

SERVICE AGREEMENT

This Agreement is entered into as of the ____ day of January 2005, between The City of Taylor ("the City") and Centex Mailing Services, a division of Lauderdale Enterprises, LLC ("Centex"). Subject to the terms and conditions of this Agreement, the City hereby engages Centex to perform the services set forth herein, and Centex hereby accepts such engagement.

1. Duties, Term, and Compensation. Centex's duties, term of engagement, compensation and provisions for payment thereof shall be as set forth in the estimate previously provided to the City by Centex and which is attached as Exhibit A, which may be amended in writing from time to time, or supplemented with subsequent estimates for services to be rendered by Centex and agreed to by the City, and which collectively are hereby incorporated by reference. Invoices will be prepared in accordance with Centex's standard invoicing practices and will be submitted to City by Centex monthly, unless agreed otherwise. City shall review invoices submitted by Centex within 30 days of receipt and shall promptly either approve and pay said invoices or notify Centex of any disputed items. During the term of this Agreement, Centex shall bill and the City shall reimburse Centex for all reasonable and approved out-of-pocket expenses that are incurred in connection with the performance of the services hereunder.
2. Insurance. Centex shall procure and maintain worker's compensation, general liability, and automobile liability insurance acceptable to City. Centex shall deliver certificates of insurance evidencing the coverage. Such certificates shall be furnished prior to commencement of Centex's services and at renewals thereafter during the life of the Agreement.
3. Indemnification. To the fullest extent permitted by law, both City and Centex shall indemnify and hold harmless the other, the other's officers, directors, partners and employees from and against any and all costs, losses and damages (including, but not limited to, all fees and charges of City's attorneys and other professionals and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of indemnitor or indemnitor's officers, directors, partners, employees, or indemnitor's contractors in the performance and furnishing of services under this Agreement.
4. Merger. This Agreement shall not be terminated by the merger or consolidation of the City into or with any other entity.
5. Termination. City may terminate this Agreement upon 30 days written notice in the event of substantial failure by Centex to perform in accordance with the terms hereof through no fault of the terminating party. Notwithstanding the foregoing, this Agreement will not terminate as a result of such substantial failure if the party receiving such notice begins, within seven days or receipt of such notice, to correct its failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt thereof. Centex may terminate this Agreement upon 120 days written notice to the City.
6. Independent Contractor. This Agreement shall not render Centex an employee, partner, agent of, or joint venturer with the City for any purpose. Centex is and will remain an independent contractor in relationship to the City. The City shall not be responsible for withholding taxes with respect to Centex's compensation hereunder. Centex shall have no claim against the City hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.
7. Successors and Assigns. All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, if any, successors, and assigns.
8. Choice of Law. The laws of the state of Texas shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto. Venue for any cause of action arising from this Agreement shall be Williamson County, Texas.
9. Mediation. The parties agree that if any disputes should arise as a result of the Agreement that the parties will voluntarily submit the issue to mediation prior to any lawsuit being filed.

