Health and Human Services upon reasonable notice the internal records and documentation necessary to determine the Customer's HIPAA compliance as it relates to this engagement; (g) will otherwise meet applicable requirements of the Privacy Rule; (h) will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that it receives on behalf of the Customer. BA also will conduct its activities in accordance with reasonable policies and procedures to detect, prevent and mitigate the risk of identity theft where reasonably applicable to BA's services.

**Presentation of Claims.** Customer must present in writing any claim with respect to any Service provided by Company within a reasonable time and in no case later than Thirty (30) days after the occurrence of the event on which the claim is based.

**Limitation of Liability.** Company shall not be responsible or liable in any manner, whatsoever, for the release or loss of any materials deposited in bins, placed on top of or next to bins or otherwise delivered to it for secure destruction unless the release or loss is due to Company's negligence or willful misconduct. Company's maximum liability for any and all claims arising with respect to Services provided under this Agreement shall not exceed the aggregate amounts paid by Customer with respect to Services provided at the particular Customer location during the six (6) months preceding the event which gives rise to a claim. In no event shall Company be liable for any consequential, incidental, special or punitive damages, regardless of whether the action is brought in tort, contract or any other theory.

**Warranties.** Customer warrants that it is the owner, legal custodian or otherwise has the right to deliver for destruction any and all materials Customer provides Company hereunder. Customer shall reimburse Company for any expenses reasonably incurred by Company (including reasonable legal fees) by reason of Company complying with its obligations under this Agreement to destroy such materials in the event of a dispute concerning the destruction of the materials provided by Customer to Company. Company hereby disclaims all express or implied warranties and guarantees related to the services. Notwithstanding this disclaimer, Company shall perform the services consistent with the professional skill and care ordinarily provided by companies practicing in the same or similar locality under the same or similar circumstances. This agreement doesn't establish a fiduciary relationship between the parties. Customer warrants that its right-of-way access is sufficient to carry the weight of Company's equipment and vehicles and shall pay for any damage to its property, including pavement, subsurface or curbing, resulting from the shred services. Company will recommend best placement of containers for optimum access & safety – if Customer requests a service location that is deemed unsafe by a Company employee, as damage may occur or access is limited, the Customer is liable for costs for damages that may occur.

If the container is moved from the original location by any persons not employed by the Company, the Customer is responsible for any damages to the container and/or Customer property.

**Binding Nature and Assignment.** This Agreement shall be binding on the parties and their respective successors and assigns.

**Force Majeure.** Each party shall be excused from any delay or failure in performance under this Agreement for any period if and to the extent that such delay or failure is caused by acts of God, governmental actions, labor unrest, riots, unusual traffic delays, failure of a positioning system or wireless or power network or the Internet, or other causes beyond its control.

Weather conditions may affect service schedules for service addresses deemed unsafe for driver, truck & equipment operation. As such, Company will reschedule with the least amount of impact to Customers' scheduled service and notify the primary authorized person on the account of the rescheduled date and time in hopes of getting the reschedule accomplished with the least amount of service interruption. Company's goal is to reschedule within 7 business days.

**Relationship of Parties.** Company is acting as an independent contractor hereunder and has the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all work to be performed by Company under this Agreement.

**Invalidity.** Neither this agreement nor any provision herein may be waived, amended, modified, canceled, terminated or otherwise changed or discharged by Customer. If any provision of this agreement is held void or unenforceable, it shall not affect the enforceability of any other term or condition in this agreement, and shall not void any liability of any party to this agreement.

**Waiver of Breach.** No breach of this agreement shall be deemed material unless the party alleging such a breach shall have given written notice of said breach to the other party, via certified mail, return receipt requested, and such other party fails to cure such breach within forty-five (45) days, after receipt of said notice. Waiver of a breach of any provision of this agreement shall not be deemed or construed to be a waiver of any subsequent breach.

**Holidays.** Company observes all standard Federal and Local Government Holidays including; Martin Luther King, Jr. Day, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day. Scheduled service falling on observed holidays, will be serviced on the following business day or rescheduled to a more appropriate day in conjunction with the Primary Site Contact and the Arctic Shred Dispatcher.

**Termination.** Customer may terminate this agreement for any reason, provided written notice is given Ninety (90) days prior to the date of termination. If the contract is terminated by the Customer within the first contract term, the cost of bins purchased to service this contract will be billed back to Client. This cost will be prorated by the number of months remaining on the Agreement at the time of termination (rounded to nearest month) and based on a purchase price (including shipping and labor to install) of \$500 per bin. If termination by Customer is prior to the end of a contract term, the remaining months left on the term will be prorated (rounded to the nearest month). Customer will be responsible for the number of months remaining at 100% of the total cost. This cost will be based on the invoice total of the previous month. If termination is for breach by Company, no early termination penalties shall apply including bin bill back. The termination of this agreement shall not release either party from any obligation that has accrued as of the date of termination. Third party cancellations will not be accepted. Company may terminate this Agreement at any time, without cause, by providing 30 days written notice to the Customer. Either Party may terminate this Agreement immediately if the other Party becomes insolvent, files a petition for bankruptcy, makes any breaches any of the material responsibilities or obligations under this agreement, which breach is not remedied within 45 days from receipt of written notice of such breach.

**Business Relocation.** Relocation of the service site may be subject to an adjustment of charges due to foot logistics, stairs, additional time to access and service bins or other conditions that may add time to the service schedule. It is the Customer's responsibility to notify Company prior to any relocation of Company's Service Containers/Bins.

**Dispute Resolutions.** If there is a dispute between Company and Customer, then all parties shall make best efforts to resolve the dispute outside of court. If the dispute cannot be resolved by negotiation, then the parties shall consider mediation or arbitration to resolve the matter. As a last resort, any of the parties to this agreement can bring a claim to court. If that happens, then all the parties to this agreement knowingly, voluntarily and intentionally waive any right they may have to a trial by jury in respect to any litigation arising out of, under, or in connection with this Agreement and all other agreements executed or contemplated to be executed in connection herewith. Anchorage, Alaska is the exclusive venue for all claims arising out of this agreement and each party consents to the personal jurisdiction thereof. If any action by arbitration, at law or in equity is necessary to enforce or interpret any of the rights or obligations under this Agreement, both Parties shall be responsible for their own attorney's fees, costs and necessary disbursements in addition to any other relief to which the prevailing Party may be entitled.

**Notices:** The parties shall give all notices required in this agreement to the addresses specified below as follows (deemed received as specified in parentheses): by hand (upon delivery), via overnight FedEx or UPS (24 hours after deposit), by email (email confirmation), or by first class certified or registered mail, return receipt requested, postage prepaid (48 hours after deposit in the mail). Waivers must be in writing. No clause is to be construed against another party since this agreement was negotiated in the spirit of mutual cooperation. Neither party is liable for force majeure events. All notices are to be sent to the following:

**For Company:**

JSR Business Services, LLC dba Arctic Shred  
P.O. Box 111666  
Anchorage, Alaska 99511  
Email: [Steven.rupp@arcticshred.com](mailto:Steven.rupp@arcticshred.com)

**For Customer:**

Information provided within Attachment A

**Miscellaneous.** This agreement contains the entire agreement among the parties. The parties may amend this agreement in a writing signed by all parties. Alaska law controls this agreement. Information provided herein is proprietary to the Customer and Company. It is not to be shared with third parties. Confidentiality Notice: This document is intended for the sole use of the individual and entity to whom it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the addressee, nor authorized

to receive for the addressee, you are hereby notified that you may not use, copy, disclose or distribute to anyone the message or any information contained in the message. DISCLOSURE OF CONFIDENTIAL INFORMATION IS PROHIBITED BY AMC 1.15.120. This communication is also covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521  
Your electronic signature constitutes acceptance of this Agreement and the above Terms and Conditions.

For Company:

JSR Business Services LLC., dba Arctic Shred

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

For Customer:

(As noted in Attachment A)

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_